

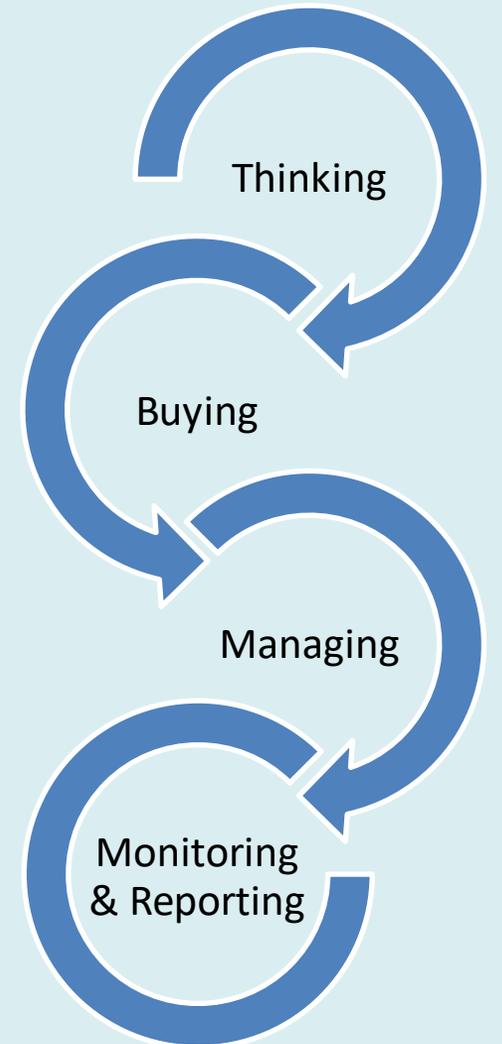
Scoring Social Value in Construction Contracts

Information Session for Suppliers

Learning Outcomes

- > Explain how public bodies in Northern Ireland **score social value** in public tender competitions in accordance with [Procurement Policy Note \(PPN\) 01/21 \(Scoring Social Value Policy\)](#).
- > Outline the **social value approaches** public bodies in Northern Ireland use in public tender competitions.
- > Detail how public bodies in Northern Ireland **monitor the delivery of social value** requirements.

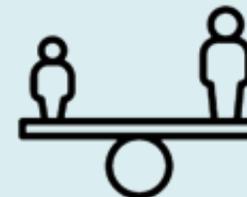
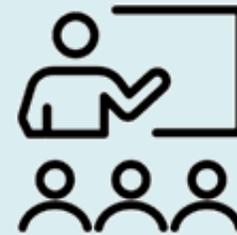
Queries on live tenders should be dealt with through the clarification process.



Social value in public contracts

“Social value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment” PPN 01/21

- Pro-bono professional advice to organisations in the VCSE sector
- Employment opportunities for people disadvantaged in the labour market
- Modern slavery and human rights due diligence
- Including social enterprises in the supply chain
- Environmental protection and improvement initiatives and reducing carbon emissions
- Supporting the health and wellbeing of the contract workforce
- Offering training opportunities and work experience opportunities
- Ensuring in-work progression and skills development



PPN 01/21 – Scoring Social Value

- > From 1st June 2022, tenders must allocate a **minimum of 10%** of the total award criteria to social value.
- > This 10% minimum applies to contracts for **services and works** above the threshold where the Procurement Regulations apply.
 - > - £5,336,937 Works
 - > - £138,760 Services
- > Where appropriate, public bodies can also:
 - score for social value on contracts outside of these thresholds.
 - give greater weight to social value than the 10% minimum.
- > Social value will be scored based on 4 themes.



PPN 01/21 – Scoring Social Value

- > Social value will be scored based on 4 themes:



- > Each theme is aligned to the draft Programme for Government outcomes.
- > Each theme is broken down into a set of indicators and aims to address risks and maximise opportunities to deliver social value in relation to the area in question.

Themes



Increasing secure employment and skills



This theme aims to create employment and training opportunities for those who are disadvantaged in the labour market, contribute to in-work progression and skills development, create opportunities for entrepreneurs and support economic growth.



