

# DWP Supplier Charter

# Our DWP Supplier Charter

## How we will do business together

DWP looks for strong supplier relationships built to deliver the objectives we share and to support each other to excel at what we do. Through our handling of every phase of the procurement and commissioning cycle, from initial business planning through contract award to contract management, we will play our part and expect suppliers to do likewise.

### **With our suppliers we will:**

- 1)** Adopt a partnering approach to deliver DWP Objectives and achieve sustained value for money for the UK public and taxpayer.
- 2)** Demonstrate flexibility and create an environment for innovation that results in continuous improvements in service delivery and customer care.
- 3)** Achieve long-term value for money and a mutually beneficial return on investment. Improve efficiency by: reducing bureaucracy; harnessing technology; joining up government and supply chains.
- 4)** Protect and treat all information in accordance with Departmental standards, the Data Protection Act and relevant UK legislation.
- 5)** Fulfil DWP core values – achieving the best, respecting people, making a difference, and looking outward – through this our organisations and our people can flourish.

**6)** Help to build a fairer and more economically, socially and environmentally sustainable society by:

- a)** Procuring, commissioning and delivering public services to achieve optimum economic and social sustainability in support of DWP's mission.
- b)** Promoting equality and diversity.
- c)** Promoting environmental sustainability.
- d)** Supporting supply chain diversity – extend the principles to sub-contractors from all sectors, including the third sector and voluntary sector.
- e)** Acting with integrity and transparency while ensuring public accountability.
- f)** Embracing DWP's policy of fair payment terms throughout their supply chain for the economic benefit of all.

## Supporting Notes to individual principles:

### **1) Partnering:**

Suppliers will be expected to work in partnership with DWP to help in the delivery of its key objectives which can be viewed, in full, on our web site “supplying DWP” (see also note 6 in supporting notes). Our current and future suppliers, of both goods and services, play an important role in helping us to achieve these objectives. Our procurement techniques, contracting models and contract management will create conditions whereby our suppliers work in partnership with us to achieve these goals. DWP will work in an open and co-operative way with suppliers to identify opportunities and introduce innovative ways of improving service and delivering added value throughout the life of the contract.

During contract delivery, DWP will work in close collaboration with suppliers raising any issues of concern at an early stage to enable constructive joint resolution.

Small, Medium Enterprises (SMEs) will be encouraged to contract with DWP either as 1<sup>st</sup> tier suppliers, where capable, or as sub contractors for more complex contracts.

DWP’s own agencies, and other parts of the public sector that co-commission with us, will share responsibilities for helping to achieve DWP objectives and for fulfilling our partnering commitments to suppliers.

We both will comply with the letter and spirit of the law as outlined in the terms and conditions that govern the contract(s). We both shall reject any business practise which might reasonably be deemed improper.

### **2) Innovation and Continuous Improvement:**

DWP will build the need for innovation into our procurement processes to ensure suppliers help us gain the best advantage from new techniques and technological advances. As part of the contract management process, suppliers will be expected to demonstrate flexibility and be pro-active in suggesting ways to improve value for money, pursue continued improvements and seek actively to identify and share improvements, innovations and market advances.

Suppliers should commit to the Joint Statement by the Government, trade unions and private and third sector employer organisations ensuring that all employees working on Government contracts are given access to training for basic skills and, should they wish it, access to trade unions and to sources of advice.

Suppliers are encouraged to work with Government to unlock talent, build relevant skills and expand opportunities for people to work, offering training and apprenticeships that develop a work force with world class skills.

DWP want to encourage dynamic markets where suppliers who have demonstrated the capacity to deliver innovative, quality provision to high standards, are able to bring fresh approaches to bear.

### **3) Value for Money:**

The present economic climate is extremely challenging requiring the most efficient use of increasingly scarce resources. There is an ongoing requirement for DWP to ensure that taxpayer's receive the best possible value for money and that suppliers are closely involved in helping us to achieve that core objective. In return, Suppliers can expect DWP to work flexibly with them through periods of intense economic change.

