

Employment
through
procurement

Swedish Transport
Administration

External info

Rev 12/12/2017



TRAFIKVERKET



The Swedish Transport Administration shall work to achieve increased employment

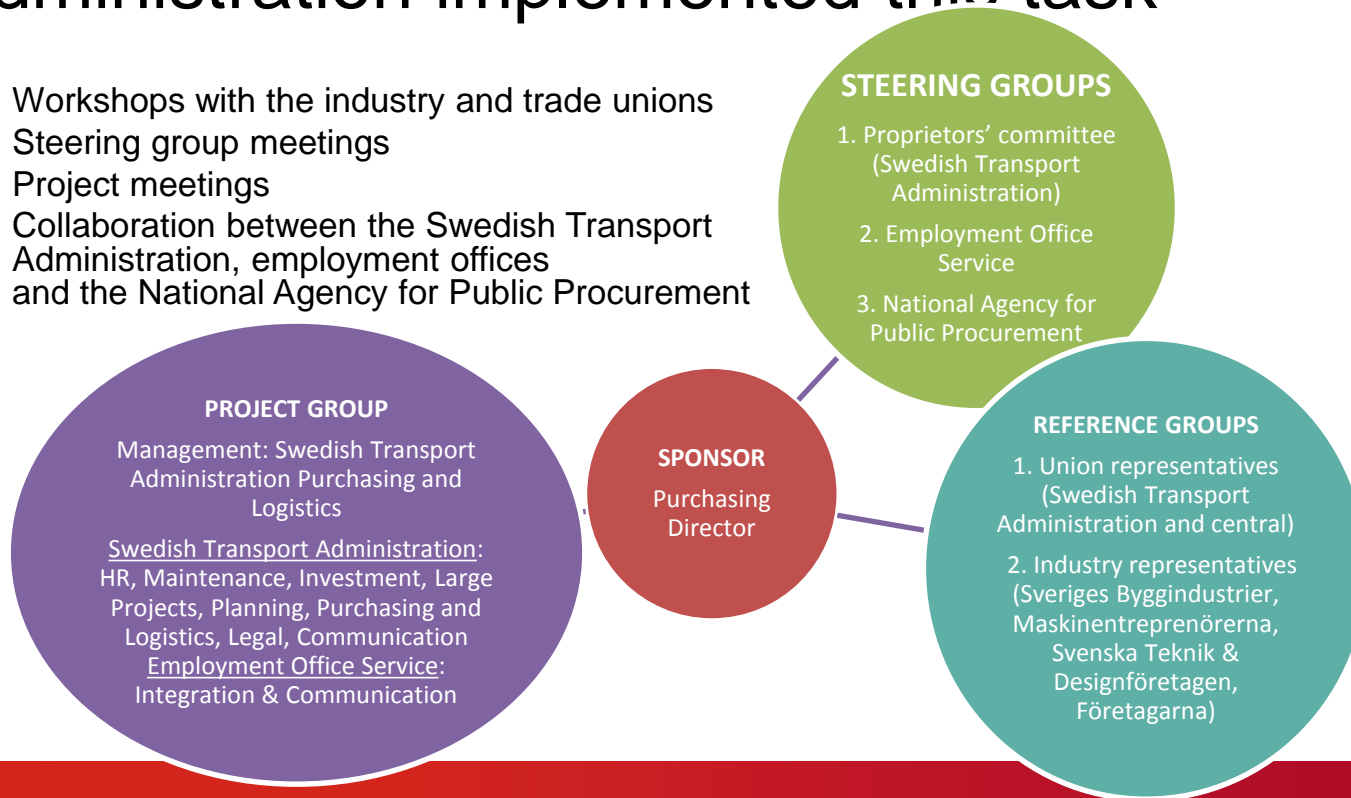
The government has appointed the Swedish Transport Administration, in public procurements, to work to achieve increased employment for persons who have difficulty in entering the labor market and thus contribute to reducing unemployment.

- The model was implemented at the Swedish Transport Administration in 2016.