Building ethical and resilient supply chains



This theme aims to tackle employment inequality, reduce the risk of modern slavery and human rights abuses within the supply chain, and promote diverse and secure supply chains.

Themes



Delivering zero carbon



This theme aims to promote environmental benefits, influence environmental protection and improvement and work towards net zero greenhouse gas emissions



Promoting wellbeing



This theme aims to improve the health and wellbeing of the contract workforce, tackle employment inequality, contribute to in-work progression and skills development, and improve community integration.

Themes and Indicators



Building ethical and resilient supply chains

2.1 Demonstrate action to promote collaboration and a fair and responsible approach to working throughout the supply chain

2.2 Demonstrate action to promote ethical supply chains and practices; and, identify and manage risks of modern slavery and human rights abuses in the delivery of the contract, including in the supply chain.

2.3 Maximise security of supply, for example by minimising proximity of supply chains to point of delivery

2.4 Create a diverse supply chain to deliver the contract including new businesses and entrepreneurs, start-ups, SMEs and VCSEs.

Thinking Social

Pre-procurement

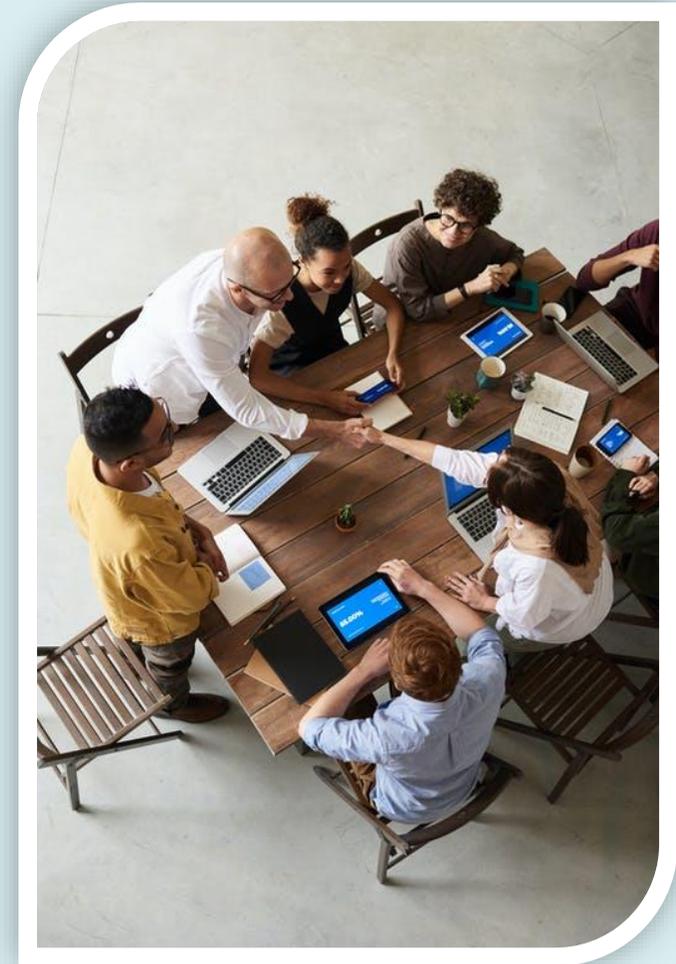
Suppliers should attend supplier engagement events and respond to pre-procurement engagement questions.

You can communicate and highlight:

- > the market capacity and capabilities
- > how the market could enhance and maximise opportunities to add social value

This can lead to:

- > more innovative social value initiatives
- > better social value outcomes



Social Value Points in Construction

Social Value Points

- > Social value points ensure social value outcomes are delivered in a **measurable, proportionate and flexible** manner.
- > Each Social Value Indicator from PPN 01/21 is broken down into subsequent initiatives.
- > These Initiatives are the physical things that a contractor can deliver in order to achieve social value on a contract.
- > **Each initiative has been allocated a number of social value points.**

