

SOCIO ECONOMICS – Guidance on Tendering

Introduction

As the decommissioning strategy for Dounreay Site Restoration Limited (DSRL) proceeds, the Caithness and North Sutherland area is undergoing a major economic and social transition process; from a nuclear dependent economy to a more diverse economy supporting a wider range of sustainable employment opportunities. The successful implementation of this process is crucial to the future wellbeing of Caithness and North Sutherland.

All supply chain organisations preparing tenders for work associated with the decommissioning of DSRL are required to actively consider the Socio Economic (SE) impact of their proposed activities locally and to present these as an integral part of their tender return.

The SE impact to be considered will vary widely depending on the contract type, duration and value. Is the contract of long enough duration and nature, for example, to permit the recruitment of apprentices, trainees or graduates? Is there a requirement for support services, by way of subcontract work or the supply of equipment or material? In general, contracts over a year in duration and/or with a value in excess of £1 million should be tendered with SE impact considerations.

Areas where supply chain organisations should ensure that maximum SE benefit is gained by Caithness and North Sutherland are described below:

- Collaboration
- Education, Training and Development
- Local Supply Chain
- Local Recruitment
- Community Links
- Transition Activities

Collaboration

Supply chain organisations should gain an understanding of the SE initiatives that DSRL is targeting and then identify opportunities in which to provide support to these initiatives. This could be achieved, for example, by forming business relationships with other Contractors for project specific activities.

The Caithness Chamber of Commerce is able to organise events such as “Meet the Supplier” or procurement workshops in order to facilitate dialogue and collaboration.

Possible Prequalification Questionnaire (PQQ) questions:

- What experience does the tenderer have to date, in gaining an understanding of which SE initiatives an Employer was targeting? Examples required.
- What experience does the tenderer have to date, in delivering an Employer's SE initiatives? Examples required.

Possible tender questions:

- Which local organisations have been consulted by the tenderer? (Examples of local organisations are: Dounreay Stakeholder Group (DSG), Caithness and North Sutherland Regeneration Partnership (CNSRP), Caithness Chamber of Commerce, etc.)

Education, Training and Development

A key requirement is to maintain existing resource and to develop upcoming resource in the area. The number of people undertaking training initiatives must be maximised. Formal initiatives such as apprenticeships, traineeship and graduate training/ sponsorship must be strongly encouraged.

An example of such an initiative is STEM North of Scotland which aims to increase the number of young people with science, technology, engineering and mathematics qualifications in the region. The STEM Ambassador Programme provides support to activities such as an annual science festival in local schools, allowing young people to learn from “ambassadors” with expertise in STEM. Further details are available at www.stemnorthofscotland.com.

Another example is the provision of a short term under-graduate training scheme, which would match skill sets and facilitate practical experience. Further information can be obtained by contacting the North Highland College, University of the Highlands and Islands (UHI).

Possible PQQ questions:

- What experience does the tenderer have to date, in the development of upcoming resource using formal initiatives such as apprenticeships, sponsorships, graduate training and traineeships? Examples required.

Possible tender questions:

- Does the tenderer intend recruiting local apprentices, trainees or graduates? If so, how many of each?
- What is the proposed recruitment method?
- What unique skills will be required for the works?
- What training is likely to be required?
- What organisations will provide the training?
- What opportunities will the training present (post DSRL contract)?

Local Supply Chain

In Caithness and North Sutherland there are many locally based companies which are fully conversant with the operations and requirements for companies working at DSRL. There are established supply and transport networks for common engineering and construction consumables.

Supply chain organisations are strongly encouraged to investigate the potential use of locally based companies. This may present a cost effective solution and assist with the maintenance of local infrastructure and services.

The Caithness Chamber of Commerce provides directories of local services and a description of local capabilities and capacities.

Possible PQQ questions:

- What experience does the tenderer have to date, in the use of locally based companies and in sourcing locally? Examples required.

Possible tender questions:

- What volume or value of support services will be sourced locally?
- If there is a requirement to transport materials to/from site, what use will be made of the local transport infrastructure?
- To what extent, if any, would the contract require personnel to relocate temporarily to Caithness/North Sutherland?

