



Making Socially Responsible Public Procurement Work: 71 Good Practice Cases

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Wageningen's Social Return on Investment Policy

City of Wageningen, the Netherlands

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Name of procuring authority, Country: City of Wageningen, the Netherlands

Product or service sector: Various



Introduction/procurement objective

The City of Wageningen introduced a procurement policy under which the administration is obliged to include Social Return on Investment (SROI) on every tender with an expected value above €50,000. A fixed percentage (5%) of the agreed contract price of each procurement above €50,000 is used to employ registered unemployed persons or people far from labour markets.

There are various ways in which social return in the Netherlands can be incorporated into public procurement. Options include setting special terms and conditions of performance, the inclusion of award criteria, or the reservation of a contract

with sheltered employment companies. For other example, see the cases in this collection from Haarlem ([p. 229](#)) or Rotterdam ([p. 134](#)).

Subject matter

Social Return is an important aspect of the procurement policy of the Municipality of Wageningen. The Municipality strives to achieve concrete social outcomes through the award of contracts to market participants. In this context, Social Return means that the Municipality sets contractual social considerations to tenderers. These conditions are in the field of job opportunities for job seekers.

Stage of procurement phase and criteria

Providers are requested to describe the options they have with regard to the implementation of Social Return on Investment. The assessment of the award criteria is done by the account manager of the Corporate Department of the Municipality. After contracting, the account manager is the point of contact for the implementation of Social Return on Investment.

Social policy objective and/or reference standard

Three different options are available for including Social Return in a tender, of which the tenderer should choose one:

- **Contract requirement:** A fixed percentage (5%) of the agreed contract sum of an assignment is used to hire unemployed persons or people who are far from the labour market. The implementation of the requirement can be agreed upon in a plan after the assignment between the entrepreneur and the Municipality.
- **Contract requirement in combination with an**

award criterion: A fixed percentage (5%) of the agreed contract sum is used to hire unemployed persons or people who are far from the labour market and is included in the tender as an award criterion.

- *Request for ideas:* Tenderers are requested to make a proposal for the way in which social return is implemented. This proposal does not have to be included as an award criterion, but is, after assignment, worked out in more detail in collaboration with the Municipality

Verification

The City includes the option of imposing a fine in the contract. Every year the progress regarding the implementation of SROI is reviewed. If the tenderer's contribution is not met, the City is entitled to charge the tenderer 5% of the contract value for the services provided (in 2019, this mechanism was used once). The City will use this amount to design initiatives that directly contribute to the development or use of instruments to support job seekers or people who are far from the labour market in their search for work.

The designated account manager is responsible for the verification of the SROI commitments.

Instrument

- Art. 70 on conditions for performance of contracts of Directive 2014/24/EU.

Actors

- Contracting authority: The Municipality of Wageningen
- Beneficiaries: Job seekers (especially people far from labour markets)

Social impacts

- The Municipality of Wageningen has set itself the goal of supporting as many residents as possible to participate in the labour market.
- The Purchasing and Tendering policy wants to

contribute to this goal by applying the Social Return on Investment Policy, and in this way creating opportunities for people that are disadvantaged in the labour market.

- The Municipality has obliged itself to apply SROI aspects to all tenders. Regardless of whether the assignment relates to services, deliveries or works.

Other benefits

- Reduction of social welfare payments: SROI increases the chances for long-term unemployed people of getting a paid job. They will then not be in need of social benefits.

Lessons learned and future challenges

- Put Social Return on Investment on the agenda when you are organising a market consultation.
- The contracting authority should ask for a plan of action for SROI and if possible work together with the contractor on the plan;
- Involve colleagues responsible for the implementation and verification of the Social Return on Investment procurement policy at an early stage;
- To include Social Return on Investment on every tender with an expected contract value above €50,000 is a rather low hurdle (5% of €50,000 is just €2,500). It might be better to keep the tender limit of €221,000 (the amount above which you must tender in Europe until 2020), so that placements for job seekers resulting from the SROI are more stable. The duration of the placement depends, among other things, on the contract value.

Contact

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