Theme 1: Secure Employment and Skills

PFG OUTCOMES	SOCIAL VALUE INDICATOR	SOCIAL VALUE INITIATIVES	AMOUNT	SOCIAL VALUE POINTS (pro rata)
<ul style="list-style-type: none"> • We all enjoy long, healthy, active <u>lives</u> • Everyone can reach their <u>potential</u> • We have a caring society that supports people throughout their <u>lives</u> • We have an equal 	4.1 Support the health and wellbeing, including physical and mental health, in the contract <u>workforce</u>	Health and Wellbeing initiatives to support employees including those working remotely on the contract.	8 hours of support	10
		Initiatives to reduce the stigma of mental illness and increase awareness of health and well-being issues among employees and managers engaged on the Contract.	8 hours of support	10

Social Value Points – the approach

- > Requires the Supplier to deliver a **minimum of 100 social value points per £1m** of contract value (and pro-rata).
- > The Supplier will have **flexibility to choose** which of those initiatives they deliver.
- > **HOWEVER:** The contracting authority may wish to set a minimum target for some initiatives, for example a minimum of 20% to be delivered to priority groups
- > A number of initiatives have been made Mandatory Requirements. These are strategies which are expected to be delivered on **above threshold** contracts.
- > Social value points tenders are assessed and given a score based on the tenderer's methodology for delivering the minimum social value points for that contract.

Tailoring Initiatives

The Contracting Authority may choose to influence how the social value delivered through the contract can help deliver Departmental or other priorities in two ways:

- > Incentivising Suppliers to deliver social value outcomes to their priority groups by increasing the social value points for those groups. For example, Young people on the Looked After Child pathway.
- > Setting minimum or maximum requirement around specific social value initiatives. For example stating that a minimum of 50% of the points target must be achieved through employment initiatives.

It is important that you check the tender documentation to see if the Contracting Authority has included any minimum or maximum requirements around initiatives and ensure that your Social Value Delivery Plan addresses these requirements.

Social Value Delivery Plan

1	Approach for the delivery of the social value requirements set out in <<insert name>> ***For use in Build contracts only***				
2					
3	The Contractor must deliver a minimum value of 100 Social Value points for every £1 million (and pro-rata) of contract value.				
4	Estimated value of contract (in millions)		million		
5	Total Social Value points to be delivered		0 Social Value points		
6					
7					
8	Social value initiative	Points calculation	Unit of Measurement	Planned Delivery [to be completed by Bidder]	Points Value
9	Paid employment for people who face barriers to employment.	52 weeks = 75 points	Number of FTE person weeks which will be delivered throughout this contract		0
10	Paid employment for people from the Client's priority group.	52 weeks = 90 points	Number of FTE person weeks which will be delivered throughout this contract		0
11	Paid employment for people with a disability	52 weeks = 90 points	Number of FTE person weeks which will be delivered throughout this contract		0
12	Paid employment Apprentices	52 weeks = 75 points	Number of FTE person weeks which will be delivered throughout this contract		0

Social Value Points – methodology

- > timescales for delivery of the social considerations requirements;
- > the resources, both internal and external, that the tenderer will use to plan and deliver the social considerations;
- > the activities the tenderer will undertake to deliver the social considerations selected within the completed Social Value Delivery Plan including how they will engage with key stakeholders (e.g. social value beneficiaries, organisations within the voluntary, community and social enterprise sector);
- > confirmation that the planned activities are additional to activities the tenderer already undertakes; and;
- > how the tenderer will monitor and report on the delivery of the social value requirements and address any performance issues.

Suppliers should check the invitation to tender carefully as the above is for guidance only.

Changes

- Wider eligibility criteria for paid employment (e.g. people with a disability, people underrepresented in the sector)
- Apprentices can count towards the target for the duration of their time working on the contract
- Points available for retention of people recruited under 'paid employment'
- Wider range of initiatives

Social value points approach - Tips

- > Check the social value schedule for eligibility criteria for each of the initiatives.
- > Check and confirm that you have met any minimum mandatory requirements.
- > If you have selected to deliver the initiatives to the Client's priority groups make sure you detail in your methodology how you will do this.
- > Submit the social value delivery plan and methodology.

