Sustainable Procurement Code of Practice

for all organisations who wish to contract with the Council

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October 2012

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1. Introduction

1.1 The Council's Codes of Conduct

1.1.1 The Council is committed to the highest standards of behaviour in public life. To promote this commitment, the Council has adopted two Codes of Conduct, one applying to members of the Council and one applying to its staff. These Codes are available on the Council's website.

1.1.2 If you believe that a member of the Council's staff has breached the Employee Code of Conduct, please report it to the Council; we treat all complaints under this Code very seriously and will investigate any allegation received. Details of the Council's Complaints Procedure can be found at: http://www.lewisham.gov.uk/CouncilAndDemocracy/HavingYourSay/CommentsComplaintsAndCompliments/.

1.1.3 If you believe that a councillor has breached the Member Code of Conduct, then those complaints should be referred to: The Monitoring Officer, London Borough of Lewisham, Town Hall, Catford, London SE6 4RU (Telephone number 020 8314 7648, e-mail address: monitoring.officer@lewisham.gov.uk fax number 020 8314 3107).

1.1.4 The Council has also adopted a whistleblowing policy to deal with allegations of malpractice or misconduct by its members, staff or contractors. That policy is also available on the Council's website. The policy is publicised throughout the borough and can be used by anyone with a complaint if they feel that other available channels for raising concerns would be inappropriate, or if they fear repercussions.

1.1.5 The Council's Head of Law is responsible for dealing with allegations raised under this procedure. If you have any query about the whistleblowing policy, or the Member and Employee Codes of Conduct please contact: Kath Nicholson, London Borough of Lewisham, Town Hall, Catford, London SE6 4RU. Telephone 020 8314 7648, E-mail address kathy.nicholson@lewisham.gov.uk

1.2. Sustainable Procurement Code for Contractors, Suppliers and Service Providers

1.2.1 As well as the Codes of Conduct adopted for members of the Council and its staff, the Council has established this Sustainable Procurement Code for Contractors, Suppliers and Service Providers under specific powers set out in its Standing Orders.

1.2.2 Getting procurement right is crucial for achieving the Council's vision to make Lewisham the best place in London to live, work and learn, and in particular to meet its priority to secure best value public services. Sustainable procurement that properly takes into account social, economic and environmental considerations can also help the Council meet wider objectives, offer opportunities for local businesses and regeneration, and minimise administrative costs.

1.2.3 We will do business with responsible suppliers and contractors; organisations who treat their staff and sub-contractors well, who understand the nature of the products and materials they are supplying, and who recognise their responsibility to protect the environment and foster good relations with local communities.

1.2.4 We expect our suppliers to conduct their relationship with us and any of our clients, partners and other suppliers in compliance with our core principles of sustainability:

- Social considerations – ensuring that products and services are sourced and produced responsibly, under a set of internationally acceptable social and ethical guidelines and standards.
- Environmental considerations – maximising resource and energy efficiency in the manufacturing and supply process in order to minimise environmental impacts.
- Economic considerations – delivering outstanding value for money over the lifetime of the contract.

These principles apply to both suppliers' activities and, where appropriate, to their downstream supply chain.

1.2.5 All contractors, suppliers and service providers will be expected to satisfy the Council of their ability to comply with the Code before they are considered for any contract to be let. Contractors, suppliers and service providers will also be expected to comply with this Code during the currency of a contract and failure to do so could result in the termination of the contract and the imposition of restrictions on the opportunity to tender for future Council contracts.

1.2.6 The Council may in certain exceptional cases give exemptions from certain requirements of this Code where the size or nature of the contract or contractor, supplier or service provider does not warrant its fullest application.

1.2.7 This Code applies to all persons working on any Council contract and the main contractor, supplier or service provider cannot avoid responsibility by sub-contracting out the whole or part of the work. All references to a contractor, supplier or service provider therefore apply equally to sub-contractors.

2. Conditions

2. 1 Sustainable Procurement Principle 1: Social Considerations

Ensuring that products and services are sourced and produced responsibly, under a set of internationally acceptable social and ethical guidelines and standards.

2.1.1 Animal welfare and testing

Where products are likely to have been tested on animals, suppliers, contractors and service providers should seek advice from Lewisham Council before supplying them. Suppliers, contractors and service providers should also ensure high standards of animal welfare both for animals that are raised for meat and dairy products, and for animals used for work and transport.

Contractors, suppliers and service providers should seek to ensure that all hides used in their products, including packaging, are a by-product of the food industry.

Lewisham Council will not procure or license products that make use of any fur, skins, food or food ingredients of plant or animal origin (including fish) of any species specified in the International Union for Conservation of Nature (IUCN) Red List of Threatened Species.

