



Social Value

Kerry Teahan, Carson McDowell LLP

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carsonmcdowell.com

The Question?



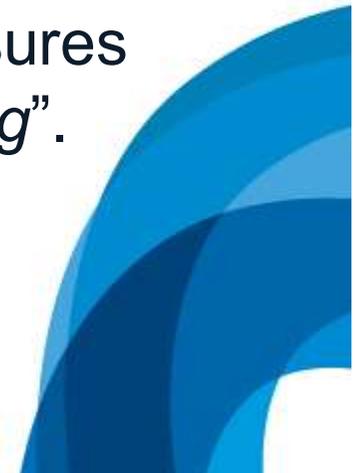
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- How do you build social value objectives into your tender?
 - How do you score them and enforce them, such as living wage, carbon reduction, regeneration, long term unemployed?



What is “Social Value”?



- Buy Social™ – *“way to maximise the benefits from public procurement in terms of personal well-being, social cohesion and inclusion, equal opportunities and sustainable development”*.
- European Parliament – Modernisation of Procurement Paper 2016 – *“using public expenditure to achieve societal goals”*.
- Public Services (Social Value) Act 2012 – measures which promote *“social and environmental well-being”*.



Why build social value objectives into your tender?



- Government policy.
- More holistic approach to commissioning.
- Direction of travel for procurement.



Legislative requirements... examples?



- Mandatory and discretionary exclusion criterion.
- Division of contract into lots.
- Rejection of abnormally low tenders.
- Social/environmental legislation.



So how do you build social value objectives into your tender?



- Social clauses:
 - “Targeted Recruitment and Training” opportunities.
 - PGN 01/13.
 - Thresholds:
 - Construction Build £2m>
 - Construction Civil £4m>
 - Services £500,000 p.a.>



So what are the alternatives?



1. Whether to buy?
2. What to buy?
3. Contractual commitments?
4. Award criteria?
5. Variant bids?
6. Minimum Requirements?



So which option should I go for?

1. What type of value are you seeking to achieve?
2. How achievable is it?
3. How important is it to the procurement?



Whatever approach is adopted:

- Make sure is linked to the subject matter of the contract (i.e. “relevant”) and does not set too high or subjective a threshold (i.e. “proportionate”).
- Discriminatory measures and requirements will be subject to challenge.



How do you score?



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- Scoring dependent on how the requirement is incorporated.
 - PQQ evaluation (pass/fail or scored) and Tender evaluation (scored) both possible.
 - Can look at experience of delivering; or how objectives will be delivered.
 - Must ensure:
 - Specification and tender documents are clear on the requirement and link to the questions.
 - Proportionate requirement.
 - Objective evaluation methodology.
 - Appropriately experienced and qualified tender panel.



How do you enforce?



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- Whatever the requirement is make sure its covered in the contract!
 - Both your ability to verify and monitor.
 - Range of options:
 - Performance Plan
 - KPIs/SLAs
 - Payment/bonuses limited to milestones
 - Suspension/termination
 - Exclusion from future contracts (Certificate of Unsatisfactory Performance)



Conclusion



- Lots of options available.
- Early consideration and preparation is key.
- Be objective and transparent and set realistic requirements.
- Need for innovation/ambition – the benefits to be gained are wider than contract conditions.
- Make sure its captured in the contract!



Questions?

Thank You

kerry.teahan@carson-mcdowell.com