Social Value Points

Benefits

- > Qualitative assessment
- > Ensures proportionality - targets are based on invoiced value
- > Flexibility for the Supplier
- > Progress reported via the Social Value monitoring system
- > Quantifiable social value outcomes support effective contract management

Evaluation

Evaluating social value

Panel members assess and score the quality of the social value response at evaluation stage, in the same way as they would do for any other evaluation criteria designed to assess quality.

Tenderers submit:

- > Written methodology response
- > Social value delivery plan

The panel member uses a scoring matrix to score the **quality** of the response. The matrix is included in the contract's invitation to tender.



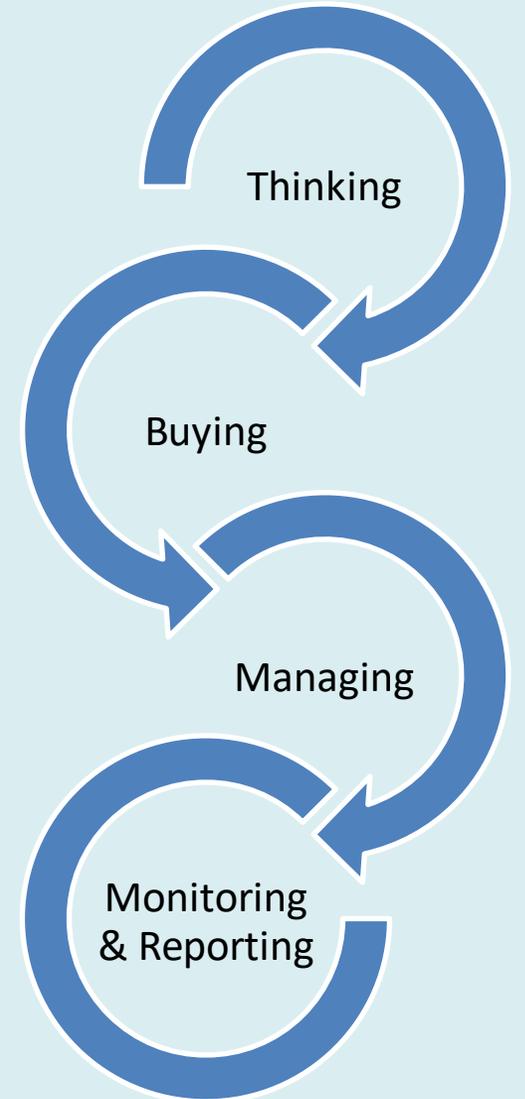
Social value methodology response

Here are some tips that can help you demonstrate social value:

1. Do your research.
2. Be specific.
3. Understand what is required of you.
4. Be relevant.
5. Ensure additionality
6. Be realistic



Social Value in below PCR Contracts



Construction contracts £500k – PCR threshold

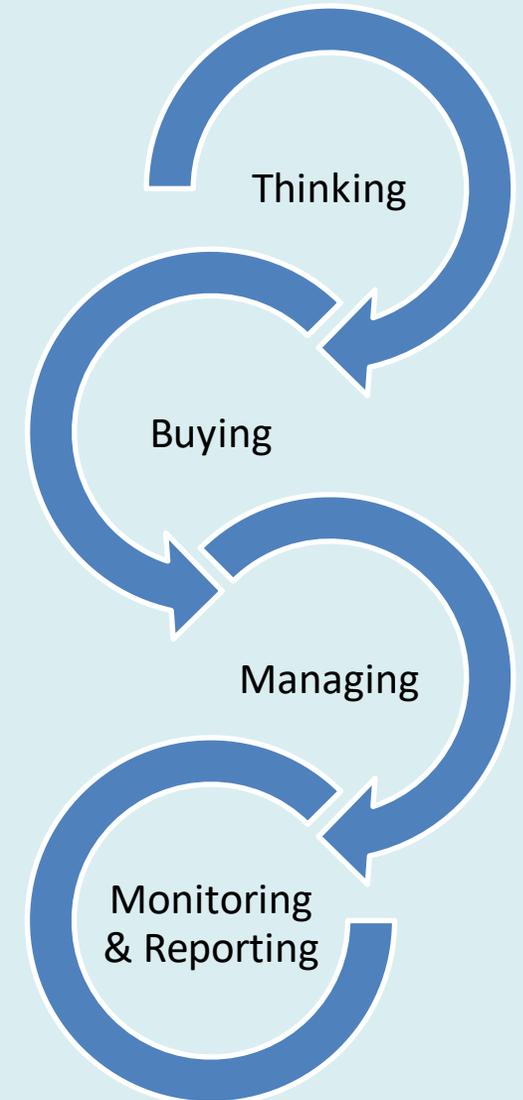
Although PPN 01/21 refers to the mandatory requirement to score Social value in Contracts above PCR threshold, Contracting Authorities are keen to maximize value for money on all contracts.