2.1.2 Apprenticeships and work placements

The Council is committed to improving opportunities for residents, both young people and adults, to obtain apprenticeships and work placements to gain work skills and increase their opportunity of obtaining permanent employment. In pursuance of this commitment, it requires contractors, suppliers and service providers to:

- use its best endeavours to provide work placements and apprenticeships for young people and adults resident within the Borough during the currency of any contract or agreement;
- comply with, and deliver its obligations under any contract or agreement in a manner which is consistent with achieving the key performance indicators relating to any arrangements for apprenticeships and employment related social benefits; and assess its performance in relation to this requirement throughout the currency of any contract or agreement and report to the Council on a regular basis. Frequency and format to be agreed with the Council.

2.1.3 Bribery, Gifts and Inducements

Lewisham has, as a result of the enactment of the Bribery Act 2010, produced an Anti-Bribery Policy which covers its elected Members, officers as well as its contractors. The policy requires that contractors, suppliers and service providers act honestly and with integrity at all times.

Our contract documents have been changed to include anti-bribery terms and conditions, and we are requesting that our contractors, suppliers and service providers adopt a similar approach with any sub-contractors.

Whilst the Council will always consider the facts of every individual case, if it is proven to its satisfaction that any such fee or reward is offered then any contract the contractor, supplier or service provider has with the Council is likely to be terminated and damages sought from the contractor, supplier or service provider. In addition, the contractor, supplier or service provider concerned will almost certainly be removed

from any Council Approved List, Preferred List, Framework, Select or Tender List for which the organisation is being considered or has been approved.

2.1.4 Community benefits

Local authorities have a duty under the Public Services (Social Value) Act 2010-12 to consider how they might use public service contracts to improve the economic, social and environmental well-being of our communities. The Act requires us to take a wider range of factors into account when determining the 'value' element of value for money.

Lewisham Council expects all its suppliers, contractors and service providers to have an understanding of how their activities impact on local communities and to make positive contributions and investments in their local and wider community e.g. providing appropriate employment, training and business opportunities or enhancing the local environment.

2.1.5 Data Protection

All contracted organisations shall notify to the Information Commissioners' Office where they fulfil the criteria laid out under the terms of the Data Protection Act 1998. This does not infer that any Processing organisation is the Controller of the information defined within the contractual agreement.

All organisation are required to name an individual responsible for compliance in relation the Data Protection Act with that organisation.

All organisations are to abide by the 8 principles of the Data Protection Act 1998 as prescribed by Schedule 1 of the Act:
http://www.ico.gov.uk/for_organisations/data_protection/the_guide/the_principles.aspx

Where personal information is to be shared with the contracted organisations this shall only be done so securely and incorporating (where appropriate) an information sharing protocol.

2.1.6 Equality and Diversity

The Council believes that the diversity of its population and workforce is one of its greatest strengths. Equality of opportunity and freedom from discrimination are fundamental rights and this Council has a duty to exercise leadership to promote these rights.

Contractors, suppliers and service providers must not treat any person less favourably than another person because of his or her race (including ethnic or national origins, colour and nationality, age, disability, gender (including gender reassignment, pregnancy and maternity), religion or belief, or sexual orientation in any recruitment, training, promotion, delivery of goods, provision of services or undertaking of works.

Contractors, suppliers and service providers must follow best practice and comply with all legislation in relation to equality and diversity and be consistent with Lewisham's Comprehensive Equality Scheme (the Council's key equality policy document).

Contractors, suppliers and service providers will provide the Council on request with copies of:

- Instructions to those concerned with recruitment, promotion and training.

- Equality & diversity policies, procedures and other documents available to employees, recognised trade unions or other representative groups of employees.
- Recruitment advertisements or other literature.

In order to assist the Council in its objectives under the Equalities Framework for Local Government (EFLG), contractors, suppliers and service providers must demonstrate that they have an understanding and commitment to the principles and practice of equality in the services they provide. They must also regularly review their services and access to them to ensure they continue to be appropriate and accessible to Lewisham's diverse communities.

Further information on Equality and Diversity can be found at:
http://www.equalityhumanrights.com/

2.1.7 Fairtrade

The Council wishes to encourage contractors, suppliers and service providers engaged to work for the Council to show a commitment to fairtrade. The Council is committed to Lewisham achieving and maintaining "Fairtrade Borough" status by meeting the five goals necessary to become a designated Fairtrade Borough.

Further information on fairtrade can be found at: http://www.fairtrade.org.uk

2.1.8 Freedom of Information

It is important to note that information supplied to the Council during the tender and evaluation process may be available to the public under the terms of the Freedom of Information Act 2000 (FOIA).

