

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 9th OCTOBER 2007

Question

Will the Minister indicate to members whether any codes are in place to allow Ministers when deciding between rival bids for States contracts to award such contracts on grounds other than financial/best value terms, such as a company's record of employment of locally qualified workers or of numbers of apprenticeships? If not, will the Minister consider the introduction of such codes?

Answer

There is a general presumption when putting States contracts out to tender that the lowest bid will be accepted unless there are sound reasons for choosing one at a higher value. This might include delivery times, quality of supply or other relevant factors.

The current States Financial Codes of Direction do not directly address the issue of contractors' employment of locally qualified staff or apprentices. However consideration is at present being given as to how the States evaluates tenders via two connected pieces of work. The first is the development of a Procurement Strategy in which the States position in relation to building sustainable communities is outlined. The second is the review of the various Financial Codes of Direction that relate to procurement. It is intended that an update to the Codes will give guidance on the award of contracts in accordance with the principles of the Most Economically Advantageous Tender in which a range of criteria including for example, cost, quality, servicing, technical capability are weighted according to the goods, services or works being procured. In the UK some local authorities are specifically including criteria for selection that supports the strategic initiative of building sustainable communities, by including such criteria as development of skilled labour and number of apprenticeships. Application of this type of criteria must be used appropriately as it can be considered discriminatory and may also lead to distortion of competition. These and other issues will be considered as part of the work in progress, on which consultation is due to be completed by the end of 2007 and revised policy documents published by the end of February 2008.