The contract management process will focus closely on ways to drive out unnecessary cost, improve service delivery and deliver improved value for money in line with DWP business objectives.

DWP will set its budget and award contracts to achieve best value for money. Moreover, DWP's objective is to achieve the best "whole life" value for money, assessed over the whole life of any procurement and taking into account all relevant costs and benefits to society as a whole.

To achieve best value for money DWP will apply demand management (i.e. only using or buying what is really needed) to all our contracts and apply the principle of whole-life costs (including running and disposal costs - not just acquisition) to the letting of contracts.

### **4) Information Security:**

Suppliers are expected to protect all DWP information to an appropriate level agreed with their contract manager.

Production and agreement of detailed Security Plans and compliance with information security terms and conditions will be treated as a high priority throughout the life of the contract.

Where 1st Tier Suppliers are using sub contractors to deliver DWP contracts, there is an expectation that they will treat information security levels with the same level of importance with their sub contractors.

DWP will protect suppliers' commercially confidential information and respect their intellectual property, subject to the requirements of the Freedom of Information (Fol) Act (2000).

## 5) DWP core values and their importance:

DWP core values are:

**Achieving the Best:** By using all our resources efficiently so that high and consistent standards of service are provided.

**Respecting people:** By treating our customers and each other with respect, welcoming diversity and valuing others' ideas and responding fairly to individual needs.

**Making a difference:** By supporting, challenging and inspiring customers to improve their lives and helping each other to make a difference.

**Looking outwards:** By working with others and learning how to get better at what we do.

DWP expects that its suppliers would willingly help fulfil its core values in a spirit of partnership. DWP promotes these values with its suppliers because through them, both our organisations and people can flourish

## 6) A Fairer and more sustainable Society:

DWP, by the very nature of its core business, supports the most vulnerable in society, works to reduce child and pensioner poverty, to help those who can work to do so, and ensure people with disabilities can play their full part. In doing so, DWP aims to promote economic growth, tackle poverty and social exclusion, and minimise its own environmental impact including as reflected in SOGE (Sustainable Operations On the Government Estate targets).

In working towards these aims we are pursuing seven strategic objectives which drive all our activities. They are to:

- 1) Reduce the number of children living in poverty.
- 2) Maximise employment opportunity for all.
- 3) Improve Health and Safety outcomes.
- 4) Promote independence and well-being in later life, continuing to tackle pensioner poverty and implementing pension reform.
- 5) Promote equality of opportunity for disabled people.
- 6) Pay our customers the right benefit at the right time.
- 7) Make the Department an exemplar of effective service delivery.

## **6 a) Economic and social sustainability:**

The Department is committed to reducing welfare dependency and increasing economic competitiveness by helping people to work wherever they can. That will include working in partnership with the public sector, private sector, voluntary sector and third sector, drawing on their expertise, innovation and knowledge to deliver world class programmes that help people develop, fulfil their potential and find work.

DWP will design its public service commissioning strategies to achieve outcomes in support of DWP's key objectives. Agreed outcomes will be challenging yet realistic and providers will be given greater flexibility in delivery. DWP, its agencies and co-commissioners will work together with suppliers to manage risks and grasp opportunities to achieve better outcomes for individual service users and society as a whole.

## **6 b) Equality & Diversity:**

DWP customers are individuals, often with complex needs, for whom services might need to be delivered in individual and imaginative ways. DWP and its suppliers will work together to increase personalisation of public services and reduce inequality through the support for those with the greatest needs.

Suppliers should promote transparency, non discrimination and equal treatment within their workplace, when dealing with sub contractors and in their dealings with DWP staff. Suppliers should ensure that sub-contractors remain committed to equality and diversity when recruiting staff.

All suppliers are expected to have effective Equality and Diversity policies either as a stand alone document or as part of a comprehensive Sustainability policy.