Whilst the Council will take into account the position of the parties in question, it is ultimately the responsibility of the Council to decide what information should or should not be released under FOIA. This includes any information subsequently included in the contract.

2.1.9 Health and Safety

All contractors, suppliers and service providers must provide the Council with a copy of their health, safety and welfare policies and procedures. In assessing the adequacy of these documents the Council will take into account the nature of the work, supply or service to be undertaken, and the size of the contractor, supplier or service provider.

Contractors, suppliers and service providers must keep copies of their health and safety policies and procedures on site and at all locations from which the contractor, supplier or service provider operates and the policy must be practised and subject to regular review.

All contractors, suppliers and service providers must comply with the Health and Safety at Work Act 1974 and such other specialised safety regulations and/or insurance requirements that may apply to the type of work, service or supply involved.

Further information on Health and Safety can be found at: http://www.hse.gov.uk

2.1.10 Labour practices

Contractors, suppliers and service providers will take appropriate steps to ensure that all locations used in the manufacture and supply of products/services to Lewisham Council meet the provisions of the Ethical Trading Initiative (ETI) Base Code, which should include consideration to local initiatives such as the London Living Wage where relevant.

Where contractors, suppliers and service providers intend to use temporary/agency staff they should seek to ensure that any labour providers supplying such staff are members of the Recruitment and Employment Confederation (REC) and, if relevant, are licensed by the Gangmasters Licensing Authority.

2.1.11 Lobbying

Contractors, suppliers or service providers must not lobby or canvass either a member or an employee of the Council in an endeavour to obtain a contract. In addition, all contractors, suppliers and service providers will be required to disclose at the time of tendering the nature of any relationship with an employee or a member of the Council.

2.1.12 Local Employment, Local Business

Contractors, suppliers and service providers engaged to work for the Council must show a commitment to the borough, its residents and businesses.

Where it is necessary for employees to be recruited to work on Lewisham contracts, contractors, suppliers and service providers must use best endeavours to appoint Lewisham residents. This can be expedited by notifying the Council of job vacancies in advance of general advertisement, who will offer assistance with publicising the role locally.

Where a part or the whole of the awarded contract is subcontracted, contractors, suppliers and service providers must use best endeavours to appoint a business based in Lewisham borough. This can be expedited by notifying the Council of subcontract work packages available, who will offer assistance with finding suitable local businesses to be included in the tender process.

It is acknowledged that where contracts being let are above the EU threshold in value requiring compliance with the EU public procurement regime, the Council is constrained from imposing requirements upon bidders to use local labour in such a way that it breaches EU principles guaranteeing the free movement of workers and the right to equal treatment in respect of access to employment. However, this should not be taken to avoid the recruitment of local labour where no breach of these rules would occur and the Council will expect all its contractors to take positive steps to recruit local labour and help towards the sustainability of the local economy where it is able to do so lawfully.

2.1.13 London Living Wage

The Council supports the establishment of the London Living Wage, set at a level calculated by the Greater London Authority Living Wage Unit to avoid poverty wages being paid in the capital.

Local authorities have a duty under the Local Government Act 2003 to obtain best value in the procurement of works, services and supplies and to secure continuous improvement in the way they carry out their functions, having regard to a combination of economy, efficiency and effectiveness.

This means that when procuring contracts, the Council will, on a case by case basis, weigh up the costs of the contract against the benefits of fair employment terms for contractors' employees and any resulting benefit to the Council.

There is scope for giving some weight at the tender evaluation stage to the attitude of contractors, suppliers and service providers to fair employment clauses including the London Living Wage within the parameters of the Council's fiduciary duty to tax payers and obtaining best value. Each case will be considered separately and flexibly, with any impact on costs fully assessed and justified.

Further information on the London Living Wage can be found at:
http://www.london.gov.uk/publication/fairer-london-2011-living-wage-london

2.2. Sustainable Procurement Principle 2: Environmental Considerations
Maximising resource and energy efficiency in the manufacturing and supply of goods and services in order to minimise environmental impacts

2.2.1 Carbon Emissions

Lewisham Council is committed to reducing CO_2 emissions from our own operations and we are keen to manage and reduce the overall carbon footprint of our supply chain. We require contractors, suppliers and service providers to support us in achieving this goal.

Contractors, suppliers and service providers are required to report their carbon footprint publicly and demonstrate a commitment to carbon reduction in their own operations and through the products and services they deliver.

2.2.2 Construction & maintenance

Lewisham Council is committed to building to the highest possible sustainability standards meeting, and where possible, exceeding the requirements set by government.

