Site Characterisation Delivery Partner

Social Value and Sustainability

Main principles for tender evaluation and delivery management

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*Note: Within this document, the term “Consultant” applies to companies or individuals working in the capacity of consultant, contractor or supplier for the Site Characterisation Delivery (SCDP). The term “Client” shall be read to mean “Nuclear Waste Services” and “NWS”.*

**Contents**

[1 Introduction 6](#_Toc202362931)

[2 Social Value Principles of the SCDP 7](#_Toc202362932)

[2.1 Qualitative evaluation 7](#_Toc202362933)

[2.2 Difference between social value commitment and social value objective 8](#_Toc202362934)

[2.3 Quantitative evaluation 10](#_Toc202362935)

[2.3.1 Social Value and Sustainability Performance Rating 12](#_Toc202362936)

[2.3.2 Self-Funded Incentive Mechanism 14](#_Toc202362937)

**Tables**

[Table 1: Social Value Commitment and Operational Objectives 9](#_Toc202362926)

[Table 2: Proxy Monetary Values 11](#_Toc202362927)

[Table 3: Accepted Social Value Proposal 11](#_Toc202362928)

[Table 4: SV and Sustainability Evaluation Model Summary 12](#_Toc202362929)

[Table 5: Social Value and Sustainability Performance Rating 13](#_Toc202362930)

Abbreviations and Definitions

|  |  |
| --- | --- |
| CMP | Carbon Management Plan |
| CoP | Condition of Participation |
| GDF | Geological Disposal Facility |
| ITT | Invitation to Tender |
| KPI | Key Performance Indicator |
| NWS | Nuclear Waste Services |
| SCP | Site Characterisation Plan |
| SCDP | Site Characterisation Delivery Partner |
| SFI | Self-Funded Incentive |
| SVM | Social Value Model |
| TOMS | Themes, Outcomes and Measures |

Introduction

The purpose of this document is to outline to the potential bidders the proposed approach to evaluation and delivery management of social value and sustainability on the Site Characterisation Delivery Partner (SCDP) project. The principles are shared with the market as part of a programme of market engagement to gather their feedback which will allow the Client to underpin the methodology released with a tender.

Social Value and Sustainability Principles of Evaluation

1. The Client does not intend to ask social value related questions at Condition of Participation (CoP) procurement stage, however there will be questions related to sustainability both pass/fail and scored question that will be counted towards the overall pass threshold. As part of the question, the bidders will be requested to demonstrate their expertise in delivery of environmental sustainability outcomes on similar scale projects.
2. The social value and sustainability element will have 10% assigned weighting of the overall tender evaluation criteria at the Invitation to Tender (ITT) stage. The weighting will be further apportioned.
3. Since there will only be a firm commitment of work scope for the first 2 years initially with tender, the social value submissions and the evaluation including any firm social value commitments will primarily reflect that initial period. The specific social value commitments and value created from delivery of those commitments will be aligned to task 0 and task 1 of the Consultant’s contract.
4. The ITT question regarding sustainability will ask bidders to outline the bidder’s approach to management of carbon emissions on the project.

ITT Social Value and Sustainability Evaluation Model

Both qualitative and quantitative approaches will be used for evaluation the social value element and a qualitative approach will be used for evaluation the sustainability element.

Social Value and Sustainability Qualitative evaluation

The qualitative social value evaluation will consist of 3 elements:

1. Social Value Model questions
2. Long-term social value operational objectives
3. Approach to management of carbon emissions
4. Social Value Model questions

Response to the three social value model questions, assessing the method statement and plan to cover the first two years of the Consultant’s contract with specific, measurable and time bound social value commitments aligned to task 0 and task 1 of the Consultant’s contract.

The qualitative assessment of method statement and plan will utilise the Government's Social Value Model as set out in PPN 002/25. The Client selected (below) three priority outcomes from the Social Value Model against which the specific social value commitments should be made.