How the Swedish Transport Administration implemented this task

- Workshops with the industry and trade unions
- Steering group meetings
- Project meetings
- Collaboration between the Swedish Transport Administration, employment offices and the National Agency for Public Procurement



Persons who gain employment shall fulfil one or more of the following criteria

1. Unemployed and registered with an employment office
2. Shall undergo a practice or apprentice period within the framework for training or according to the directions of an employment office
3. Has a position that does not correspond to the training and/or experience and expertise that the person has, but can be matched to a service that will be offered in the contract



Exceptions

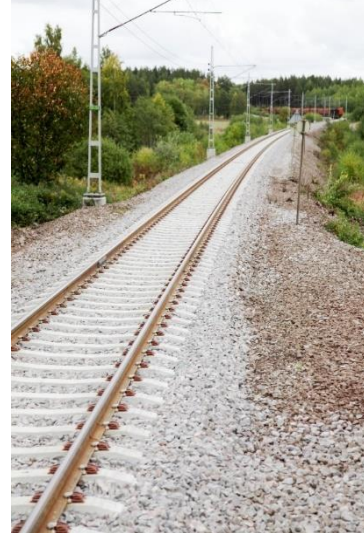
- Contracts that shall not contain employment contract clauses:
 - Service and contract procurements with an implementation time of **less than 9 months** or where implementation requires **max 5 full time employees** (excluding options).
 - All **framework agreement procurements, call-off orders or procurements of goods** are also exceptions.



Model

- Basic
 - Requirement for meeting with the employment office
 - Incentive in the form of a bonus* if employment above requirement is created. Applies to basic requirement alone and also with employment requirement.
- Employment requirement:
 - Contract over SEK 50 million (about 15 full time employees)
 - Service over SEK 25 million (about 25 full time employees)
- Deviations:
 - Reasons must be given by project manager/client and approved in connection with decision on announcement.
 - The decision is taken by the head of Purchasing and Logistics or in consultation with a similar management level at the client depending on contract size.

*SEK 60,000 for practice places (6 persons) and SEK 240,000 for employment (12 persons)



Positions – length and distribution

The guideline is that at least half (50%) of the positions per contract go to employment and the rest as practice.

Length of employment:

- Each position that shall represent an employment shall correspond to a full year's service (1,720 hours)

Length of practice:

- Each place that shall represent practice shall be six months (960 hours)



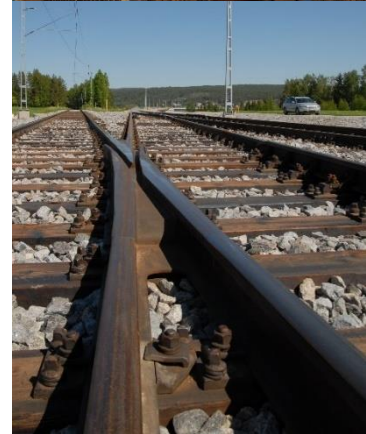
Positions - definitions

Employment:

- Employment can be either conditional tenure or defined term (e.g. apprentice appointment or project appointment). The employment office may decide on a labour market policy programme which would then provide pay subsidy.

Practice:

- The purpose is mainly to gain work experience and develop expertise. May occur both within and outside the framework for training. The trainee has no employment relationship with the company where practice occurs. A trainee may never replace ordinary personnel. Practice may last a maximum of 6 months.



What is a position?

Employment



Practice



Bonus and penalties

- Bonus is paid for employment above the requirement level (positions defined in the contract)
- Penalties claimed when requirements are not fulfilled

| Type of employment | Bonus/Penalty per place |
|------------------------|-------------------------|
| Employment (12 months) | SEK 240,000 |
| Practice (6 months) | SEK 60,000 |

Bonus is normally paid annually after verification of employed persons and after any requirements have been complied with.

Penalty assessment occurs after the end of the contract. All requirements must be complied with or a full penalty per position is payable.



Text in contracts - regarding basic requirement

“The basic requirement requires that the supplier shall have a meeting with the Employment Office to describe its personnel needs and be offered help with recruitment.

The supplier shall have contacted the Employment Office and commenced collaboration no more than one month after the start-up meeting with the client.

That this contact has been made shall be reported at the next site or planning meeting, or in some other way as directed by the client.”



