**SLIDE 1**

This is an information session for people involved in tender evaluation panel. The session sets out how social value is included in public contracts in Northern Ireland and practical advice on how the social value requirements can be evaluated as part of the tender process.

**SLIDE 2**

By the end of this session, you will be able to:

* Outline the social value approaches public bodies in Northern Ireland use in public tender competitions.
* 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)](https://www.finance-ni.gov.uk/publications/ppn-0121-scoring-social-value).
* Detail how social value should be evaluated.

Note that it is assumed that you have completed any training that is mandatory to complete prior to being on a tender evaluation panel. You should also be familiar with PGN 04/16 Selection and Tender Evaluation Procedures. This course is not a substitute for completing tender evaluation training.

**SLIDE 3**

Public procurement is an important source of expenditure in Northern Ireland, with central and local government spending upwards of £3 billion annually on supplies, services and construction works. This expenditure offers tremendous potential to contribute to the economic, environmental and social outcomes contained in the Executive’s Programme for Government.

Social value refers to the wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment.

The social value derived from a public contract is the positive legacy created through its performance such as a more diverse workforce, fewer single use plastics in the environment and more cohesive communities.

Think about when you buy a takeaway hot drink from a café. More and more of us are now conscious to bring a reusable cup with us. In doing so, we are saving money, reducing waste and reducing carbon emissions – that is Social Value.

Many of us are already making purchasing decisions in a way that delivers social value, and now it is time to bring this mindset into the workplace and harness the potential of Northern Ireland’s spending power.

**SLIDE 4**

Procurement Policy Note 01/21 was approved by the Executive in July 2021 and has the status of government policy.

The PPN mandates that from 1 June 2022 public sector tenders must allocate a minimum of 10% of the total award criteria to social value in services and works contracts where the Procurement Regulations apply. It is not currently mandatory to score social value in supplies contracts though some Contracting Authorities may opt to do this.

Where appropriate, public bodies can also:

* score for social value on contracts outside of these thresholds and/or
* give greater weight to social value than the 10% minimum.

The policy will be reviewed ahead of 2023 with a view to increasing the % of the total award criteria to 20% for social value.

**SLIDE 5**

PPN 01/21 provides a framework of themes and indicators which are linked to the Programme for Government outcomes. A common framework enables suppliers to develop a shared understanding of the social value requirements of public contracts and how they will be scored.

There are 4 themes:

* Increasing secure employment and skills
* Building ethical and resilient supply chains
* Delivering zero carbon and
* Promoting wellbeing

Each theme is broken down into a set of indicators.

Contracting Authorities may select indicators from one or multiple themes for inclusion in the social value requirements of the contract, in order to reflect the subject matter of the contract and the Authority’s strategic priorities.

**SLIDE 6**

Each theme aims to address risks and maximise opportunities to deliver social value in relation to the area in question, so:

* Increasing secure employment and skills 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 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.

**SLIDE 7**

* Delivering zero carbon aims to promote environmental benefits, influence environmental protection and improvement and work towards net zero greenhouse gas emissions
* Promoting wellbeing 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.

**SLIDE 8**

Each theme is broken down into a set of indicators.

Contracting Authorities may select indicators from one or multiple themes for inclusion in the social value requirements of the contract, in order the Authority’s strategic priorities.

Here we have the 4 indicators that relate to the building ethical and resilient supply chains theme:

* 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.

You can access a list of all the Social Value Themes and Indicators in the Scoring Social Value guidance document available in the Procurement section of the Social Value Unit website.

**SLIDE 9**

Contracting Authorities will score for social value based on the 4 themes. A common framework enables contracting authorities and suppliers to develop a shared understanding of what social value requirements will be taken into account and how they will be scored.

**SLIDE 10**

The social value model sets out two options for scoring social value depending on the size and nature of the contract:

* social value points; and,
* an alternative to using social value points.

Both approaches are based on the 4 social value themes and both evaluate Tenderers’ qualitative responses to the award criterion. Therefore the response is evaluated based on a methodology setting out how the tenderer will deliver the required social value against the particular themes/indicators set out.

To establish which approach has been used to score the social value of a particular contract, Evaluation panel members should review the social value requirements which have been included in the Invitation to Tender and supporting contract papers

We will now look at how the social value points approach works.

**SLIDE 11**

The social value points approach is the default position for all Services and IT contracts with a value of over £250,000 per annum.

Using social value points ensures that social value outcomes are delivering in a measurable, proportionate and flexible way.

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.

