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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 May 2015</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/37/15/AP/BH</b>
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<b>Subject:</b>	<b>Procurement Update and Procurement and The Living Wage.</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to update Committee on the progress being made with Procurement since the last report in February and to propose changes to the Council's Procurement Policy arising from the Scottish Government Policy Note 1/2015 in relation to the evaluation of workforce matters in public contracts, including the Living Wage.

## 2.0 SUMMARY

- 2.1 The Policy and Resources Committee agreed a refreshed Strategic Procurement Framework for 2012 to 2014 and this is contained in Appendix 1 with updates on progress and the Council has currently achieved "Improved Performance".
- 2.2 The Procurement Work stream savings target was £313,000 for 2013/16. £294,000 has been secured with a further £19,000 to be achieved in 2015/16.
- 2.3 The Scottish Government advised in a Policy Note dated 22 August 2012 on Living Wage through Procurement that the European Commission had clarified that public bodies are unable to make payment of the Living Wage a mandatory requirement as part of a competitive procurement process. Present Council policy is that we encourage and request suppliers pay the Living Wage but, in line with legislation, this is not a mandatory requirement in the Council's tenders or contracts.
- 2.4 A recent Policy Note issued by the Scottish Government on the same matter has stated it is possible to encourage suppliers to pay a Living Wage as part of a procurement exercise when contained within a question on workforce matters. Officers have tested how practical it is to reserve an element of the overall weighted question percentage for workforce matters in theory. An example tender question with possible answers and suggested evaluation method is contained within Appendix 3.
- 2.5 Whilst the Policy Note states that any decision to include a question on 'workforce matters' in a tender exercise should be made on a case by case basis, it is appropriate to provide officers with guidance on the operation of the policy for which approval is sought in this report. Therefore, for the reasons set out in section 7 of this report, it is recommended that the following become a standard maximum weighting for workforce matters for each category of contract:
- Social Care Contracts - Maximum 25% of total quality weighting;
  - Construction Contracts – 5% maximum of the total available 100%;
  - Corporate Services and Waste Contracts – Maximum 25% of total quality weighting.
- 2.6 The Procurement Manager has been working with the Inverclyde Construction Forum and partner public procuring organisations to assist Inverclyde construction firms in their tendering activities. The details of this work are contained within section 5 of this report.

### **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note progress on the Strategic Procurement Framework.
- 3.2 That the Committee note the progress made in savings delivery.
- 3.3 That the Committee approve the proposed policy and approach to Procurement and the Living Wage

Alan Puckrin  
Chief Financial Officer

## **4.0 BACKGROUND**

- 4.1 Regular reports are presented to Committee throughout the year giving updates on the progress of the Strategic Procurement Framework. As per a report to the November Committee, the 2014 Procurement Capability Assessment has been carried out and the Council achieved a score of 62%. This is an 8% improvement on the 2013 score.
- 4.2 The Procurement Capability Assessment will be replaced in 2015 by a different assessment which is currently being called Assessment Review 2015. (AR15). The current Strategic Procurement Framework ran to the end of 2014. It is proposed that a new Strategy is aligned to AR15 and to the overall strategies that the Council has put in place for future years. The new Procurement Strategy will be brought to a future Policy and Resources Committee for approval during 2015. This new strategy will assist with the assessment of procurement which is expected in the Spring of 2016.
- 4.3 AR15 will focus on compliance with Scottish Government Policy on procurement and will attempt to underline the important links between public procurement and the economy. One area of focus will be the approach workforce within contracts and the new Procurement Strategy will focus on this.