* Outcome 2 - Skills for growth
* Outcome 3 - Resilient, innovative and flexible supply chains
* Outcome 4 - Sustainable procurement practices

Any social value commitments made will need to align with one of the above policy outcomes and together, cover all three of the policy outcomes. There will be a separate social value model question to address each of the outcomes, and they will be evaluated separately from a qualitative assessment perspective.

Each outcome includes a number of model award criteria and sub-criteria that set out the relevant outputs that bidders should demonstrate through their social value proposals. There will be amendments made to the standard questions presented in the PPN model and/or their award criteria, sub- award criteria and metrics. The intention of these changes is to make questions more relevant and proportionate to the Consultant’s contract subject matter. The responses will be assessed using a 10-band scoring regime.

The Client will not limit the type of commitments the bidders can commit to deliver, however each commitment will need to be able to be expressed in proxy values: indicative financial values that quantify benefits for social value commitments. For that purpose, and to measure and report on social value delivery, the Client adopted the Impact Evaluation Standard framework. Please refer to document titled ‘Impact Evaluation Standard - Framework Overview - With Proxies’, for the list of metrics, measurements and proxy value assigned.

In addition, the social value commitments, set out in the winning supplier’s proposals, will be incorporated into the contract and social value and sustainability key performance indicators will be set and linked to the Incentive Mechanism.

1. Long term social value operational objectives

The purpose of this question is to determine what the bidders’ long-term plan for social value delivery is, particularly how they will ensure that the value/benefit created from delivery of commitments is constantly optimised. It is expected that as the project progresses, the commitments will be more impactful and will provide better return on investment. The bidders will be requested to describe their long-term operational objectives for the contract duration. The question will ask why the bidders believe those objectives are important, how they will positively impact the delivery of commitments and what actions the bidders will take to reach those objectives. The Client has developed the document titled ‘Social Value Delivery on SCDP project’ to provide bidders some guidance on what they could consider when forming their long-term operational objectives, but it will not be mandatory to set objectives based on the information contained within the document.

The Client intends to contractually bind the Consultant to working towards these objectives by requesting bidders to submit a 2-year plan which will include some of the actions described in the question response that bidder commits to take to bring them closer to achieving each objective. The Client is aware that many of the objectives will be ongoing for the contract duration, and the Consultant will not be able to achieve all (if any) of the objectives over this initial 2-year period, but the Client wants to ensure that progress is being made in reaching each of them. The descriptive part of the response and the plan will be scored using a 1-10 scoring regime, based primarily on level of confidence provided that the actions and approach proposed would meet the long-term operational objectives. The delivery of the actions plan will be part of social value and sustainability key performance indicators.

Difference between social value commitment and social value objective

The Client understands that more clarity is required on what is understood by the commitment and what is a long-term operational objective, hence the purpose of the below table is to highlight the differences between these two terms:

| **Social Value Commitment** | **Social Value Operational Objective** |
| --- | --- |
| **Purpose:** It is a specific initiative to directly benefit local people, businesses, environment. | **Purpose:** To strengthen impact of the commitments, making them more relevant and meaningful and generate extra value. |
| **Timescale:** The start and end of delivery of commitment can be specified (including preparation, delivery and assessment of outcomes). | **Timescale:** There will be many separate actions that will leading to an objective. While timescales for completing an action could be specified, the objective will often be ongoing and evolving and might need to be refined as the contract progresses, hence generally it will not be feasible to assign an end date to an objective at the contract commencement stage. |
| **Measurement:** The commitment can be expressed e.g. in hours which then can be converted into social value impact in monetary values using social value measurement and reporting tool. The quality of some commitments can often also be measured e.g. by conducting a survey with participants. The qualitative impact of the commitment will often be hard to measure, and it may take longer to evidence it, but the Client’s intention will be to work with the Consultant to measure qualitative outcomes where possible. | **Measurement:** The progress on delivery of the objective related actions over specific period will be tracked. |
| **Resources:** The commitments are to be delivered by staff employed by the Consultant lead organisation(s) and/or its supply chain. | **Resources:** It is expected that the Consultant’s Social Value Lead will be responsible for delivery of social value long-term operational objectives. As the contract progresses, they might require support e.g. to help with administrative tasks. |
| **Cost:** The Consultant shall be responsible for funding delivery of social value commitments.The Client will leave to discretion of the bidders to decide how they intend to finance delivery of the commitments. | **Cost:** The cost for delivery of long-term operational objectives will be incorporated as part of the salary costs of Social Value Lead. |