**SLIDE 12**

When a tender uses the social value points approach:

* The Supplier is required to deliver a minimum of 100 social value points per £1m of contract value (and pro-rata).
* The points are capped at an averaged contract value of £3m per annum. This may be increased on a contract by contract basis.
* The Contracting Authority selects the Social Value Theme(s)/Indicator(s) which are relevant to the contract.
* Each Social Value Indicator from PPN 01/21 is broken down into subsequent initiatives. Each initiative has been allocated a number of social value points.
* The Supplier will have flexibility to choose which of those initiatives they deliver.

**SLIDE 13**

When responding to a tender that uses social value points, tenderers will be required to submit two things. The first is a Social Value Delivery Plan setting out how they will deliver the specified minimum number of points and the second is a written methodology detailing how they will action the initiatives they have set out in the delivery plan.

Tenderers do not have to deliver against every social value initiative selected by the Contracting Authority and included in the Social Value Delivery Plan. The tenderer must ensure that the initiatives they do plan to action deliver will the minimum number of social value points. In this example, you can see the tenderer is going to deliver 832 weeks of paid employment, 400 hours of digital skills development and an in-work progression and skills development strategy with annual updates. They do not intend to deliver work placements or include a social enterprise in the supply chain. The minimum indicative number of points will be proportionate to the contract value.

**SLIDE 14**

So the Social Value Delivery Plan we have just looked at is part one of the tenderer’s response and the methodology is the second required component. Through the methodology, the tenderer details how they will deliver the initiatives they have set out in the delivery plan.

The text on this slide is copied from the Model Award Criteria document which is available to download from the Social Value Unit website. You will note the parts that need to be edited are highlighted here in red.

**SLIDE 15**

This is again copied from the Model Award Criteria document, which carriers on to set out some supplier guidance for tenderers.

As you can see, the methodology evaluates the following areas:

* timescales for delivery of the social value requirements;
* the resources, both internal and external, that the tenderer will use to plan and deliver the social value requirements;
* the activities the tenderer will undertake to deliver the social value initiatives 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

Panel members should check the invitation to tender carefully for the award criteria as the above is for guidance only.

**SLIDE 16**

The benefits of the social value points approach are that:

* the qualitative assessment does not disadvantage VCSEs and microbusinesses
* it ensures proportionality as targets are based on invoiced value
* it offers flexibility for the Supplier
* progress is reported via the online Social Value monitoring system, making it easy to monitor for both supplier and contracting authority
* it requires quantifiable social value outcomes which supports effective contract management

**SLIDE 17**

As mentioned earlier, the social value model sets out two options for scoring social value depending on the size and nature of the contract:

* The social value points approach; and,
* an alternative to using social value points.

We will now look at the alternative approach.

The alternative approach does not focus on social value points. Instead, the contracting authority selects the relevant social value theme(s) and appropriate indicator(s). The Contracting Authority will include an evaluation question focussed on achieving the indicator(s) under the selected theme(s). The evaluation panel will assess and give a score based on how well the bidder’s tenderer’s methodology addresses the selected social value theme and indicator(s).

The alternative approach may be used when:

* The contract is below £250,000 per annum per supplier
* The contract is high value but over a short duration, e.g., 6 months.
* There is an overriding social value theme/indicator that the Contracting Authority wish to address.

**SLIDE 18**

The evaluation panel will assess and give a score based on how well the bidder’s tenderer’s methodology addresses the selected Social Value Theme(s) and Indicator(s).

A minimum weighting of 10% of the overall award criteria will be applied (this will be subject to review from June 2023).

**SLIDE 19**

The text on this slide is copied from the Model Award Criteria document for the alternative approach which is available to download from the Social Value Unit website. You will note the parts that need to be edited are highlighted here in red.

In the Model Award Criteria document, you will see each Indicator is taken in turn, with a list of Social Value Initiatives related to the indicator.

To be clear - these are example of possible initiatives that relate to the indicator– a tenderer does not need to provide all the initiatives. They are provided for supplier guidance only to help tenderers respond to the evaluation question which asks how they will address the selected Social Value Indicator(s) and Theme(s).

**SLIDE 20**

As with the model award criteria for Social Value Points, supplier guidance is included to set out what tenderers need to address in their response:

* The activities they will undertake and metrics for each activity;
* timescales for delivery of the social value requirements;
* the resources, both internal and external, that the tenderer will use to plan and deliver the social value requirements;
* 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.

**SLIDE 21**

Now that we have looked at the award criteria, we will look at how tenderer’s responses are evaluated.

**SLIDE 22**

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:

* A Written methodology response which details how the tenderer will address all the requirements of the social value award criteria; and,
* If the contract uses the social value points approach, they also submit a Social value delivery plan. The Social Value Delivery Plan allows the tenderer to set out the initiatives they plan to deliver and demonstrate how they will meet the points target.