Contractors commissioned to refurbish Council buildings will follow building regulations (where applicable) and when constructing new buildings will follow recommendations in Lewisham's Core Strategy as far as possible and seek advice from relevant experts (e.g. the Sustainable Resources Group or Planning).

2.2.3 Energy Supply

When we buy energy direct from the supplier, we prefer green electricity sources (renewable energy sources such as wind, wave, tidal and solar power and the most efficient traditional combined heat and power) and we avoid nuclear power. The Council also uses alternative renewable fuels such as wood-pellets and biodiesel where these are practical and there is no compromise of wider environmental considerations such as air quality and biodiversity. We would encourage contractors, suppliers and service providers to do the same, particularly in relation to any energy consumed as a result of delivering the services to the Council.

2.2.4 Energy efficiency

Lewisham Council is committed to reducing the environmental impact of its supply chain and expects its contractors, suppliers and service providers to demonstrate a commitment to doing this. The Council requires contractors, suppliers and service

providers to report on their carbon footprint publicly and to have processes in place which allow them to do this. Contractors should prioritise and take positive action to reduce energy consumption and deliver energy efficient services.

2.2.5 Environmental management

Contractors, suppliers and service providers will make every effort to limit the environmental impact of their business operations and will have appropriate programmes in place to help achieve this objective, which includes the preparation of Environmental Management Plans where appropriate.

Activities to help limit environmental impact may include using raw materials from sustainable sources, managing waste and resources in an environmentally responsible manner, minimising impact on local air quality, minimising noise, minimising their water and energy usage and using clean energy.

2.2.6 Food

Where food products are supplied, the supplier or contractor should ensure that the following standards of environmental protection are maintained:

- Eggs are from cage-free hens
- All fish and seafood must come from sustainable sources and have Marine Stewardship Council (MSC) *(or equivalent)* certification.
- Meat and dairy products are from farms which satisfy UK welfare standards
- No GM ingredients are used

Lewisham Council encourages its contractors, suppliers and service providers to source UK and seasonal products where possible.

Lewisham is a Fairtrade borough and we expect suppliers to work with us in offering value for money, certified Fairtrade products.

2.2.7 Materials, Plant, Equipment and Machinery

All materials, plant, equipment and machinery used on Council contracts must comply with the specification(s) in the contract documents or if none is so specified, the most suitable materials, plant, equipment and machinery reasonably obtainable. Where a British Standard or equivalent international standard applies then materials, plant, equipment and machinery that meet the latest standard must be used.

2.2.8 Resources & biodiversity

Lewisham Council considers the impact on biodiversity when we buy products or services, and aim to minimise damage to habitats and support their development.

When we buy timber and wood-derived products, we will comply with the EU Timber Regulation 2010 (as amended) and conduct due diligence to ensure that products covered by the regulation are from a legal and sustainable source. We will only trade with suppliers that are compliant with the regulation (members of the Timber Trade Federation) and whose products are covered by a government approved certification scheme, preferably the Forest Stewardship Council (FSC).

2.2.9 Restricted substances and materials

The Council considers that all asbestos, including waterborne asbestos, is potentially

dangerous and that there is no safe limit of exposure. Accordingly, the Council has banned the use of all asbestos products in the construction of any new Council building or in any alterations done to existing buildings. It is the Council's policy that the removal of asbestos and related products is undertaken by specialist contractors licensed for the purpose by the Health and Safety Executive. If any asbestos is discovered by a contractor, other than a licensed one, during the course of contract, work must cease immediately and the Supervising Officer must be contacted for advice.

We will not use chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), persistent organic pollutants (POPs), and chemicals that the European Union classifies as substances of very high concern, or other harmful chemicals.

We will avoid using 'volatile organic chemicals' ('VOCs' - which can be present in goods such as paint and cleaning substances), formaldehyde and harmful pesticides as far as possible, and will use artificial fertilisers as little as possible.

Contractors, suppliers and service providers will seek to avoid supplying products, services or packaging which includes any legally restricted substances and materials included in Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) (as amended), and Regulation No 1907/2006 on chemicals and their safe use that deals with the Registration, Evaluation, Authorisation and restriction of Chemical substances (REACH) (as amended).

Contractors, suppliers and service providers will, as far as is possible, minimise the concentrations of heavy metals and brominated fire retardants in products and packaging being supplied.

We will review these principles regularly to make sure that they are in line with any developments, particularly new laws.

2.2.10 Travel and Transport

Lewisham Council prefers options that reduce the need for products to be transported and we expect our contractors, suppliers and service providers to use low or zero emission transport modes.