## **5.0 STRATEGIC PROCUREMENT FRAMEWORK**

- 5.1 The Strategic Procurement Framework, with updates against each work item, is contained in Appendix 1. The Procurement Manager is working with Services to develop the procurement strategy with a view to this being brought to a future Committee in 2015.
- 5.2 As shown in Appendix 1 the previous Strategy has been delivered with other work becoming business as usual or part of the refreshed Procurement Strategy. The focus on Contract and Supplier Management continues to deliver softer benefits and awareness of supply issues. The disciplines in place ensures that the Council manages its priority suppliers and addresses performance issues as they arise rather than dealing with larger problems at a later date.
- 5.3 Separate reports to the relevant committees give detailed updates on the Governance of external organisations with an annual summary report to the Policy and Resources Committee. The Governance process was put in place to monitor the governance of key external organisations with which the Council has a significant financial relationship but also to assess the performance of these organisations which tend to be local and provide services directly to the residents of Inverclyde. This forms part of the supplier management process for these organisations and works in tandem with the Council's overarching supplier management framework.
- 5.4 The Procurement Manager has been working with the Inverclyde Construction Forum and partner public procuring organisations to assist Inverclyde construction firms in their tendering activities. Inverclyde Construction Forum members can be frustrated by the lack of consistency by public procurement bodies in Scotland and have asked for a common tendering processes used by public bodies in Inverclyde as a starting point.
- 5.5 Construction is an area of opportunity for economic growth within Inverclyde and these contractors should be supported in their attempts to increase their opportunity for business with the public sector in Inverclyde and beyond. The Procurement Manager has compared the tendering procedures with partner bodies within Inverclyde and all have agreed to review their processes and align as much as possible to ensure that documents and selection processes are standardised. Further work and communication is ongoing with Hub West Scotland, Scotland Excel and the Scottish Government to ensure that they also standardise documents and are aware of the construction presence in Inverclyde.

## **6.0 PROCUREMENT SAVINGS**

- 6.1 The savings achieved leave a balance of £19,000 in 2015/16 to achieve the £313,000 target over 2013/16. Corporate Procurement continue to seek opportunities for further savings in conjunction with colleagues from Services and continue to look for possible opportunities in national as well as local collaborative contracts with neighbouring Councils.

## **7.0 PROCUREMENT AND THE LIVING WAGE**

- 7.1 The Scottish Government advised in a Policy Note dated 22 August 2012 on Living Wage through Procurement that the European Commission had clarified that public bodies are unable to make payment of the Living Wage a mandatory requirement as part of a competitive procurement process. It is therefore not possible to reserve any element of the overall tender score solely to the payment of a Living Wage. Present Council policy is that we encourage and request suppliers pay the Living Wage but in line with EC Legislation this is not a mandatory requirement in the Council's tenders or contracts.
- 7.2 This position has been reaffirmed in the Scottish Government's latest Policy Note (1/2015) dated 4 February 2015 on how and when workforce matters, including payment of the Living Wage, should be considered in the course of a public procurement exercise. However, the Scottish Government has stated it is possible to encourage suppliers to pay a Living Wage as part of a procurement exercise when contained within a question on workforce matters. The Scottish Government has recently successfully piloted this approach in a tender exercise. This latest Policy Note has been issued in advance of statutory guidance to be issued by Scottish Ministers regarding the selection of tenderers and award of contracts including payment of the living wage. This statutory guidance is expected in the autumn of 2015 and therefore may result in the proposals contained in this report being amended.
- 7.3 A recent Scottish Government pilot focused on the use of an Invitation to Tender (ITT) question on 'workforce matters' in a tender exercise for catering services on its premises. Following completion of the selection stage of the procurement process, the ITT described the Government's approach to 'workforce matters' and asked bidders to demonstrate their own approach. On this occasion, they reserved 10% of the overall quality scoring for the responses to the question.
- 7.4 In this procurement, evaluations were undertaken on the basis of the comprehensiveness and quality of the overall package of measures (i.e. not focusing solely on one aspect of workforce matters). The award of this contract guarantees that all those working on it will benefit from a package of positive workforce measures, which will include payment of the living wage.
- 7.5 The Policy Note also confirms that any decision to include a question on 'workforce matters' in a tender exercise should be made on a case by case basis and the question should be framed in a way that is consistent with the principles deriving from the Treaty on the Functioning of the European Union: transparency, equal treatment, non-discrimination, proportionality and mutual recognition.
- 7.6 To bring the Council's existing approach into line with this latest Scottish Government Policy Note Inverclyde Council has the opportunity as part of the quality evaluation of a tender to include criterion for workforce matters, including the Living Wage, where workforce is relevant to the subject matter of the contract and quality of the service delivery, goods supplied or delivery of the contract. This element of the evaluation must also be proportionate to the scale of any proposed contract.
- 7.7 Whilst the Policy Note states that any decision to include a question on 'workforce matters' in a tender exercise should be made on a case by case basis, it is appropriate to provide officers with guidance on the operation of this policy. Therefore, for the reasons set out in the following paragraphs, it is recommended that the following become a standard maximum weighting for

workforce matters for each category of contract:

Social Care Contracts - Maximum 25% of total quality weighting;

Construction Contracts – 5% maximum of the total available 100%;

Corporate Services and Waste Contracts – Maximum 25% of total quality weighting.