The panel member uses a scoring matrix to score the quality of the response. There is a model scoring matrix included in the Scoring Social Value guidance document, or you may want to use a different one that is used in your organisation

**SLIDE 23**

Here are some tips for panel members when evaluating the social value award criterion.

1. Familiarise yourself with the award criteria, relevant schedule, the tenderer’s response and relevant clarification responses.
2. Do not comparatively evaluate tenders.
3. Check the tenderer’s response is in the correct format (as set out on the procurement documentation).
4. Check the tenderer has confirmed that they will meet any mandatory requirements.
5. The tenderer’s social value response should relate to this contract only.
6. The tenderer shouldn’t receive any credit for general corporate social responsibility policies.

These are also covered in the eLearning which is available through LiNKS or on the Procurement Section of the Social Value Unit website. The eLearning may be useful for evaluation panel members to complete too. It takes around 45 minutes to complete.

**SLIDE 24**

To achieve full marks the bidder will have:

* addressed all the criteria set out in the award question fully
* set out not just what they will do but how they will do it
* confirmed they will deliver any minimum mandatory requirements
* confirmed that the planned activities are additional to activities the tenderer already undertakes

We will now look at an example response, to apply what you have learned so far. There will be a copy of the worked example available to download from the Social Value Unit website. Please note: this is an example extract of a response which has been developed for training purposes only.

**CHANGES SCREEN TO WORD DOCUMENT**

Here you can see the model award criteria taken from the model award criteria document which we looked at earlier. The procurement officer has filled in the locations of where the Social Value Schedule is in their tender documentation and also inserted the minimum indicative value of social value points that must be delivered in this contract. You will recognize the question and the supplier guidance which we’ve already talked through earlier in this session.

So here is the extract of the sample bidder’s response. We have included the Social Value Delivery Plan on one screen to make this as seamless as possible but you would receive it as an excel document. From the Social Value Delivery Plan you can see that this bidder is intending to deliver:

* Paid employment
* Unwaged work placements
* In-work progression and skills development strategy with annual updates
* Include Social Enterprises in the contract’s supply chain and
* An environmental strategy with annual updates

Resulting in a total number of social value points which will be delivered by this plan of 718 and the total social value points that is required to be delivered by this contract is 700; so, you can see, that the Social Value Delivery Plan is ensuring and showing how the bidder will deliver the minimum indicative number of social value points required.

So we will scroll on down to their methodology response and you can see on the right hand side we have added comments which you can spend some time going through as to where in their response they have addressed each element of the social value award criteria. At the top you will see they have committed to deliver the minimum 700 social value points over the life of the contract. They have then talked about the activities are additional to activities they already undertake – so you can see on the second paragraph there – and stated that, for the avoidance of doubt, they have only listed those initiatives which are additional to social value activities they already undertake.

They then take each social value initiative in turn. The first one is paid employment opportunities. The headline action is delivering 260 weeks of paid employment opportunities for people who face barriers to work and then they have set out how they will ensure this is delivered in practice, talking about external resources, timeframes, activities they will undertake, internal resources around who is going to be responsible for the social value initiatives, as well as external resources linking with other organisations. They also have included examples of stakeholders they will engage with and set out how they will monitor, manage and address performance issues.

The response would then of course go on to address the other social value initiatives selected for inclusion in their Social Value Delivery Plan but hopefully this gives you an idea of how a response can be evaluated and the things that you are looking for based on the social value award criteria as you go through their response and decide on a final score for their response.

**SLIDE 25**

When you have decided upon a score, in line with the scoring matrix included in your tender documentation, you will be required to write feedback explaining why that score was given.

The feedback provided should provide a clear rationale for the score given in line with the scoring matrix:

* set out clearly which aspects of the criteria were addressed
* explicitly stated which specific areas could have been improved (if any)
* indicated how the score could have been enhanced (if so).

Do not include comments that cannot be substantiated.

**SLIDE 26**

To summarise, when evaluating social value as part of the award criteria of a tender:

Check which social value approach has been used in the contract (alternative or social value points)

* Familiarise yourself with the award criteria, relevant schedule, the tenderer’s response and relevant clarification responses.
* Evaluate the response in the same way you would as any other quality aspect (you should have completed any mandatory tender evaluation training).
* The response provided by the bidder should be specific to the requirements set out in the contract documentation.
* Decide on a score in line with scoring matrix set out in the tender documents.
* Provide relevant feedback to the bidder, clearly setting out what was good about the response and what could have been improved (if anything).

**SLIDE 27**

All the guidance and webinars we have mentioned today are available to access via our website at [www.buysocialni.org](http://www.buysocialni.org)