

ARGYLL AND BUTE COUNCIL

EVALUATED COMMUNITY BENEFITS CLAUSES: GUIDANCE FOR TENDERERS

1 INTRODUCTION

1.1 Background

Sustainable procurement is aimed at securing the maximum economic, social and environmental benefit for residents and businesses within Argyll and Bute from investment in the area. Argyll and Bute Council promotes sustainability within its contracts and seeks to introduce measures to secure opportunities for training and employment, work placements, school curriculum support, community enhancement and SME supply chain development based on the evidence of need in the Argyll and Bute area.

Legislation already exists in terms of The Local Government in Scotland Act 2003, the Public Contracts (Scotland) Regulations 2012 and European Procurement Directives which enable public bodies to include Community Benefits in the procurement process, in certain circumstances. The forthcoming Procurement Reform (Scotland) Act 2014 to be introduced by April 2016 includes a requirement to consider the inclusion of community benefits.

Community Benefits should improve the economic, social or environmental wellbeing of the area. Argyll and Bute Council recognises the potential of Community Benefits Clauses within procurement processes and what it can bring in terms of employment and training and business development throughout the full period of the proposed contract and beyond.

Argyll and Bute Council is committed to maximise Community Benefits from its procurement activities, and as standard includes Community Benefits Clauses within contracts with an estimated value of:

- Services >£100,000.00
- Supplies >£100,000.00
- Works >£500,000.00

1.2 Expectations

Successful Contractors will be expected to embrace Argyll and Bute Council's requirements for delivering a range of community benefits including:

- Targeted recruitment and training
- Work placements
- Curriculum support

- Community enhancement
- Small and Medium Enterprises and Social Enterprise Organisations' supplier development

Contractors are encouraged to incorporate potential Community Benefit at all levels. The Contractor must be able to demonstrate their intention to integrate trainees and new entrants into the labour market without distinction of sex, marital status, race, ethnic origin or political or religious beliefs.

1.3 Process and Community Benefit Points (CBPs)

Please refer to Sections 2, 3 and 4 to understand the process further. The Contract will have been allocated a minimum expectation value of Community Benefits Points from the Community Benefits Points Matrix (Section 3) by the Purchasing Officer. It is up to the Contractor to decide what Community Benefits they wish to offer from the Community Benefits Points Menu (Section 4) which provides a selection of the types of Community Benefits that the Council would expect this Contract to deliver and allocates CBPs to each of these. As part of their tender return Contractors will complete a Breakdown of the Community Benefits Points to be provided; a Community Benefits Method Statement; and a timetable for delivery of the Community Benefits. This will be an evaluated part of the tender submission. There is no limit on the Community Benefits that a Contractor may offer and the total Community Benefits Points offered may exceed the Council's stated expectation.

1.4 Support

The Council will take a proactive approach with Contractors to provide early, strong and clear guidelines of social, economic and environmental opportunity expectations.

The Sustainability Lead Officer can advise on thresholds and processes undertaken to assess the inclusion of community benefits, and monitoring and verification of key performance indicators.

Contractors can receive a wide range of support to facilitate their community benefits obligations, including support from the Argyll and Bute Council Employability team.

1.5 Non Compliance Penalty

The Council's exclusive and sole remedy in respect of a breach of the Community Benefit Clause agreement shall be a penalty set for non-compliance that is equivalent to the value of the Community Benefits that should have been delivered. This shall be invoiced to the successful Contractor quarterly from the date of commencement and then every quarter until the end of the contract duration.

1.6 Remuneration

Trainees and recruits must, as a minimum, be paid in accordance with National Minimum Wage rates and industry norms and must have terms and conditions of employment that are at least equivalent to those provided to workers that have equivalent skills and experience.

Employers are encouraged to increase the remuneration of trainees in line with their experience and productivity.

1.7 Contractor and Sub-contractor Compliance

It is the Contractor's responsibility to develop a working method that will deliver the targeted recruitment and training requirements and related monitoring and verification data, and obtain the full co-operation of contractors and subcontractors in delivering these requirements for the full duration of the contract

1.8 Equal Opportunities

The successful Contractor will be required to ensure that it complies with equal opportunities and non-discrimination legislation in relation both to the delivery of the service and to employment and demonstrate the policies and practices which it will put in place to achieve this.

1.9 Insurances

The successful Contractor must ensure that insurance cover includes people aged 16 and over and staff from employment and training organisations when on site.

1.10 Frameworks

Spend with framework supplier(s) will be established by the Purchasing Officer on a quarterly basis.

Once trigger levels of spend are achieved as per the Community Benefits Points Matrix in Section 3, the supplier will be advised that a Community Benefits requirement has been activated. This will be done via quarterly contract management meetings or via email as appropriate.

The Community Benefits requirement is to be actioned during the following quarter, in line with the supplier's Community Benefits response within their tender submission for the framework.

Please note that no timetable for delivery is to be submitted for frameworks, as delivery will be dependent on spend on the framework.

1.11 Definitions

A New Entrant is defined as a person who is employed to do a specific job and is leaving an educational establishment or a training provider, or a person that has been non-employed who has been unemployed and/or is registered with worker or job Centre Plus and is seeking employment.

An Apprentice is a person defined as a New Entrant to the industry who is undertaking a recognised skill qualification or an equivalent apprenticeship scheme for construction or non-construction apprenticeships.

Work Placement is defined as a person undertaking a short term overview of the industry and/or a related training programme with on-site instruction and supervision provided.

