

# CPD Supplier Code of Conduct

November 2018

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## 1.0 INTRODUCTION

- 1.1 Construction & Procurement Delivery (CPD) is a directorate within the Department of Finance (DoF). CPD provides professional procurement services to the Northern Ireland Executive's nine departments and arm's length bodies, helping them to obtain "Best Value for Money"<sup>1</sup>.
- 1.2 Suppliers of goods, services and works to CPD and its clients (which will be referred to as CPD) play an important role in enabling the Northern Ireland Executive achieve the outcomes of the Programme for Government (PfG).
- 1.3 Civil Servants are bound by the [NICS Code of Ethics](#) which outlines the core values required to support good government and ensure the achievement of the highest possible standards in all that the Civil Service does. The standards which can be expected from CPD and its staff are set out in the [CPD Supplier Charter](#).
- 1.4 This Supplier Code of Conduct sets out the values and principles expected of suppliers. Members of professions engaged on government work, whether as suppliers or sub-contractors, are expected fully to comply with the Code and the standards of their professional bodies. Suppliers will be asked to confirm acceptance of the Code. It is also expected they will adopt requirements similar to those contained in this Code for their own suppliers, as appropriate. It is expected suppliers will see the benefits of following it when dealing with CPD and that any compliance issues will be resolved locally.
- 1.5 It goes without saying that suppliers are contractually obliged to deliver the contract. This means delivering the right goods, services or works to the right quality, at the right price, at the right time, to the right place, for the right length of time, whilst demonstrating the right behaviours and adhering to their obligations.

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<sup>1</sup> This was defined by the NI Executive as "the most advantageous combination of cost, quality and sustainability to meet customer requirements". In this context, cost means consideration of the whole life cost; quality means meeting a specification which is fit for purpose and sufficient to meet the customer's requirements; and sustainability means economic, social and environmental benefits, considered in the business case, in support of the PfG.

- 1.6 The Protocol for Managing Poor Contractor Performance<sup>2</sup> sets out the steps that contract managers will take in monitoring a supplier's performance and any subsequent steps senior management may need to take when a supplier's poor performance has been escalated as a result of the supplier's failure to deliver a substantive contract requirement<sup>3</sup>.

## 2.0 THE CODE

- 2.1 Suppliers are paid out of public funds and thus the taxpayer expects them to act ethically and in the public interest to meet the aspirations, expectations and needs of the community served by the procurements. It is however accepted that they should make a reasonable profit.

## 2.2 Supply chains

### 2.2.1 Suppliers **must**:

- Ensure payments to their supply chain are made in accordance with the [Late Payment of Commercial Debts Regulations 2013](#).
- In respect of construction contracts comply with the '[Code of Practice for Government Construction Clients and their Supply Chains](#)' and implement a Fair Payment Charter.

### 2.2.2 Suppliers **should**:

- Treat their supply chain fairly and be open and transparent in their dealings with it and with government whilst protecting commercial confidentiality where required.
- Not impose unnecessary burdens or constraints on their supply chain.
- Ensure that their supply chain is remunerated in a way that encourages it to deliver good quality goods/services/works on time and to budget.

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<sup>2</sup> Annex D of [Procurement Guidance Note 01/12 – Contract Management Procedures and Principles](#)

<sup>3</sup> A **substantive contract requirement**, in the context of this guidance, is a requirement that gives the Department/Contracting Authority the right to terminate the contract at the supplier's expense if it fails to meet the requirement.

- Ensure that the Conditions of Contract used when contracting with their supply chain reflect those they have signed up to with CPD.
- Ensure risk is allocated to the party best placed to manage it. This means not flowing risk inappropriately down to subcontractors and not asserting that subcontractors can manage risk that is in fact better managed by the supplier.
- Attempt, in good faith, to negotiate a settlement to any disputes with their subcontractors or others promptly and fairly through good relationship management. Where appropriate, use contractual dispute resolution mechanisms and statutory bodies such as the Labour Relations Agency recognising that taxpayer and supplier interests are rarely best served by protracted litigation.
- Make their supply chain as open as possible to a diverse range of suppliers, for example:
  - Small and Medium Sized Enterprises (SMEs);
  - Social Economy Enterprises (SEEs);
  - enterprises employing people with disabilities or health related conditions, or disadvantaged people; and
  - suppliers from other underrepresented or protected groups.
- Ensure supply chains are operating as effectively as possible.

## 2.3 People

### 2.3.1 Suppliers **must**:

- Treat all staff and service users with respect, irrespective of gender, including gender identity, marital or civil partnership status, race/ethnic origin, religious belief or political opinion, disability, having or not having dependants, sexual orientation and age and have due regard to the need to promote equality of opportunity.
- Provide a safe and healthy workplace for their employees.

- If relevant to the contract, have clear and effective strategies in place to manage the [Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#) (TUPE) process.
- Support and respect the protection of internationally proclaimed human rights and ensure they are not complicit in human rights abuses including adherence to the principles concerning International Labour Standards<sup>4</sup> established by the International Labour Organisation (ILO).
- Allow their staff to establish and be members of trade unions and other workers' organisations
- If applicable, fully comply with the requirements of the [Modern Slavery Act 2015](#).

### 2.3.2 Suppliers **should**:

- Satisfy themselves that they have a sufficiently good system of internal control that will not allow individual members of staff to act contrary to company policy.