Text in contracts - requirement and bonus, example

Requirement in AF: AFC/D.346 and AUC.396

| Type of employment | Number of positions in the contract |
|--------------------|-------------------------------------|
| Practice | 2 |
| Employment | 2 |

Bonus in EK/UK: section 6.13

| Type of position | Maximum number of positions within the contract for which a bonus can be given | Bonus per position |
|------------------|--|--------------------|
| Practice | 3 | SEK 60,000 |
| Employment | 3 | SEK 240,000 |

- The contract has a requirement for two practice positions and two employment positions, in AF. The costs of this requirement shall be incorporated in the tender.
- If the requirement is met, the supplier may receive a bonus if further employment is created.
- If the supplier in the example above provides 10 positions (2+2+3+3) it fulfils the requirement (2+2) and is paid in addition for the 6 bonus positions (3+3).
Total SEK 900,000 (3 x SEK 60,000 + 3 x SEK 240,000).



Text in contracts - penalty, example

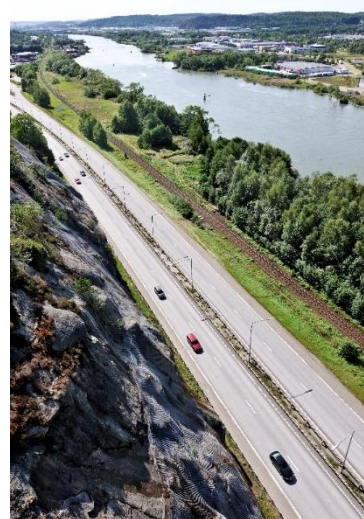
Penalty in: EK/UK section 5.188 / section 5.53

- The contractor/consultant shall observe the regulations that appear in TRV 2016/30048 or TDOK 2017:0444.
- If the contractor/consultant does not demonstrate that it satisfies the employment requirements under //AFC.346//AFD.346//AUC.396, the contractor/consultant shall pay a penalty.
- The penalty amounts to SEK 240,000 per employment and SEK 60,000 per practice position by which the contractor/consultant fails to meet the requirement set.

Example:

| Type of employment | Number of positions in the contract |
|--------------------|-------------------------------------|
| Practice | 2 |
| Employment | 2 |

In this case the maximum penalty is $2 \times \text{SEK } 60,000 + 2 \times \text{SEK } 240,000 = \text{SEK } 600,000$



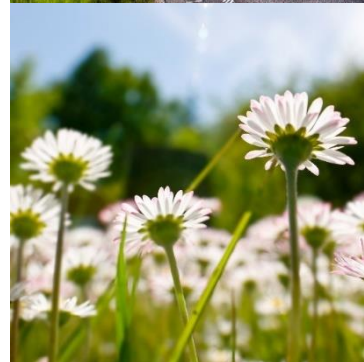
Follow-up

Reporting occurs at site and planning meetings

- The supplier reports in the form of hours worked in the contract by persons in the employment requirement target group (e.g. timesheet document).

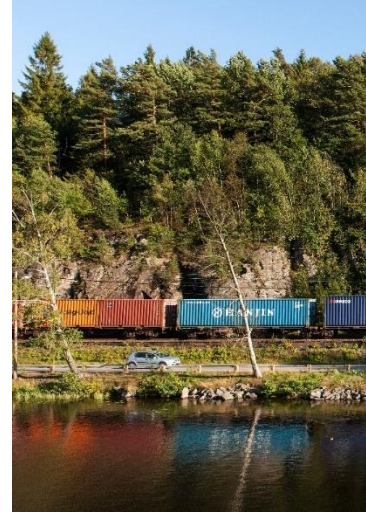
The supplier is responsible for having verification data to hand if the Swedish Transport Administration makes spot checks.

The Swedish Transport Administration intends to publish on its website which suppliers have contributed to creating employment.



Activities with the industry

- Declaration of intent between Swedish Transport Administration and Employment Office Service
- Municipal agreements (Stockholm, Göteborg)
- Continuing dialogue between Swedish Transport Administration, Employment Office Service and the industry
- The employment offices coordinate the needs of the company
- Employment offices collaborate with the Swedish Transport Administration's suppliers
- Dialogue on long-term competence supply in the railway sector
- R&D project with Lund University
- Close contact between regional representatives of the Swedish Transport Administration and the Employment Office Service
- Workshops with the industry twice per year



More information:
<http://www.trafikverket.se/for-dig-i-branschen/upphandling/sysselsattningskrav-i-trafikverkets-upphandlingar/>