- 7.8 The Contract Standing Orders dictate that the balance between quality and cost must not fall below 60/40, where 60 represents cost and 40 represents quality. Starting from this position, a 40% overall quality weighting is available as a maximum to be used when splitting weighted questions to ascertain the quality of a bid. Any increase in the quality percentage beyond 40% requires justification and Committee approval.
- 7.9 In any contract there will be the option to address workforce matters as part of the available quality weighting. However, it is also essential to assess other aspects of the bidder's quality and ability to provide the service which has been specified. The bidder's approach to the contract in general terms should be assessed, their training of staff for the duration of the contract, their ability to mobilise in time for the contract start, their ethos in relation to the service being tendered and more importantly in the case of Social Care, their approach to client profiles should carry some percentage of the weighted quality questions available.
- 7.10 Construction contracts are primarily conducted using a pre-qualification questionnaire with a selection of bidders then proceeding to price the tender. A question on community benefits is the only weighted question that is included at the tender stage at present and this carries a maximum weighting of 5% in line with Council Policy. Construction contracts do not require a substantial quality weighting as the specifications and PQQ determine the quality of work and minimum criteria for suppliers. The proposal for workforce matters in construction tenders is that a separate quality question(s) on workforce matters should be included and that this will have maximum weight of 5%. Both questions together would then carry a maximum quality weighting of 10% with price making up 90%. The justification for this is that Staffing costs are not the largest cost in construction compared to materials, hire of heavy vehicles etc. Those likely to benefit are lower numbers of young workers, unskilled labourers and apprentices at a relatively minor additional cost. The lower proportionate labour cost and volume of staff that would benefit, in comparison to Social Care for example, justifies a maximum weighting of 5%.
- 7.11 There are other aspects to consider assessing over and above workforce matters that carry equal importance in Social Care contracts. A tenderers approach to their work with the client and their approach to the contract as a whole carry at least equal importance to workforce matters. Therefore, Given all of these factors it is thought that a maximum weighting for these contracts in relation to workforce matters is 25% of the overall quality weighting.
- 7.12 The Council has several Corporate goods and services contracts. However, most of these are now tendered by Scotland Excel or by Procurement Scotland. These bodies will follow the Scottish Government Guidance. There are still a few contracts that are tendered by the Council and workforce matters form an element of the quality of service eg. Debt Recovery. Whilst the labour cost can form a sizeable portion of the total contract cost these are not as high as in some social care contracts. However, the same evaluation principles apply with up to 40% maximum weighting being available for quality.
- 7.13 Typically Corporate contract tenders are carried out on the basis of 80% price and 20% quality. It is proposed that this type of tender carries a maximum weighting of 25% for workforce matters from the overall total quality weighting. This recognises the importance of workforce matters for these contracts and gives the opportunity to increase the work force matters % in proportion to the overall increase where there is a requirement for a greater overall quality weighting.
- 7.14 Officers are satisfied that the proposed maximum weightings and question and evaluation method as set out at 7.7 and in Appendix 3, satisfy the obligations as set out within the recent SPPN. There is a risk of legal challenge in implementing the SG Policy Note in advance of the statutory guidance to be issued by Scottish Ministers later this year. On balance though, officers believe the approach outlined in this report and appendices is defensible and mitigates the risk of a successful challenge.

## 8.0 IMPLICATIONS

### 8.1 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/(Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
Savings Work streams	Procurement	2013/16	£313,000	-	£19k remains to be achieved in 2015/16.

### 8.2 Legal

The proposals in this report on the Living Wage bring the Council's Policy in line with the Scottish Government Policy Note on workforce matters, including the Living Wage. However, by implementing this Policy Note and until formal statutory guidance is available from the Scottish Ministers, cognisance must always be taken of the European Commission's position that it is not possible to reserve any element of the overall tender score solely to the payment of the Living Wage. In the period to the issue of statutory guidance by the Scottish Ministers, there is always the possibility of challenge by a bidder however, the approach outlined in this report mitigates the risk of a successful challenge.

### 8.3 Human Resources

None

### 8.4 Equalities

None

### 8.5 Repopulation

Procurement has a key role to play in the Council's drive to stabilise and grow the Inverclyde population. Engagement with Economic Development and making Council contracts more accessible to local businesses are viewed as key requirements and as such are an integral part of the Strategic Procurement Framework.