Table 1: Social Value Commitment and Operational Objectives

1. Approach to management of carbon emissions

The question(s) will aim to assess how the bidders will support the Client in achieving its scope 3 carbon emissions targets and to be carbon net zero by 2050. The bidders will be requested to describe how they will provide a carbon baseline for the framework and develop Carbon Management Plan (CMP) with carbon reduction targets. They will also be asked to demonstrate how those targets will be achieved and progress monitored and reported on. In addition, the bidders will be required to describe how they will manage their supply chain to ensure they also commit to carbon net zero.

Social Value Quantitative evaluation

The quantitative social value evaluation will consist of social value commitments percentage bid back.

The bidders will be required to bid back a firm commitment in terms of the value of annual social value delivery as a proportion/percentage of the estimated annual value of first task(s). The bid back percentages will be scored using one of the scoring mechanisms e.g. relative scoring or target scoring:

1. relative scoring – the highest bid back percentage receives the maximum score for the quantitative evaluation and all other bidders are then scored relative to that based on their bid back percentage; or
2. target scoring – percentage bid backs are evaluated against a target for social value spend set by the Client with any responses that achieve a value of equal to or higher than the target receiving the maximum quantitative score, and all other responses being scored relative to that target

The Client welcomes suppliers’ views on most suitable mechanism.

The value of firm, measurable, time bound social value commitments submitted against the Social Value Model questions for the first two years of the contract, would need to at least meet the bid back threshold submitted by that bidder in each of those first two years. The value of these commitments will be measured using the proxy values as set out in the social value measurement tool developed by Thrive CSR, the 'Impact Evaluation Standard', which utilises a "Themes, Outcomes and Measures" (TOMS) methodology to ascribe proxy monetary values to different types of commitment. This will then determine whether the value of commitments delivered meets the target commitment as determined by the bid back percentage. Therefore, any social value commitments delivered against the target will need to be commitments which can be readily measured by the Thrive tool and for which there are available proxy values.

The bid back percentage would then determine an annual social value threshold commitment (in monetary terms) for the Consultant that it must deliver each year of the contract. This threshold figure will fluctuate from year to year in proportion to the estimated annual contract value for that year. The Consultant will be required to provide a forecast set of social value commitments on an annual basis which will need to have a value that at least meets its annual threshold. The delivery of the value of commitments will be them measured and used as a social value KPI to measure performance. If by the end of given year, the Consultant deliver value of social value commitments that is below the agreed threshold, this will affect the KPI score and consequently incentive pot payout.

Working Example:

* The Consultant social value bid back percentage is 4% annually.
* The combined value of tasks 0 and 1 is £1,910,000. In Year 1, the Consultant forecasted to spend £800,000.00 and in Year 2 £1,110,000.
* Value of Social Value to be generated in Year 1: £32,000.00
* Value of Social Value to be generated in Year 2: £44,400.00

Some of the metrics with proxy monetary values:

|  |  |  |
| --- | --- | --- |
| **Metrics** | **Measurement** | **Proxy** |
| Number of apprenticeship weeks delivered | 1 week | £743.04 |
| Number of people-hours of mentoring received by beneficiaries | 1 hour | £38.32 |
| Number of hours spent on environmental training and education | 1 hour | £44.31 |
| The value of contract opportunities awarded to local suppliers | £1 | £1.40 |
| Community Donations (£) - Cash & Products | £1 | £2.00 |