Social Value will usually be included as Contract Conditions using the points based approach in below threshold works contracts.

A target of 100 Social Value points per £1m and pro-rata should still be included in contracts over £500k.

Usually no mandatory requirements

The winning Tenderer may be required to complete a Social Value Delivery Plan



Managing and monitoring social value

Social Value Monitoring System

When a contract is awarded, Suppliers will:

- > Receive login details and guidance on how to add information relating to the delivery of their targets;
- > Receive a reminder to update the report (however, suppliers can log in at any time);
- > Record their progress to date against each indicator;
- > Be emailed a report at regular intervals, along with the Client Project Manager.



Tips for monitoring

- > Become familiar with the clauses
- > Be aware if the number of points available are capped for an initiative
- > If in doubt about eligibility of an activity, speak to your Contract Manager
- > Use the notes section on the Monitoring System
- > Consult the Monitoring System User Guide
- > Complete Data Processing Agreement & Consent Forms
- > Add End Dates after paid employees move on



Managing Social

Social value requirements must be delivered in line with contractual commitments and must be adequately managed to ensure value for money.

If you don't deliver the social value committed to you could face:

Contractual/legal issues

Reputational damage

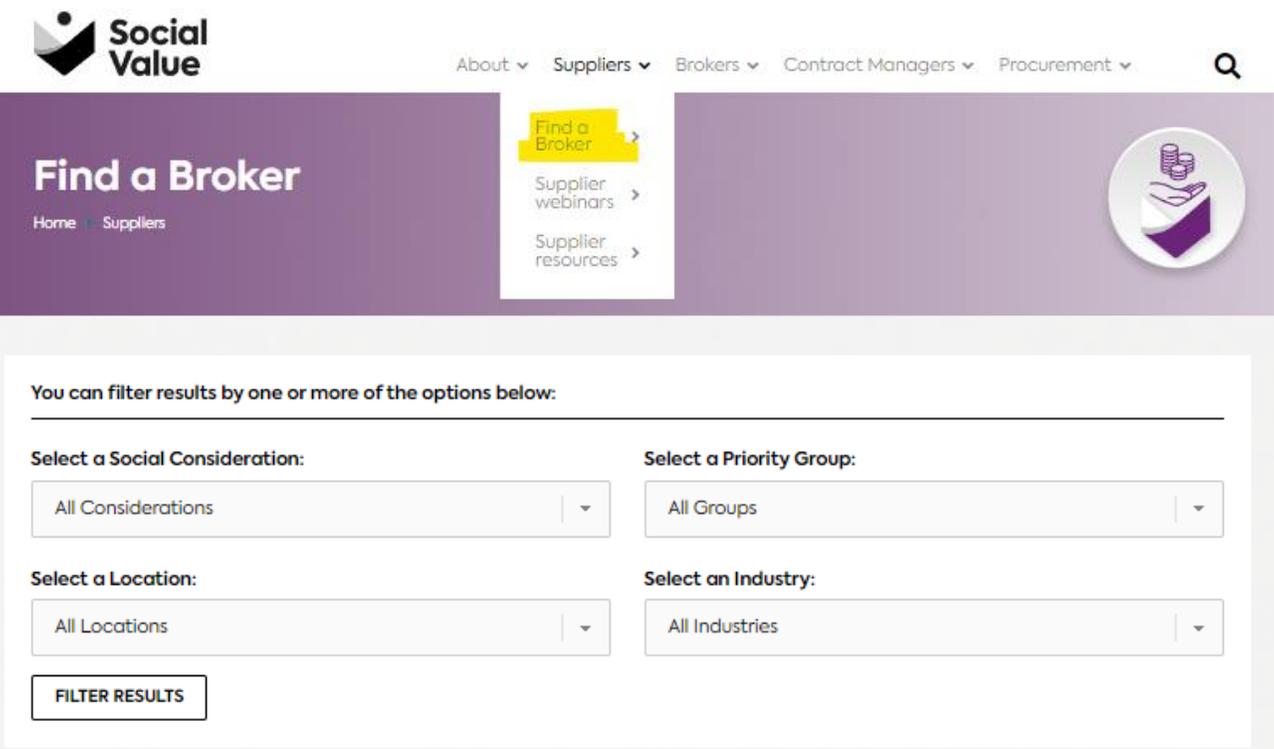
- > Sourcing toolkits – Contract Management
- > Protocol for Managing Supplier Poor Performance