Direct indicates that the New Entrant will be employed *or* trained by the main contractor

Indirect indicates that the New Entrant will be employed or trained through a specialist contractor or subcontractor as a result of work procured through the main contractor

1.12 Disclaimer

The inclusion of targeted recruitment and training requirements does not comprise or imply any promise on the part of Argyll and Bute Council or their partners or agents to provide suitable trainees or labour. All recruitment, supervision and discipline responsibilities rest with the Contractor and Sub-contractors. Within this context Argyll and Bute Council will work with local agencies to help facilitate the achievement of the recruitment and training requirements.

This action, however, does not comprise or imply any promise on the part of Argyll and Bute Council or their agents to provide suitable services, trainees, labour or resources.

Any action taken by Argyll and Bute Council to facilitate relationships between the successful Contractor and individuals/firms/agencies does not imply and should not be deemed to imply that they or its agents consider the individual/firm/agency as suitable for engagement by the successful Contractor. Within this context, Argyll and Bute Council will work with local employability partners to help facilitate the achievement of the employment and training requirements.

1.13 Questions or Concerns

During the tender process if the contractor has any concerns regarding the type of Community Benefit being requested and / or the proportionality and fairness of the

level of Community Benefit being requested then contact the Sustainability Lead Officer.

2.0 PROCESS FOR SUPPLIERS

2.1 Tender Stage:

- Purchasing Officer will use the Community Benefits Points Matrix (Section 3) to outline the minimum Community Benefits Points required in the contract.
- Tenderers will receive the Community Benefits: Guidance for Tenderers Document containing Sections 1-4 with the Invitation to Tender documents, they are expected to read and understand what Community Benefits would be expected should their tender be successful.
- Tenderers will answer the Community Benefits question within the Invitation to Tender document, providing a breakdown of the Community Benefits Points, a Community Benefits Method Statement and a delivery timetable*.
- Tenderers that do not offer the required number of Community Benefits points as a minimum will have submitted a non-compliant tender which will not be eligible for contract award.

* Delivery timetable N/A for frameworks.

2.2 Contract Management:

- The Purchasing Officer and Contract Administrator will make arrangements with the supplier to monitor Community Benefits delivery (*a penalty shall be set for non-compliance that is equivalent to the value of the CBs that should have been delivered*).
- Monitoring:
 - Responses to the Community Benefits question within Invitations to Tender will become part of the contract's Key Performance Indicators (KPIs).
 - KPIs will be monitored as part of the ongoing contract management process for the contract, and progress will be reported back to the Sustainability Lead Officer on a quarterly basis.
 - Information on outcomes of Community Benefits Clauses in Argyll and Bute Council contracts are widely reported both within the Council and externally.

3.0 COMMUNITY BENEFITS POINTS MATRIX

Estimated Contract Value	Estimated Contract Duration			
	0-6 months	6-12 months	12-24 months	24-36 months
£100,000-£250,000*	5	5	10	30
£250,000-£500,000*	5	10	20	40
£500,000-£1,000,000	10	20	30	50
£1,000,000-£3,000,000*	20	30	40	60
£3,000,000-£5,000,000*	30	40	50	70
£5,000,000-£10,000,000*	40	50	60	80
£10,000,000-£20,000,000*	50	60	70	90
£20,000,000-£30,000,000*	60	70	80	100

* Services and Supply contracts only. The minimum contract value for works contracts which require inclusion of a Community Benefits Clause is £500,000, unless an Open/Restricted tender is carried out, in which case the £100,000 threshold applies. Argyll and Bute Council utilise the Client-Based Approach to Community Benefits in Works Contracts with values over £1,000,000.

4.0 COMMUNITY BENEFITS POINTS MENU

Community Benefit Outcomes	Description	Community Benefits Points
Modern Apprenticeships	Create a new Apprenticeship Position registered with sector skills body	20
Graduate Internship	New graduate intern position created for university graduate	20
Job (Unemployed)	Offer employment to a new entrant who is seeking employment (employment offered for a minimum of 6 months)	20
Trainee Position	Offer structured training places to new entrant leading to industry recognised qualifications.	10
Work Experience Placement (maximum of 10 points)	Provide a structured period of work experience for a pupil, student or	5

Appendix 2 – Community Benefits Clauses in Procurement Guide Report

available for this section)	trainee (a minimum of 4 weeks is required to achieve 5 points i.e. (1 x student for 4 weeks or 4 x students for 1 week)	
Education Support Initiative (maximum of 10 points available for this section)	<ul style="list-style-type: none"> • Industry awareness days or workshops for school pupils or college students. • Structured career events for school pupils or college students. • Workplace visits for school pupils or college students (min 10 students to qualify) • School mentoring or enterprise/vocational programme 	5
S/NVQ Training (maximum of 10 points available for this section)	<ul style="list-style-type: none"> • S/NVQ's or equivalent for Existing Employees • S/NVQ's or equivalent for New Entrants • S/NVQ's or equivalent for Subcontract staff 	5
Community Enhancement (maximum of 10 points available from this section)	<ul style="list-style-type: none"> • Physical/environmental project • Organisation business development • Sponsorship 	5
Supply Chain Development Activity (maximum of 10 points available for this section)	<ul style="list-style-type: none"> • Supply Chain Briefings with SME's • Business Mentoring with SME's • Business Support for Social Enterprises, Supported Businesses, Third Sector Organisations • Mentoring Third Sector Organisations 	5

If you would like further information on this document please contact Elaine Appleby, Sustainability Lead Officer – Elaine.appleby@argyll-bute.gov.uk.