Table 2: Proxy Monetary Values

The Consultant accepted social value proposal:

|  |  |  |
| --- | --- | --- |
| **Commitment** | **Level of effort** | **Value to generate** |
| Year 1 | | |
| Primary School bespoke STEM session | 30 hours | £1,149.60 |
| Environmental improvement seminars | 30 hours | £1,329.3 |
| Spend with local supplier | £25,000 | £35,000 |
| Total Value: |  | £37,478.90 |
| Year 2 | | |
| 1 apprenticeship opportunity | 30 weeks | £22,291.2 |
| IT equipment donated to local school | £12,000 | £24,000 |
| Total Value: |  | £46,291.2 |

Table 3: Accepted Social Value Proposal

The above is for example purposes only. The Client will expect more variety of commitments that will support meeting all the Social Value model policy outcomes.

The Consultant SV and Sustainability Evaluation Model Summary

The Client will assess the bidders tender using the following evaluation criteria:

|  |  |  |
| --- | --- | --- |
| **Evaluation Element** | **Question Weighting** | **Total Weighting** |
| Qualitative evaluation |  |  |
| SVM Policy Outcome - Skills for growth | 1% | 3% |
| SVM Policy Outcome - Resilient, innovative and flexible supply chains | 1% |
| SVM Policy Outcome - Sustainable procurement practices | 1% |
| Long term social value operational objectives | 2% | 2% |
| Approach to management of carbon emissions | 2.5% | 2.5% |
| Quantitative evaluation |  |  |
| Percentage bid back | 2.5% | 2.5% |
| Total | 10% | |

Table 4: SV and Sustainability Evaluation Model Summary

# Social Value and Sustainability Key Performance Indications and Self-Funded Incentive Mechanism

The Social Value proposals made as part of the bidders’ tender submissions will form a contractual commitment and will be monitored as a Key Performance Indicator during the contract term. In addition, within a specified deadline of the framework first year, the Consultant will be required to produce a carbon baseline and Carbon Management Plan (CMP) that once approved, will contain the actions that Consultant commits to take for the remainder of the contract first year and the second year. The delivery of those actions will also be monitored as a Key Performance Indicator (KPI) during the contract term. Delivery of reporting on carbon emissions and annual sustainability report will also count towards KPI annual score.

The Social Value and Sustainability performance will be measured in terms of:

* Delivery of the value of social value commitments
* Delivery of actions supporting meeting the operational objectives
* Delivery of actions committed in the Carbon Management Plan
* Delivery of reporting on carbon emissions at agreed intervals and annual sustainability report on time and to agreed quality.

Social Value and Sustainability Performance Rating

| **Rating** | **Description** | **SFI Release** |
| --- | --- | --- |
| Green – Good | Value of committed Social Value delivered - 100%  and  Actions supporting meeting the operational objectives delivered - 100%  and  Actions committed in the Carbon Management Plan - 100%  and  All carbon emissions and sustainability reporting submitted on time and without errors and omissions (including technical and non-technical) | 100% |
| High Amber – Approaching Target | Value of committed Social Value delivered - 99% - 85%  and  Actions supporting meeting the operational objectives delivered - 99% - 85%  Actions committed in the Carbon Management Plan - 99% - 85%  and  All carbon emissions and sustainability reporting submitted within 2 working days of period deadline and/or has minor errors and omissions (including technical and non-technical) | 75% |
| Low Amber – Requires Improvement | Value of committed Social Value delivered - 84% - 50%  and  Actions supporting meeting the operational objectives delivered - 84% - 50%  and  Actions committed in the Carbon Management Plan - 84% - 50%  and  All carbon emissions and sustainability reporting submitted within 3-10 working days of period deadline and/or has minor errors and omissions (including technical and non-technical) | 25% |
| Red – Inadequate | Value of committed Social Value delivered - <50%  and  Actions supporting meeting the operational objectives delivered - <50%  and  Actions committed in the Carbon Management Plan - <50%  and  Carbon emissions and/or sustainability reporting is submitted later than 10 working days after period deadline and/or has significant errors and omissions (including technical and non-technical) | 0% |