DWP contract management staff will work with Suppliers to develop an approach to Equality and Diversity which will be discussed as part of the periodical contract management review (including implementation and improvement plans).

Suppliers are expected to abide by DWP's policies on Equality and Diversity where relevant and proportionate to the contract.

## **6 c) Environmental Sustainability:**

The Department is committed towards minimising our environmental impact by striving to meet those government set targets (SOGE) on carbon emissions from offices and vehicles, waste reduction, energy efficiency and water consumption. To help in this objective, specifications (where applicable) will comply with the OGC quick wins which lays down minimum environmental standards which must be met to be considered for contract award. We will be looking for all our suppliers to have a Sustainable Development (SD) policy and action plans in place to reduce their environmental impact.

Further initiatives will need to be considered as more information becomes available on the carbon reduction commitment (trading), carbon budgets (cost of carbon) and carbon neutrality/offsetting.

## **6 d) Supporting supply chain diversity:**

DWP wishes to promote and support diversity in its supply chains, with active participation of suppliers from all sectors. Supply chain relationships should be supportive and adhere to fair treatment, in line with policy guidance such as the Third Sector Compact and the Code of Conduct within the DWP's Commissioning Strategy.

Third sector organisations and Small, Medium Enterprises (SMEs) will be encouraged to contract with DWP either as 1<sup>st</sup> tier suppliers, where capable, or as sub contractors for more complex contracts.

Larger suppliers will be expected to use SMEs and voluntary sector organisations as sub contractors, where it is appropriate, and brings definite added value to delivery.

Where appropriate, DWP will reserve suitable contracts for supported businesses and factories (those where more than 50% of the workforce have a qualifying disability) using Regulation 7 of the Public Contract Regulations 2006.

For larger contracts where supported businesses do not have the ability and capacity to be a 1<sup>st</sup> tier supplier, DWP expects suppliers to pro-actively use supported businesses as sub contractors. This expectation will often be incorporated as a performance condition for the 1<sup>st</sup> tier supplier awarded the contract. In such circumstances, compliance will be monitored and discussed throughout the life of the contract by the contract manager as a routine part of supplier relationship management activities.

## **6 e) Integrity and transparency while ensuring public accountability:**

There is a strong public interest in public procurements to ensure that:

- Procurement processes are conducted in an open and honest way.
- There is transparency in the spending of public money;
- Public money is being used effectively and efficiently to ensure public authorities are getting value for money when purchasing goods and services;
- Suppliers have systems in place to ensure high standards of propriety which make sure public money is used for the purpose it is intended. These systems should include as a minimum: a “whistleblowers’ charter”; a performance management system that does not generate perverse incentives among employees to falsely claim performance; a segregation of duties between those achieving performance and those reporting it; an audit regime that checks the effectiveness of the performance reporting regime.

DWP has a legal requirement to act in accordance with the FoI Act (2000).

## **6 f) Fair Payment Terms throughout the Supply Chain:**

Both DWP and Suppliers are expected to act with courtesy, consideration and integrity during the contracting process and throughout the life of the contract. We will both encourage professional and ethical behaviour from all staff in their dealings with each other and throughout the supply chain by complying with the codes of practise of relevant professional bodies.

DWP will play our part in improving cash flow throughout our supply chain. Suppliers can expect to be paid promptly after submitting a valid invoice and are expected to pay any sub-contractors who are supporting them in delivering their contract to DWP in an equally prompt way.

Any claim by DWP, Suppliers or sub-contractors to withhold or offset payment against other sums they believe are owed would have to pass a test of reasonableness and be supported by evidence.

DWP encourages 1<sup>st</sup> tier suppliers to investigate their supply chain and ensure that all businesses involved in the delivery of our contracts are treated fairly, in accordance with the principles set out in our own terms and conditions.

The aspiration is that all suppliers to DWP will see the financial and wider economic benefit in treating everyone within their supply chain in accordance with these general principles.