

Case Study 2023/2024



Department of

Finance

An Roinn

Airgeadais

Northern Ireland Civil Service (NICS)

Cleaning Services

Real Living Wage

Human Rights

PPN 01/21 – Social Value

PPN 05/21 – Human Rights in Public Procurement

Project Title: ID 2415043 – NICS Cleaning Services

Project Description

Supplies and Services Division (SSD) facilitated the competition for a Contractor to deliver cleaning services throughout the NICS estate and wider public sector. In 2020 Aramark were awarded the cleaning contract and commenced the service during a growing global pandemic. Contract clients included: - NICS Departments, their Agencies and Non-Departmental Public Bodies (NDPBs), and the Northern Ireland Housing Executive.

The contract commenced on 1st April 2020, and was awarded for an initial period of 3 years, with the option to extend for up to 24 months, and with an award value of approx. £90m.

Actions

During the procurement process SSD ensured that the contract included provisions for the promotion of social inclusion and equal opportunities as key objectives in the Sustainable Development Strategy for Northern Ireland.

As this contract was awarded prior to the introduction of PPN 01/21 Social Value, the Social Value elements were incorporated as conditions of contract rather than scored criteria. The contract further enshrined a human rights-based approach within the terms and conditions of contract as best practice in ethical procurement to ensure that the human rights of the workers were protected, prior to the publication of PPN 05/21 Human Rights in Public Procurement.

Key contract terms included:

- Economic - encouraged to work with small suppliers (i.e. less than 50 employees); micro suppliers (i.e. less than 10 employees) or Social Enterprises throughout their supply chain.
- Human Rights - reserving the right to survey contractor staff or agency workers on workforce matters such as access to terms and conditions for placements; staff policies such as grievance procedures; how payment for services is managed etc.
- Human Rights - Contractor required to develop and maintain a human rights policy in relation to this contract.
- Environmental - Contractor must actively demonstrate innovative ways of delivering the Services and eliminating inefficiencies, including wastage of energy, throughout the term of the Contract.
- Environmental - Contractor must reduce environmental impact by using the most efficient routes in delivery of Services; switching engines off when vehicles are stationary on a delivery of service for longer than 2 minutes; maximise the use of fuel-efficient vehicles, e.g. LPG. Biodiesel.
- Targeted Recruitment and Training - Contractor to maximise the employment of New Entrant Trainees which should comprise a minimum of 40% of new personnel engaged on the contract (be it through the contractor or a sub-contractor).
- Targeted Recruitment and Training - Contractor to maintain and update Buy Social delivery report on a monthly basis.

Contract Extension

The contract was extended on 31st March 2023 for a two-year period, 1st April 2023 – 31st March 2025.

PPN 01/21 Social Value stated that from June 2022 the payment of the Real Living Wage (RLW) must be included as a condition of contract for all contracts. As this contract was awarded before the introduction of PPN01/21 the requirement to include the Real Living Wage was not included in the conditions of the contract.

SSD liaised with Aramark to discuss how the Real Living Wage could be introduced to employees at the earliest opportunity to ensure the Northern Ireland Civil Service met it's requirements as a living wage employer under the Living Wage Foundation <https://www.livingwage.org.uk/>.

It was agreed the earliest point this could be introduced was the commencement of the 24-month extension option and work proceeded to introduce this variation to the contract.

SSD worked with Aramark to obtain a breakdown of the direct labour costs across staffing on the contract at the many different sites throughout the 3 lots of the contract and communicated the proposed uplift to Clients during these discussions.

Outcomes and Benefits

At the commencement of the extension period, 1st April 2023, the Real living Wage was introduced to the contract providing 450 employees with an increase from the national minimum wage of £9.50 per hour to £10.91 per hour. As the variation to contract introduced the Real Living Wage as a contractual requirement, on 1st April 2024 these employees received an uplift from £10.91 per hour to the 2024 RLW £12.00 per hour.

The contract terms and conditions ensured that the human rights of the contractors staff were enhanced and protected with the contractor providing a Human Rights Policy with supporting processes and procedures in place.