Table 5: Social Value and Sustainability Performance Rating

If at least one of the indicators falls within description given rating, then the corresponding rating is given. E.g. if the Consultant at the end of the year delivered 100% value of the social value commitments, delivered 100% of the actions supporting meeting the operational objectives, submitted all carbon emissions and sustainability reporting on time and without errors and omissions but delivered 90% of the actions committed in the Carbon Management Plan, then the end of the year KPI rating will be High Amber – Approaching Target and 75% of the SFI pot value will be paid back.

The Client is aware that it is inevitable that performance requirements in relation to social value and sustainability will change over long duration of the contract, hence the contract will provide a defined mechanism to govern changes in performance and SFI measures.

Self-Funded Incentive Mechanism

An agreed 10% of all costs from each task shall be put into the SFI Pot and 25% shall be payable against delivery of social value commitments and actions and CMP actions and reporting committed to within the Tender or set for the year prior to the anniversary date. See associated document ‘SFI Handbook’.

# Clarifications from previous market engagements

Locality

Bidders will need to demonstrate that their social value commitments will benefit ‘locals’. The local area will be defined as the boundary of the Community Partnership(s) involved in the siting process for a Geological Disposal Facility (GDF) at the point of call for final tender submissions. Any subsequent deviations from this will be managed in contract.

Cost of Social Value delivery

The Consultant will be responsible for funding the delivery of social value commitments. The Client will leave to the discretion of bidders to decide where they want to include the cost of delivery of social value commitments. The management of social value delivery is expected to be included within the salary of Social Value Lead.

In the instances where social value commitment also supports delivery of the scope e.g. when apprentices are being used to deliver scope, then bidders will need to cost this into their financial model for delivery of scope. It should not, however, be double priced.

Responsibility for delivery of social value

The contractual responsibility for delivery of social value lies with the Consultant. They should encourage their supply chain to contribute and will be at their discretion how they want to achieve that. The Client will expect strong leadership to encourage wider awareness and take-up of social value amongst employees and supply chain.

Subsequent social value commitments and actions

There will be an ongoing contractual requirement on the Consultant to produce an annual plan of their social value commitments and actions supporting delivery of operational objectives (that can also change). For each contract year, the value of commitments made would always need at least meet the value calculated by multiplying bid back percentage by the forecast spend for upcoming year or actual spend from the previous year. The bid back percentage will remain as the fixed threshold requirement throughout the contract duration.

The value of social value commitments will fluctuate in proportion to the fluctuating annual contract value. The Client welcomes suppliers’ views on whether annual threshold targets for a contract year should be prospective i.e. based on the estimated value for the upcoming contract year; or retrospective i.e. based on the actual contract spend from the previous contract year or another method.

Reporting on Social Value delivery

The Consultant will be required to use Client’s social value tool, Impact Evaluation Standard to report on and evidence the delivery of social value commitments. The delivery of each commitment will need to be approved by the Client’s Social Impact team. In addition, the Consultant will be required to submit a report every 3 months summarising progress against commitments and actions in a mutually agreed format. The Consultant’s Social Value Lead will be expected to hold regular meetings with the Client’s Social Value Lead and relevant stakeholders. The Consultant’s Social Value Lead may occasionally be required to attend Project Leadership meetings to provide an update on social value delivery.

Management of Social Value delivery

The Client recognises that Social Value is a developing field in general, but it will also be developing on the SCDP contract level, hence flexibility and a collaborative approach will be essential. For example, the agreed Social Value commitments may require a certain amount of refinement as a result of changed priorities, however those changes will be mutually discussed and agreed. The Consultant will be also expected to communicate early if despite best endeavours demonstrated to deliver certain commitments or actions, it may still result in non-delivery. The way forward will be mutually discussed and agreed e.g. the Client may remove the commitment from the plan or instruct delivery of an alternative, proportionate commitment.