

# Whitepaper OnDemand Public Procurement Conference

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Integrating social value effectively.  
How do you effectively incorporate and evaluate  
Green Procurement and Social Value objectives  
in tenders and ensure that bidders fulfil their  
commitments?

When do I start thinking about social value?

# Public Services (Social Value) Act 2012

- Applicable to procurements of services (or mixed services and goods/works)
- Applies to all contracting authorities
- Pre-procurement must consider (where relevant and proportionate), and also must consider whether to consult on:
  - How what is proposed to be procured might improve the economic, social and environmental wellbeing of the area
  - How, in conducting the process of procurement, it might act with a view to securing that improvement

Procurement Act 2023: No change



# Design of the procurement

- Requirement to make all procurement documents available from the time the advert is published (Regulation 53 of the PCR 2015)
- **Evaluation:** The decision to award (which must be to the Most Economically Advantageous Tender – MEAT) can expressly **include** environmental and/or social aspects if linked to the subject matter of the contract (Regulation 67(2) of the PCR 2015)
- **General principles:** equal treatment, non-discrimination, transparency, proportionality and avoiding artificial narrowing of competition (Regulation 18 of the PCR 2015)

# Design of the procurement (cont.)

## Procurement Act 2023:

- Tender documents must be published with the Tender Notice: **Section 21** (sufficient detail to allow suppliers to submit a tender)
- MEAT becomes MAT – more pointed focus on ability to take into account more than just price: **Section 19**
- Award criteria related to the subject matter of the contract: **Section 23**
- Procurement objectives – CA must have regard to the importance of maximising public benefit: **Section 12(1)(b)**
- Duty to have due regard to the National Procurement Policy Statement: **Section 13(9)**
- Duty to treat bidders equally: **Section 12(2)**

# Pre-market engagement

- Ability to engage with the market to consult on social value (Regulations 40 and 41 of the PCR 2015)
- What can the market offer and what is realistic?

Procurement Act 2023:

- Pre-market engagement still permitted: **Section 16**

# Structuring the social value requirements

# Mandatory requirements vs quality questions

## **Must Haves**

- Mandatory “pass/fail” requirements
- Legal requirements (e.g. labour laws)
- Technical specification
- Environmental standards

## **Evaluated**

- Quality Questions



# National Procurement Policy Statement

- [PPN 05/21 – National Procurement Policy Statement](#)
- Applicable to all contracting authorities
- Requirement to consider national priority outcomes alongside any additional local priorities:
  - Creating new businesses, new jobs and new skills
  - Tackling climate change and reducing waste
  - Improving supplier diversity, innovation and resilience

Procurement Act 2023:

- Duty to have due regard to the NPPS: **Section 13(9)**



# The Social Value Model

- [PPN 06/20 – Social Value Model](#)
- Model Award Criteria (“MAC”)
- MAC sub-criteria
- Example questions
- Examples of how metrics might translate into the contract
- Five themes

# The Social Value Model (cont.)

- There is then flexibility to choose between the five themes of
  - Covid 19 recovery
  - Tackling economic inequality
  - Fighting climate change
  - Equal opportunity
  - Wellbeing
- [Quick reference table](#)

Procurement Act 2023:

- No change



# Evaluating social value

# Mandatory weightings

- [PPN 06/20](#)
- Applies to central government but NHS England has adopted for all NHS commissioning and procurement
- Minimum 10% of marks for social value

Procurement Act 2023:

- No change

# Examples

# Examples

- **Theme 2: Tackling economic inequality**
  - Ask suppliers to describe how they will engage new and diverse suppliers in the supply chain.
  - Assess:
    - how supply chain opportunities are promoted and advertised
    - the extent to which meet the buyer events are hosted by prime contractors
    - structuring the supply chain process in a way which supports new and diverse suppliers
    - prompt payment



# Examples

- **Theme 3:** Fighting climate change:
- Ask suppliers about activities which demonstrate and describe the tenderer's additional environmental benefits in the performance of the contract, and/or how they are working to net zero.
- Assessed against:
  - demonstrable reduced emissions
  - use of low/zero carbon vehicles
  - biodiversity initiatives in the local area

# Examples

- **Theme 5: Well-being**
  - Ask suppliers about programmes to support the physical and/or mental wellbeing of staff, and/or the enhancement of working conditions and environment, including for wider community benefits such as access to greenspace.
  - Assessed against:
    - staff take up of initiatives
    - programmes delivered
    - projects completed and/or staff satisfaction surveys undertaken



# Contract Management

# Practical guidance: contract management

- [The National TOMs - Social Value Portal](#)
- [NHS England guidance](#)
- [Social Value Model Quick Reference Table](#)

# Procurement Act 2023 – KPI reporting

- **Section 52** – applies to contracts with a value above £5m
  - Requires the authority to set and publish at least three KPIs in respect of the contract
- **Section 71** – requires the authority at least annually and on termination to assess performance against the KPIs and publish information in relation to that assessment

# Example

Quarter	Year	Ratings based on the total percentage of full-time equivalent (FTE) disabled people employed under the contract, as a proportion of the total FTE contract workforce			
		Good	Approaching target	Requires improvement	Inadequate
Apr-May-Jun	2021	1.5%	1.0%	0.5%	below 0.5%
Jul-Aug-Sep	2021	2.0%	1.5%	1.0%	below 1.0%
Oct-Nov-Dec	2021	2.5%	2%	1.5%	below 1.5%
Jan-Feb-Mar	2022	3.0%	2.5%	2%	below 2%
Apr-May-Jun	2021	3.5%	3.0%	2.5%	below 2.5%
etc ...					

# Thank you

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