

ARGYLL AND BUTE COUNCIL



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 small and medium-sized enterprises (SMEs) 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, and the Procurement Reform (Scotland) Act 2014, which enable public bodies to include Community Benefits in the procurement process, and include 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 they can achieve 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 (CBCs) within contracts with an estimated value of:

- Supplies and Services >£100,000
- Works >£2,000,000

The Council uses two different types of Community Benefits Clauses depending on the value and nature of the contract – either a Non-Evaluated CBC which mandates that the successful supplier is required to select a benefit from the Council's request-list, or an Evaluated CBC which is scored as part of the tender evaluation process, and requires the successful supplier to deliver a range of benefits to achieve a set threshold of points.

The Council will take a proactive approach with suppliers 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.

Suppliers can receive a wide range of support to facilitate their Community Benefits obligations, including support from the Argyll and Bute Council Employability Team.

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1.2 Expectations

Successful suppliers 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

Suppliers are encouraged to incorporate potential Community Benefits at all levels. The supplier 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 Evaluated Community Benefits Clauses

Please refer to Sections 2, 3 and 4 to understand the process further. If an Evaluated Community Benefits Clause has been used, the Contract will have been allocated a minimum value of Mandatory Community Benefits Points from the Community Benefits Points Matrix (Section 3) based on the value and timescales within the matrix. It is up to the supplier 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 Community Benefits Points (CBPs) to each of these. As part of their tender return, suppliers 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 supplier may offer as Supplementary Benefits and the total CBPs offered may exceed the Council's stated expectation.

1.4 Non-Evaluated Contracts

For non-evaluated contracts (those of a value lower than £100,000) there is a new scheme in place to supplement the points matrix system noted in sections 3 and 4 of this guidance. Community groups will apply through a dedicated online application process on the Council's website for requests of support from contractors. Contractors who are bidding for contracts of a value below £100,000 should visit the website, <https://www.argyll-bute.gov.uk/community-benefits-list> and select a benefit from the "request list" which should be treated and completed in the same way as Evaluated Contracts as detailed within this document.

It should be noted that the "request list" is also available to Evaluated Contracts to select an option as part of the "Community Enhancement" section of the Community Benefits Points Menu listed in Section 4.

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1.5 Compliance and Sanctions for Non Compliance

For both evaluated and non-evaluated benefits – the offer and any relevant methodology for delivery will be included in the final contract between the Council and Supplier. The Council will proactively contract manage Community Benefits as outlined at para 2.2 below to ensure compliance. In the event of the supplier being unable to deliver the Community Benefit offered, the parties will work together in the spirit of cooperation and partnership to identify alternative equivalent benefits. In the event of non-compliance, the Council may seek to recover the cost equivalent to the value of the Community Benefits that should have been delivered. This shall be invoiced to the successful supplier 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 Supplier and Sub-contractor Compliance

It is the supplier'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 suppliers and sub-contractors in delivering these requirements for the full duration of the contract.

1.8 Equal Opportunities

The successful supplier 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 supplier must ensure that relevant indemnities are in place and insurance cover includes people aged 16 and over and staff from employment and training organisations when on site.

1.10 Frameworks with Evaluated Community Benefits Clause

Spend with framework supplier(s) will be established by the Procurement 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.

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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

Priority Group is defined as unemployed people or young people not in employment, education or training; for the purposes of delivering Community Benefits within Argyll and Bute Council contracts

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 supplier 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.

Any action taken by Argyll and Bute Council to facilitate relationships between the successful supplier 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 supplier. Within this context, Argyll and Bute Council will work with local employability partners to help facilitate the achievement of the employment and training requirements.

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1.13 Questions or Concerns

During the tender process if the supplier 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 they should contact the Sustainability Lead Officer.

2 PROCESS FOR SUPPLIERS

2.1 Tender Stage:

- Procurement Officer will use the Community Benefits Points Matrix (Section 3) to outline the minimum Community Benefits Points required in the contract;
- Tenderers will receive this 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 are required to 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*.

* Delivery timetable N/A for frameworks.

2.2 Contract Management:

- The Procurement Officer and Contract Administrator will make arrangements with the supplier to monitor Community Benefits delivery (a penalty may be set for non-compliance that is equivalent to the value of the Community Benefits 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 regular basis.
 - Evidence of Community Benefits achievements will be required from suppliers – i.e. apprenticeship/qualification certificates, photographs of community engagement activities/school visits, names and job titles for employment. This information should be provided with the regular updates on progress.
 - Information on outcomes of Community Benefits Clauses in Argyll and Bute Council contracts are widely reported both within the Council and externally.

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3 COMMUNITY BENEFITS POINTS MATRIX

Estimated Contract Value	Estimated Contract Duration			
	0-6 months	6-12 months	12-24 months	24-36 months
£1 - £99,000	Non-Evaluated CBC – Supplier selection from the “Request list” updated on the Council’s website			
£100,000-£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 £2,000,000.

4 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 [Points awarded in proportion to the number of hours worked – FTE = 20 CBPs; part-time roles = variable CBPs]
Trainee Position	Offer structured training places to new entrant leading to industry recognised qualifications.	10

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Community Benefit Outcomes	Description	Community Benefits Points
Community Enhancement (maximum of 15 points available for this section*)	Physical/environmental project Organisation business development Sponsorship A list of Community Groups and Projects requiring support has been added to the Council's website at https://www.argyll-bute.gov.uk/community-benefits-list	5
Work Experience Placement (maximum of 10 points available for this section*)	Provide a structured period of work experience for a pupil, student or 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)	5
Education Support Initiative (maximum of 10 points available for this section*)	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*)	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
Supply Chain Development Activity (maximum of 10 points available for this section*)	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

* Aside from exceptional circumstances, i.e. where a tenderer can justify why they are unable to offer new positions within their organisation as a result of being awarded the contract. In these circumstances, tenderers can offer to provide community benefits outcomes which exceed the maximum number of points stated above. **Tenderers should still meet the minimum number of Community Points required for the tender, as identified in Section 3 above.**

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5 CONTACTS

Contact	Service/ Organisation	Community Benefit Remit	Email	Contact No.
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If you would like further information on this document please contact Elaine Appleby, Sustainability Lead Officer, contact details above

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