Local Recruitment

Supply chain organisations are encouraged to identify and support initiatives for the creation of local employment opportunities.

Further information on organisations such as the local Job Centre, Employment Agencies and the North Highland College, University of the Highlands and Islands (UHI) can be provided by the Caithness Chamber of Commerce.

Possible PQQ questions:

- What experience does the tenderer have to date, in creating local employment opportunities? Examples required.

Possible tender questions:

- If there is a requirement for support services such as office administration, commercial, planning, inspection, etc., will this be sourced locally?
- How does the tenderer plan to advertise employment opportunities, as required, locally?

Community Links

Strong links have been established and maintained between DSRL and the local community over the 50 years of operation.

There are many ways in which work at DSRL contributes to the wellbeing of the community. Initiatives such as official community benefit schemes, membership of local business organisations, assistance via direct funding or sponsorship, etc.

SE benefit has been derived from supply chain organisations providing direct support to such initiatives. All supply chain organisations completing work at DSRL are encouraged to consider participation in such activities.

Direct and indirect (support in kind) financial assistance to community projects is sourced and funded from public and private industry. All supply chain organisations completing work at DSRL are encouraged to consider supporting such community projects.

Further information can be provided by the Caithness Voluntary Group, DSG or the Caithness Chamber of Commerce.

Possible PQQ questions:

- What experience does the tenderer have to date, in forging links with the local communities in which they have worked? Examples required.

Possible tender questions:

- What plans would the tenderer have to forge links with the Caithness and North Sutherland local community?
- How would the tenderer plan to use their experience to date?
- What sort of initiatives does the tenderer plan? (For example, educational, community, charitable, sporting, etc.)

Transition Activities

Supply chain organisations are encouraged to identify and support initiatives where opportunities for transition arise, for example, by providing new skills to transition to new or non-decommissioning industries. This may be locally or out with Caithness and North Sutherland if SE benefit for the area is derived.

Organisations such as CNSRP and the Caithness Chamber of Commerce provide support and advice for such initiatives.

Possible PQQ questions:

- What experience does the tenderer have to date, in work force transition? Examples required.

Possible tender questions:

- What could the tenderer offer to assist DSRL with the skills transition of its work force? (Is there an opportunity to develop skills, service or work experience which would aid personnel seeking work within the area post DSRL?)

Conclusion

Currently, Commercial Procedure MAN 003 places no requirement on DSRL Commercial personnel to add SE questions to tender documentation.

Complete Tender Management (CTM) has a generic bank of optional questions; only one of which relates to SE activities. Question SE001 states "Please give an example of a socio economic development programme your company has delivered. Consider community benefits including education and business developments in your response".

The format of the new Framework Agreements has changed from previous Agreements. Where possible, DSRL is now separating Framework Agreements into Lots:

Lot 1 – where individual contracts are below £100k

Lot 2 – where individual contracts are above £100k

This is to encourage smaller, locally based suppliers to capitalise on their flexibility, responsiveness and innovative ideas.

Recommendation

In order to actively encourage supply chain organisations to consider the SE impact of their proposed activities locally:

1. DSRL Commercial Department personnel will actively consider SE impact when issuing tenders for contracts over a year in duration and/or with a value in excess of £1 million (i.e. significant packages of work), especially where supply chain organisations are based out with the Caithness and North Sutherland area.
2. The Commercial Procedure will be updated to reflect the importance DSRL places on SE consideration by supply chain organisations tendering for work at DSRL.
3. The Commercial Procedure will also be updated to reflect the need, where possible and in DSRL's best interests, to separate Framework

Agreements/larger contracts into lots to encourage smaller, locally based suppliers to capitalise.

4. SE should be added as a heading in all Acquisition Strategy documents, with an emphasis on providing justification when SE has not been considered.
5. The possible PQQ and tender questions listed above will be used as a checklist by both DSRL Commercial personnel and supply chain organisations to develop any proposals submitted in respect of work at DSRL.

References:

DSG Paper – “The Supply Chain and Dounreay; SE Considerations”

Ken Nicol Paper – “Socio Economic Plans”

CTM Regulation 25 questions