## 9.0 CONSULTATION

9.1 The Living Wage proposals have been discussed with the main Trade Unions at the Joint Budget Group and Unison, on behalf of the other Unions provided a comprehensive response. Unison have a different legal interpretation on the Council's ability to mandate that suppliers pay the Living Wage. This interpretation is not accepted by Officers. Outwith this important issue the Unions recognise the proposals in this paper are a step in the right direction but wish

to see faster progress and a higher weighting given to Living Wage in Council tenders.

## **10.0 LIST OF BACKGROUND PAPERS**

10.1 Link to SPPN 1/2015

<http://www.gov.scot/Topics/Government/Procurement/policy/SPPNSSPANS/policy-notes/2015/1-2015>

Link to the EU Procurement Directives

[http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2014.094.01.0065.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.094.01.0065.01.ENG)

## Appendix 1

### Strategic Procurement Framework 2012/14

#### 1. Resources, skills and capacity

<b>What we want to achieve</b>	<b>How will we achieve it?</b>	<b>Responsible</b>	<b>Update</b>	<b>Timescale</b>
Employees engaged in the procurement process shall possess the necessary knowledge, skills and capacity to support strategic and operational needs in line with agreed policies and practises.	Complete a skills gap analysis for all Corporate Procurement Officers, Designated Procurement Officers and Procurement Practitioners in Services	Corporate Procurement Manager	Complete with ongoing training to be delivered via Corporate Procurement	Complete
	Plan, design and deliver a Learning & Development Plan for Procurement Officers and Designated Procurement Officers.	Corporate Procurement Manager	Ongoing and on target.	Ongoing

#### 2. Management Information and Systems

<b>What we want to achieve</b>	<b>How will we achieve it?</b>	<b>Responsible</b>	<b>Update</b>	<b>Timescale</b>
The adoption and corporate use of one integrated & electronic approach for tendering, Purchase to Pay transactions and contracts planning.	Undertake good practice review of P2P in other public/private sector organisations and Scottish Government recommendations. Use best practice from Clyde Valley and interface with Councils who show an interest.	Procurement Project Officer.	Complete	Complete
	Assess detailed current state of P2P in the Council create business case detailing change required	Procurement Project Officer.	Complete	Complete
	Implement changes to P2P	Procurement Project Officer.	Project officer working with services and suppliers to implement changes to purchase to pay processes and systems.	Ongoing and will become part of refreshed strategy



### 3. Procedure, Processes and Performance

<b>What we want to achieve</b>	<b>How will we achieve it?</b>	<b>Responsible</b>	<b>Update</b>	<b>Timescale</b>
Rationalise and standardise procurement processes consistently across the Council.	Trial of e-tendering element of Public Contracts Scotland.	Corporate Procurement Manager/ Head of Legal and Property Services	Complete	Complete
	Implement increased use of e-tendering if approved.	Procurement Project Officer.	Trial evaluated. Use to be incorporated in new Standing Orders from November 2014 if trial is successful.	Trial Complete and now in place.
Deliver council business priorities through commodity/category strategy	Engage with Directors and Heads of Service - determine business requirements to facilitate creation of enhanced tender workplan	Corporate Procurement Manager/ Procurement Board	Now embedded	Ongoing & embedded
	Undertake detailed spend analysis to identify further savings opportunities, Develop strategies, including a risk register and devise reporting process.	Corporate Procurement Manager	Contract Strategy now being used and includes a risk register	Will be refreshed for new Strategy
Commit to Corporate Social Responsibility	Review internal objectives in plans/strategies taking into consideration Scottish Government and national reform agenda for Corporate Social Responsibility ambitions.	Procurement Team Leader and Designated Procurement Officer network	Corporate Social Responsibility Group established and reported to Procurement Board.	Complete
	Establish a working group on the Corporate Social Responsibility agenda for procurement and develop a resourced and scheduled work plan. Agree measures and reporting schedule with the procurement board	Procurement Team Leader and Designated Procurement Officer network	Complete	Complete