## 2.4 Sustainability

### 2.4.1 Suppliers **must**:

- Where the '[Buy Social](#)' model is being applied, assist government in maximising and monitoring the benefits from public procurement in terms of:
  - personal well-being;
  - social cohesion and inclusion;
  - equal opportunities; and
  - sustainable development.
- Supply goods and services that comply with the '[Government Buying Standards](#)'.

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<sup>4</sup> The full texts of the ILO Conventions and Recommendations can be found at: <http://www.ilo.org/global/standards/lang--en/index.htm>

- Supply timber and wood derived products originating from either legal and sustainable or FLEGT-licensed (or equivalent) sources.
- Where applicable supply goods which are of Fair Trade origin (or equivalent).

#### 2.4.2 Suppliers **should**:

- Conduct their business in an environmentally sustainable way.
- Embrace Corporate Social Responsibility (CSR) by integrating social and environmental concerns into their business operations and in their interactions with stakeholders on a voluntary basis.
- Identify opportunities for achieving diversity in their workforce, by advertising job opportunities and encouraging people from underrepresented groups to apply.

## 2.5 Prevention of fraudulent activity

#### 2.5.1 Suppliers **must**:

- Not offer or give, or agree to give, to any employee, agent, servant or government representative or anyone else any gift or consideration of any kind which could act as an inducement or reward for doing, refraining from doing, or for having done or refrained from doing, any act in relation to obtaining any contract.
- Comply with the requirements of the [Bribery Act 2010](#), if applicable.
- Take all reasonable steps, in accordance with good industry practice, to prevent fraud (for example by having fraud and whistleblowing policies in place).
- Mitigate against conflict of interest (or perceived conflict of interest). For example, a supplier with a position of influence gained through a contract should not use that position to unfairly disadvantage any other supplier or reduce the potential for future competition eg by creating a technical solution that locks in the supplier's own goods and services.

## 2.6 Transparency

### 2.6.1 Suppliers **must**:

- Ensure that the 'true' costs of delivery are included in their original tender price to avoid:
  - issues with the quality of the service or product delivered; or
  - failure to continue to provide the service (or deliver the product) without seeking a price increase.

### 2.6.2 Suppliers **should**:

- Ensure that any change to their organisational structure or profitability which may impact on the delivery of the contract or may attract media/public attention is raised with the contracting authority as soon as practicable.

## 2.7 Information management

### 2.7.1 Suppliers **must**:

- Protect sensitive information provided in the performance of contracts. Such information, even if not covered by contractual provisions, should be treated with the same care as information of similar sensitivity in the supplier's own organisation.
- Acknowledge the requirements of government under the [Freedom of Information Act 2000](#) and the [Environmental Information Regulations 2004](#) and assist it to comply with its information disclosure obligations.
- Where personal data is being processed, adhere to the requirements of the [EU General Data Protection Regulation](#) (GDPR)<sup>5</sup> and [Data Protection Act 2018](#) (DPA 2018)<sup>6</sup>.

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<sup>5</sup> Further information on the GDPR can be found on the Information Commissioner's Office (ICO) website at: <https://ico.org.uk/for-organisations/data-protection-reform/overview-of-the-gdpr/>.

<sup>6</sup> Further information on the DPA 2018 can be found on the ICO website at: <https://ico.org.uk/for-organisations/data-protection-act-2018/>

- Ensure that any information provided by CPD is securely destroyed or handed back in accordance with the contract's exit arrangements.
- Safeguard the integrity and security of their systems and comply with the relevant government cyber security standards and guidance.

## 2.8 Continuous improvement

### 2.8.1 Suppliers **must**:

- Be prepared to speak out when a contract is no longer fit for purpose, for example, in its contractual stipulations or measures.
- Use recognised industry best practice in the delivery of the goods, services and works and try to continuously improve the goods, services and works by utilising world class innovation, ideas and expertise.

## 2.9 Other relevant laws and regulations

### 2.9.1 Suppliers **must**:

- In adherence to the Code, act in compliance with all other relevant laws and regulations.

## 3.0 WHAT IF A SUPPLIER BECOMES AWARE OF POOR PRACTICE?

3.1 It is expected that a supplier will speak out (without fear of consequences) when contracting staff, other government officials or other suppliers are not upholding good governance or the values embedded in the NICS Code of Ethics or this Supplier Code of Conduct.

3.2 If you become aware of poor practice you should contact the contract manager or CPD (see [section 5](#))<sup>7</sup>.

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<sup>7</sup> If these channels have been followed and you believe there is an ongoing risk, or you feel the matter is so serious that you cannot discuss it with any of the above, you can raise your concern directly with one of the contacts listed in the whistleblowing policies of [NICS departments](#).

## 4.0 WHAT IF A SUPPLIER DOES NOT FOLLOW THE CODE?

- 4.1 It is expected that suppliers will follow this Code. Contract managers should check that suppliers are doing so and should attempt to resolve any compliance issues locally.
- 4.2 Where this is not possible and where the client believes there has been a significant or persistent breach of the Code, they are advised to bring this to the attention of CPD. Contact details are provided below.

## 5.0 WHO CAN YOU CONTACT ABOUT THE CODE?

- 5.1 If you have an enquiry about the Code or its implementation you should contact the following:

Construction & Procurement Delivery

Clare House

303 Airport Road West

Belfast

BT3 9ED

Email: [procure.policy@finance-ni.gov.uk](mailto:procure.policy@finance-ni.gov.uk)

Phone: 028 9081 6233

Website: <https://www.finance-ni.gov.uk/topics/procurement>