Find a Broker

Brokers are organisations in Northern Ireland who:

- > can benefit from the social value initiatives public sector suppliers deliver; or,
- > work with people who can benefit from the social value initiatives.

- > The 'Find a Broker' section on the Social Value website (<https://socialvalueni.org/contractors/find-a-broker/>) helps suppliers who win public contracts find brokers who can assist them in delivering their social value requirements.



Social Value About ▾ Suppliers ▾ Brokers ▾ Contract Managers ▾ Procurement ▾ 

Find a Broker

Home ▾ Suppliers

- Find a Broker ▸
- Supplier webinars ▸
- Supplier resources ▸

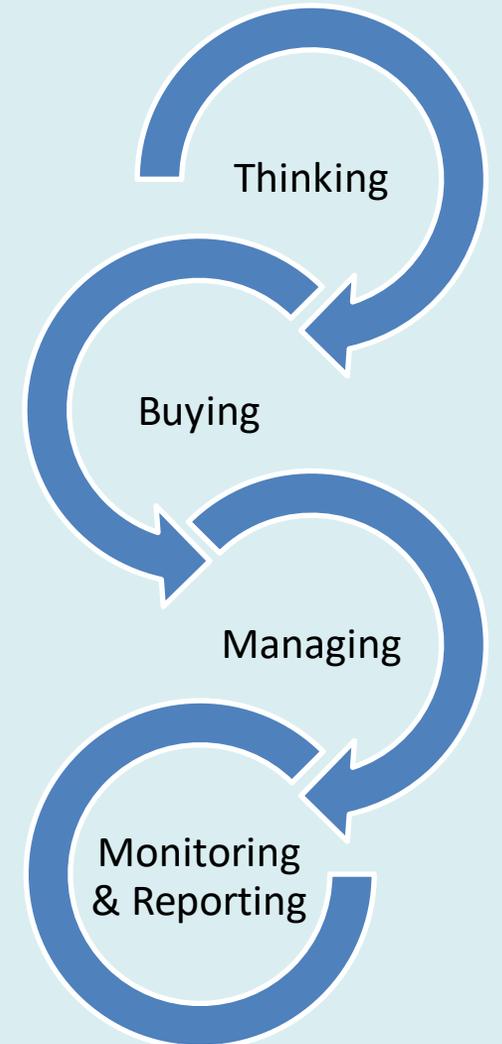
You can filter results by one or more of the options below:

Select a Social Consideration: All Considerations ▾	Select a Priority Group: All Groups ▾
Select a Location: All Locations ▾	Select an Industry: All Industries ▾

FILTER RESULTS

Summary

- > A **minimum of 10% of total award criteria will be allocated to social value** in all works contracts above the threshold where the Procurement Regulations apply.
- > Suppliers should attend any supplier engagement events and respond to **pre-procurement engagement** questions.
- > The social value approach is based on the **4 social value themes**
- > The social value approach **evaluates tenderers' qualitative responses** to the award criterion.
- > **Monitoring progress** of a contract helps to keep to agreed targets and ensure value for money.



Resources

Available on the Social Value Unit website:

- > Scoring social value guidance for suppliers
- > Social Value Delivery Plan templates
- > Broker portal
- > Training webinars for suppliers