#### 4. Contracts & Collaboration

What we want to achieve	How will we achieve it?	Responsible	Update	Timescale
<p>Maximise buying opportunities through collaboration (internal &amp; external) while minimising the need to undertake single client contracts.</p> <p>Collaboration for category C commodities with other local authorities.</p>	<p>Identify potential partners for collaboration - councils and other public sector</p>	<p>Corporate Procurement Manager</p>	<p>Ongoing activity with West of Scotland Councils discussed at Quarterly reviews with Scotland Excel.</p>	<p>Ongoing but embedded.</p>
	<p>Agree scope, remit and approach of each collaboration group</p>	<p>Procurement Team Leader</p>	<p>Ongoing</p>	<p>Ongoing</p>
	<p>Review council's tender workplan to identify potential areas for future collaborative opportunities Formal workplan for the group is agreed with a clear approach and responsibilities</p>	<p>Procurement Board/Corporate Procurement Manager/ Designated Procurement Officers</p>	<p>2012/13 Plan Reviewed at March Procurement Board</p>	<p>Will be refreshed for new Strategy</p>

## **5. Supplier Strategy and Relationship Management**

<b>What we want to achieve</b>	<b>How will we achieve it?</b>	<b>Responsible</b>	<b>Update</b>	<b>Timescale</b>
Promote Economic Development in contracts where appropriate	Analyse current economic development activity, carry out stakeholder engagement, review tender workplan and establish opportunities.	Head of Regeneration & Planning / Corporate Procurement Manager	Ongoing Committee agreed reduction in supplier terms to 20 days for Inverclyde suppliers.	Ongoing
	Develop framework of activities for delivery of Procurement Improvement Plan and implement.	Head of Regeneration & Planning/ Corporate Procurement Manager	Ongoing work with Economic Development and Legal Services	Ongoing
Improved understanding of contract management process and appropriate levels of contract management.	Review current contract and supplier management processes and related information on service by service basis	Procurement Project Officer.	Now includes the Governance process	Complete
	Develop and agree an appropriate level of supplier management with Procurement Board	Corporate Procurement Manager	Suppliers to be reviewed at next Procurement Board	Ongoing review
	Develop governance, process, roles and responsibilities, training and communication for implementation	Procurement Project Officer	Dependant on outcome of above	Ongoing review
	Implement plan for supplier and contract management	Procurement Project Officer	Dependant on outcome of above	Ongoing review

**Appendix 2**

<b>Commodity</b>	<b>New Supplier</b>	<b>Start Date</b>	<b>Annual Spend/ (Income)</b>	<b>Achieved or Planned</b>	<b>New Projected 2014/15 Savings</b>	<b>Full Year Savings</b>
<b>Software</b>	Northgate	01/04/14	£85,000	A	£3,000	£3,000
<b>Mobile Phones</b>	Vodafone	01/04/14	£70,000	A	£4,000	£4,000
<b>School Transport</b>	SPT	01/08/14	£160,000	A	£3,000	£3,000
<b>PPE</b>	Parker Merchant	01/04/14	£46,000	A	£16,000	£16,000
<b>Waste Recycling</b>	Greenlight	01/07/14	£154,000	A	£18,000	£18,000
<b>Multi Function Devices</b>	Konica	01/06/14	£400,000	A	£16,000	£75,000

Total Achieved and Planned  
Total Workstream Target 14/15

£60,000  
£60,000

<u>Savings Summary (2014/16)</u>	£
Savings Achieved	119,000
Savings Target	<u>138,000</u>
Savings to be Achieved	19,000

### **Appendix 3**

#### **Example Workforce Matters Weighted Question**

Inverclyde Council is persuaded by evidence which shows that the delivery of high quality public services is critically dependent on a workforce that is well-motivated, well led and has appropriate opportunities for training and skills development. These factors are also important for workforce recruitment and retention, and thus continuity of service. Inverclyde itself has adopted workforce policies to meet these requirements. These policies include:

- a pay policy that is focused on tackling poverty (e.g. through a commitment to paying at least the living wage),
- fair employment practices;
- no inappropriate use of zero hours contracts;
- no inappropriate use of “umbrella” companies

In support of these policies, Inverclyde Council also offer staff benefits and practices as follows -

- flexible working;
- clear managerial responsibility to nurture talent and help individuals fulfil their potential;
- a strong commitment to Modern Apprenticeships and the development of Scotland’s young workforce;
- support for learning and development;
- pension
- childcare vouchers

Inverclyde Council also attaches importance to ensuring effective consultation and involvement of staff and Inverclyde Council management work in partnership with the trade union. While it is, of course, a personal decision whether or not to join a Trade Union, Inverclyde Council encourages its staff to join an appropriate Union and to play an active part within it, making sure their views are represented.

