**terSocial Value Matrix: supporting information for bidders**

The London Borough of Ealing is committed to improving the quality of life for both residents and businesses within Ealing. The Public Services (Social Value) Act 2012 requires local authorities to consider the economic and social benefits that can be secured through procurement.

The Council is required to consider how the services it commissions and procures might improve the social, economic, and environmental well-being of the area. To help meet its obligations under the Social Value Act, the council has developed a social value matrix aligned with its strategic priorities and broader commitments detailed within its Council Plan and Social Value Policy.

***Social Value Matrix***

The Social Value matrix included in the tender pack consists of social, economic and environmental contributions which suppliers can offer as part of their bid as additional benefits to that of the main contract. The benefits included in the schedule relate to the council’s strategic priorities.

The appendix is divided into three themes:

* Creating good jobs (employment and skills)
* Fighting inequality (resources for the community) and
* Tackling the climate crisis (environmental)

*Creating good jobs (employment and skills)*

Economic benefits relate to areas of employment, education and skills, and include new recruitment, work experience and mentoring opportunities for Ealing residents which will have a positive impact on the income and revenue of local residents or small businesses.

*Fighting inequality (resources for the community)*

Social benefits are designed to have a positive impact on small community organisations through the provision of resources that will enable them to develop. Resources include professional development opportunities for community organisations and the provision of materials such as laptops and projectors.use

*Tackling the climate crisis (environmental)*

Environmental benefits to help improve air quality and broader environmental and sustainability commitments

***The Social Value Matrix – explanation of columns***

*Column A – Theme*

Identifies which of the above 3 themes the element is supporting.

*Column B - Element*

Names the desired benefits.

*Column C -**Element description*

This column provides a full description of each social value element and what the appointed supplier will need to deliver for each unit of that element offered as part of their bid.

*Column D - Evidence to be provided during the life of the contract*

This section outlines what the appointed supplier will need to provide to contract managers during the life of the contract, to evidence that the social value benefits as tendered have been delivered.

*Column E – Element Unit*

Describes the extent of the commitment in terms of units of delivery and the measures that will be used to verify te delivery of the commitment

*Column F – Element Value Rating*

The required benefits are rated out of 10 according to their relative priority to the community. These ratings act as weighings to the supplier’s bid.

*Column G - Maximum (CAP) requirements*

This column shows the maximum units of that element that the bidders can offer in their bid for this tender. Additional units offered above the Cap number will be disregarded. A Cap of zero means that none of that element is sought and no bids should be offered for that element.

*Column H - Your Bid*

This column is where the bidder must include the number of units of that element they are offering as part of their bid. Bidders must have regard to the maximum cap column. Offers must comprise only whole numbers, any number not formatted as such will be rounded down as part of the evaluation process.

*Column I – Line Item Score*

This shows the bid value for each individual line or element – it comprises the quantity offered multiplied by the element value.

*Column J – Invalid Bid Alert*

This column simply alerts the bidder any time they try to submit a bid that exceeds the stated Cap.

*Bottom Row Cell H20 - Total SV points (your bid value)*

Your social value bid will be the sum of the resulting points in each of the elements and is indicated here for the bidder’s information. This bid value is then assessed using the as explained provided below

*Bottom Row Cell H21*

Confirms the value % of SV in the evaluation model

***How much weight is attached to social value?***

Ealing Council currently attaches a 5% to 10% weighting to the Social Value component in the tender process. The remaining percentage relates to quality and price considerations.

The weighting allocated will be explained in the ITT and identified in the Matrix itself (see Cell H21 above).

***What is the process?***

Step1: Council officers will draw upon the social value matrix and decide which elements they would like to secure as part of each tender process, setting up, where necessary, maximum caps.

Step 2: Bidders must carefully review the social value matrix included in the tender and decide which elements and how many units of each element they can offer.

Step 3: Enter your offer (number of units) in column H. It is important that bidders offer only those benefits that their business can sustainably deliver over the term of the contract. If you are the appointed supplier, you will be required to provide evidence over the course of the contract that these commitments have been delivered. Once you have determined what benefits your business can provide – and how many of them - you should enter your bid in the blue cell.

***Terms and conditions around social value***

1. General
   1. *Bidders MUST NOTE that the cost of delivering the Social Value Elements must not be costed within the Bidder’s main tender submission.*In the event that the Council reasonably believes that the Contractor has included the cost of delivering the Community Benefits in whole or in part within the contract costs, the Contractor shall, without undue delay, reimburse the Council such sum or adjust its charges and show the deduction of the sum included for Community Benefits.
   2. On awarding the contract the winning bidder and the Council will agree on a Social Value delivery plan. The Council will facilitate the delivery of the ‘community resources’ elements by proposing, for example, a number of local businesses or third sector organisations that should receive the support.
   3. The delivery of the ‘community resources’ will be recorded as a key Performance Indicator as a deliverable of the contract. The delivery schedule will be monitored and feedback from the chosen beneficiary organisations will be reviewed to ensure that the delivery of the benefits agrees with the commitment made at time of tender.
2. Evaluation
   1. The Social Value bid will be assessed on a similar basis to a price bid, with the maximum weighted score being awarded for the highest social value bid offered. Lower value bids will be scored on a pro-rata basis.
   2. This means the Social Value Total bid will be assessed in accordance with the following methodology:
   3. Each element unit will be assigned a points value. The elements chosen and their points value may change from tender to tender because they will
      1. reflect the nature of the contract and
      2. depend on the importance of an element for the project at the time.
   4. The number of units offered by the bidder will be multiplied by the points assigned to each unit. That will give the total points value (score) for each element.
   5. The sum of all the points achieved for each element offered will constitute the supplier’s Social Value Bid.
   6. The bidder/s with the highest bid points will be awarded the maximum score or weighting and the remaining bidder/s will receive scores proportionate to their offer using this formula:

|  |
| --- |
| Bidder A's Social Value Bid Score = Bidder A's SV Bid x Weighting%  Highest SV Bid |

*Example:*

Social Value weighting: (say) 5%

Bidder A value = 115 (highest points score): Score 5%

Bidder B value = Score of 110 = (110/115 x 5) = 4.7826086 which will be rounded to 2 decimal places: Score 4.78%

Bidder C value = Score of100 = (100/115 x 5) = 4.347826 which will be rounded to 2 decimals: Score 4.34%

***Who can I contact for more information?***

* As a bidder, your key contact is the Ealing Commercial Hub team, contacted via the tendering portal.
* As a supplier, your key contact is the contract manager responsible for the tender process.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Social Value in Frameworks, MTCs and Lots**

*See below*

**Social Value in Call-Off Frameworks and MTCs**

***This Section*** provides advice for bidders when tendering for an MTC or for a place on a call-off Framework (e.g. for Supplies)

***General***

Normal methods for securing and monitoring the delivery of Social Value Benefits (SVB) in a tender have to be adjusted to suit the way a Framework (or a standard call-off contact such as an MTC) functions. This section explains the principles on which SV benefits will be secured within the tender process of this contract.

1. At initial tender time, the Authority will provide a ‘wish list’ of SVBs that it is hoped the Framework or MTC will deliver.
2. The tender submission for the initial Framework Agreement or MTC contract will require:
   1. A commitment from the bidder to deliver benefits in proportion to the value of commissions secured via the Framework
   2. There will be a commissions trigger value of £100,000, below which the obligation to deliver SVBs will not arise
   3. The trigger value is cumulative and so multiple, smaller-value commissions can add up to trigger the requirement to deliver SVB and commission values in excess of the trigger will continue to accrue proportionate\* SVB obligations.

***Setting up the Framework/MTC***

The tender will be undertaken in line with normal procedures except the SVB assessment will be undertaken on the basis of a commitment to deliver the benefits depending on the value of commissions awarded through the contract.

To achieve this, the SVB Matrix will seek and assess commitments *per £100k* *of commissions* rather than as a hard commitment for the term of the contract.

The weighting of the SVB commitment will not be changed and will still form part of the total Quality weighting.

***Call-off Stage***

Regardless of whether a commission has been made via a direct award (literally a call-off) or through a price check, and regardless of any documentation within the call-off process, the SVB commitment will apply and bidders need to allow for this. No separate discussions need to take place nor any further SVB submissions – this was all completed at the initial tender stage.

***SVB Delivery and Contract Management***

The client’s Framework/Contract Manager shall be responsible for monitoring all commissions. As soon as the value of the commissions to any one supplier hits the trigger value of £100,000, they shall meet with that supplier to discuss the delivery of the committed SVBs.

This liaison shall be maintained throughout the duration of the Framework/Contract in order to:

1. Ensure that SVBs are being delivered in line with the tendered commitment
2. Ensure that SVB delivery obligations are adjusted in proportion to any additional commissions.

***\*Clarification on proportionality*:** As an example, if a Supplier’s commissions total £125,000, they will be expected to deliver 1.25 times their tendered SVB commitment (which was based on a £100,000 trigger value). If they secure another £50k of commissions, the total SVB commitment will escalate to £175,000-worth – 1.75 times their tendered commitment.

How the SVBs are proportioned for delivery will be a matter for the Contract Manager and Supplier to agree as part of the liaison process.

**Social Value in Lots and in Frameworks with Mini-Competitions**

***Lots***

Each Lot is a contract in its own right. Even if a bidder wins multiple Lots, each Lot will be a separate contract. Bids are submitted on this basis. For this reason, each Lot must have its own SV matrix and be part of the tender submission *for that Lot.*

There is no inter-Lot dependency and the contract values – predicted or achieved – are not aggregated for SV purposes.

Social Value for a Lot is therefore managed just like SV in any other contract.

*.*

***Frameworks using Mini-competitions (e.g. Works)***

Each call-off contract is a contract in its own right with its own tender documents. SV would form part of that tender (mini-competition) process and the SV bid should be submitted just as it would be for any other normal tender return.

Note that the value of different contracts secured via Framework mini-competitions cannot be aggregated for the purposes of calculating SV commitmnents.

This means that SV *will not* be included when tendering for a place on the actual Framework.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Any queries*** on the above or on Social Value in general, should be submitted via the messaging facility on the tender portal, as a clarification request.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_