

## Presentation to:

Ministry of Labour and Social Affairs,  
Ministry of Agriculture  
Czech Republic

Socially Responsible Procurement

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The  
**Strategic  
Investment  
Board**

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## Two Case Studies

- 1) A Services Procurement
- 2) A Capital Procurement

## **CASE STUDY 1**

### **SERVICES CONTRACT**

- Provision of office security and ancillary services
- 25 Government organisations involved
- £31.5 million contract over 3 years
- Social clauses inserted into contract as performance measures

## CASE STUDY 1

### SERVICES CONTRACT - Social Considerations

- 25% of vacancies (rising to 35% in year 3) to be filled by people that had been long-term unemployed (LTU), i.e. over 12 months;
- 5 work experience placements to be made available for participants on the Steps to Success programme;
- The *Contractor* to offer opportunities to develop *Essential Skills* to all employees associated with the contract (Literacy, Numeracy and IT)

## **CASE STUDY 1**

### **SERVICES CONTRACT - Social Considerations**

- Reference was made to the social benefit requirements in the contract notice and the pre-qualification questionnaire (PQQ);
- The recruitment and training elements of a service delivery plan were scored as a part of the tender evaluation and contract award process.

## **CASE STUDY 1**

### **SERVICES CONTRACT - Key Outcomes**

- 80 vacancies declared in Year 1 (2014).
- 32 new recruits were long term unemployed.
- Represented 40% against target in Year 1 (25%).
- Year 2 new recruits (35%) also above target (30%).

Questions?



## CASE STUDY 2

### DESIGN + CONSTRUCTION CONTRACTS

- Construction of a community facility to deliver community services in South West Northern Ireland
- 2 stage procurement route (traditional)
- **Design Team** Contract – Value **£80k** over 6 months
- **Construction** - **£0.8** million contract over 18 months
- Social clauses inserted into Design Team and Construction contracts as performance measures



## General types of Social Clauses considered

- Targeted recruitment for people who are long-term unemployed/Apprentices/Graduates.
- The provision of essential skills.
- Working with schools and colleges to enrich the curriculum.
- Unwaged work experience for young jobseekers

## **CASE STUDY 2**

### **DESIGN TEAM CONTRACT - Social Requirements**

- Provision of 8 weeks (2 persons x 4 weeks) of unwaged work experience for young jobseekers;
- One (1) career advice and information workshop for young people on specific careers linked to the construction sector:
- One (1) activity to enhance architectural curriculum support to at least two (2) schools/colleges of the Team's choosing.

# Questions?

What would improve.

Solutions is a [Total pop mass  
function →  
Inception → complex  
Relative mass

Take on the cost.

## **CASE STUDY 2**

### **CONSTRUCTION CONTRACT – Social Requirements**

- 104 person weeks of employment for new entrants to the workforce;
- Unpaid work experience opportunities for young jobseekers (3 persons x 6 weeks each)
- Two (2) career advice and information workshops for young people on careers linked to the construction sector; and
- Two (2) activities each to at least two (2) schools/colleges to enhance the construction curriculum.

## CASE STUDY 2

### CONSTRUCTION CONTRACT – Social Clauses

#### Calculation

- Assume that at least 10% of the workforce can be new entrants
- Labour value of contract - £800k x 40% (£320k)
- Estimated average labour cost per employee in Northern Ireland = £31k
- $£320k/£31k = 10.3$  person years
- 10% = 1 person year or 52 person weeks
- Funding source effect (x2) = 104 person weeks

## CASE STUDY 2

### CONSTRUCTION CONTRACT – Work experience calculation

- Labour value of contract x 40% (£320k)
- Estimated that for every £250k, one 6 week opportunity is provided
- $\text{£}320\text{k}/\text{£}250\text{k} = 1.3$  persons
- Funding source effect (x2) = 2.6 persons
- Rounded to give 3 persons 6 weeks of unwaged work experience each

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## Revised Social Clauses – April 2016

Only applies to:

- ❖ construction contracts £2million and over; and
- ❖ Civil engineering contracts worth £4 million and over.
  - For every £1million of contract value above these thresholds you get:
    - ❖ **52 person weeks** of paid employment for new entrant trainees in construction contracts; and
    - ❖ **26 person weeks\*** of paid employment for new entrant trainees in civil engineering contracts.
    - ❖ **2 weeks** of unpaid work experience placements

\* *Civil engineering contracts deemed to have a lesser labour value*

## Useful Details

<http://www.buysocialni.org/>

- Includes a copy of the Buy Social Toolkit

<http://www.buysocialni.org/sites/default/files/example-text-for-the-specification-and-scoring-framework.pdf>

- The Buy Social Construction Model – Example text

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QUESTIONS?

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