In order to ensure the highest standards of service quality in this contract we expect contractors whose workers work alongside ours to take a similarly positive approach to workforce-related matters as part of a fair and equitable employment and reward package.

#### **Workforce Matters (5%\*)**

##### Question

Please describe how your organisation proposes to commit to being a best practice employer in this respect in the delivery of this contract. Answers need not be constrained to or be reflective of any of examples given alongside this question.

Good answers will reassure evaluators that your company takes the engagement and empowerment of workers seriously; takes a positive approach to rewarding workers at a level that can help tackle poverty (e.g. through a commitment to paying at least the living wage), that you do not exploit workers (e.g. in relation to matters such as the inappropriate use of zero hours contracts or “umbrella” companies), and adopts fair employment practices.

Evidence of this should also be provided that demonstrates that your company provides skills and training which help workers fulfil their potential, and demonstrate organisational integrity with regards to the delivery of those policies, including having arrangements in place to ensure effective employee representation. This reassurance should be achieved by providing tangible and measurable examples that can be monitored and reported during contract management procedures.

\*Example only

## Proposals

As it stands at the moment if we take the 5% maximum as the weighting for a workforce matters question in relation to a construction tender then for the purposes of an example the question above will be worth 5%.

That being the case if we test this with scenario 1 (tenderer 1) where a tenderer states that they do pay the Living Wage and scenario 2 (tenderer 2) where a tenderer states they do not pay the living wage, then the answers and evaluation of this question would be as follows -

### Tenderer 1

We can't commit to paying the Living Wage to all employees on this contract, however we do have and support the following

- fair employment practices;
- we do not use zero hours contracts
- we do not operate inappropriate use of “umbrella” companies

We have supported our answer to this question by supplying our policies that cover the above and further by our practices on -

- managerial responsibility to nurture talent and help individuals fulfil their potential;
- commitment to Modern Apprenticeships and to the development of Scotland's young workforce;
- flexible working;
- support for learning and development;

### Tenderer 2

We can commit to paying the Living Wage to all employees on this contract, and we do have and support the following

- fair employment practices;
- we do not use zero hours contracts
- we do not operate inappropriate use of “umbrella” companies

We have supported our answer to this question by supplying our policies that cover the above and further by our practices on -

- managerial responsibility to nurture talent and help individuals fulfil their potential;
- commitment to Modern Apprenticeships and to the development of Scotland's young workforce;
- flexible working;
- support for learning and development;

## **Possible evaluation outcome**

Simply answering “no” to the Living Wage will not mean they get fewer marks as a standalone criteria because the Council’s approach is to assess the bidder’s overall approach to tackling poverty.

If they answer “no” to the Living Wage but then state and provide evidence that they are for example providing other benefits to employees such as pension, enhanced healthcare, access to before tax benefits such as child care vouchers etc... then they will get credit for this. The marks given would be the maximum available when it can be demonstrated that the overall benefits clearly address the tackling of poverty in the same way as the Living Wage and are thus equivalent to or better than the living wage.

These equivalent benefits would not require to be assessed as an equivalent wage value. However, to ensure objectivity, the evaluation team should in advance of issuing the tender, specify for their own evaluation purposes, the number of benefits that would tackle poverty and gain marks in the evaluation of workforce matters. A clear case of not providing any benefits at all as well as not paying the Living Wage would demonstrate that the tenderer should not be attributed with any credit for that element of the question.

The avoidance of possible accusations of the Living Wage having a sub criteria weighting would also be dealt with by marking the entire question on a range of 0 to 5 for all 4 elements. As follows

- 0- no answers or evidence completed
- 1- 1 element addressed with some evidence as back up
- 2- 1 elements fully addressed with partial evidence for 2
- 3- 2 elements fully addressed with partial evidence for 3
- 4- 3 elements fully addressed with partial evidence for 4
- 5- 4 elements addressed with full evidence as back up

Therefore in the example given, Tenderer 1 would get 4 marks and Tenderer 2, 5 marks. (Provided that both provide the supporting evidence). This would lead to percentage scores of 4% and 5% respectively. In order for Tenderer 1 to get 5 marks they would have to have demonstrated that they were tackling poverty by detailing other benefits such as a pension or childcare vouchers that they were making available to staff. Tenderer 2 does not need to demonstrate this as they state that they do pay the Living Wage.