All vehicles used in the road transportation of products must comply with the requirements of the London Emission Zone (LEZ) and when awarding transport related contracts the Council will give preference to organisations that are members of the Fleet Operator Recognition Scheme (FORS).

Contractors, suppliers and service providers will aim to optimise transport efficiency and/or minimise transport distances.

2.2.11 Waste and recycling

Lewisham Council will avoid, where possible, using products that cannot be reused, recycled or composted.

Contractors, suppliers and service providers should have regard to the "Waste Hierarchy", which details the five steps for dealing with waste, ranked according to environmental impact, that should be followed, starting with Prevention, then Preparing for re-use, Recycling, Other recovery and as a last resort Disposal.

Contractors, suppliers and service providers should have regard to the "Proximity Principle" in that waste should be disposed of (or otherwise managed) close to the point at which it is generated.

Contractors, suppliers and service providers will support Lewisham Council in its ambition to being a 'Zero Waste' Authority by reducing the amount of waste it sends to landfill and achieving high, re-use, recycling and composting rates.

Where contractors, suppliers and service providers are providing goods or services which are likely to generate waste, the expectation is that they will have a strategy in place to minimise the amount of waste which is likely to be generated, re-use materials wherever possible and maximise recycling and composting.

Contractors, suppliers and service providers should also maximise the use of recycled content in products and packaging. Contractors, suppliers and service providers must retain information on the recycled content associated with products and packaging supplied. They may need to make this information available, upon request, to Lewisham Council.

Contractors, suppliers and service providers must adhere to relevant legislation for the removal and disposal of waste and recyclable materials. The Council will require contractors to prove that such arrangements have been made.

2.2.12 <u>Waste electrical and electronic equipment (WEEE)</u>

Any business that manufactures, rebrands and sells or imports electrical or electronic equipment, referred to as a 'Producer', has obligations under the Waste Electrical and Electronic Equipment Regulations 2006 (as amended).

Where electrical or electronic equipment or components are supplied, the supplier or contractor will determine the extent to which the Regulations apply and comply at their expense. In addition, where required they will take back such items when they are no longer required by Lewisham Council (where feasible) for subsequent reuse, recycling, recovery or remanufacture (in order of priority). Contractors, suppliers and service providers should provide Lewisham Council, upon request, with all necessary information about how items have been dealt with. Items of electrical or electronic equipment will also need to comply with the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations 2008 (as amended).

2.2.13 <u>Water</u>

Lewisham Council is committed to the efficient use of water in the delivery of its services to the borough and utilises the most efficient water consuming equipment and services wherever possible. The Council manages and monitors the use of water to reduce the risk of water leakage on any long term basis.

Lewisham Council expect all organisations contracting with the Council to minimise their use of water and promote the use of water efficient equipment and services wherever possible.

2.3 Sustainable Procurement Principle 3: Economic Considerations
Delivering outstanding value for money over the entire lifetime of the contract

2.3.1 <u>Best Value</u>

The Local Government Act 1999 places a duty of Best Value on local authorities to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Lewisham has added equality, environmental impact and electronic service delivery to these measures of continuous improvement.

Contractors, suppliers and service providers will take reasonable steps to co-operate with and assist the Council in fulfilling this duty, in particular to secure continuous improvement in the provision of works, supplies and services.

2.3.2 Bonding

The Council requires all contractors, suppliers and service providers to provide sufficient bond or surety for contracts where it is deemed appropriate. The Council will normally require contractors, suppliers or service providers to obtain a bond through its nominated bonding agent to the value of 10% of the contract value, but may in appropriate circumstances accept a nomination by the contractor, supplier or service provider or a cash deposit in lieu of a bond.

2.3.3 Business Continuity

Under the Civil Contingencies Act (2004) Local Authorities have a legal duty to ensure there are robust business continuity arrangements in place throughout the organisation, as well as promoting it to the wider business community. As part of this legal obligation, the Council is responsible for ensuring that all key suppliers and contractors have robust business continuity arrangements that dovetail into their own contingency arrangements.

Contractors, suppliers and service providers business continuity arrangements should cover a range of issues such as loss of primary and backup sites, loss of staff, loss of ICT and phone lines, loss of utilities, loss of their own suppliers, loss of specialist equipment, dealing with increase in demand and any other issues that would affect the ability of the business to function and provide a pre-agreed recovery time objectives and minimum level of service to the Council. The Council requires that their plans are submitted as part of the tendering progress together with documented evidence that training takes place regularly and plans are reviewed and tested at least annually.

All contracts with contractors, suppliers and service providers will have a special condition business continuity clause placed by the Council which reinforces the above requirement. The Council also has a corporate business procurement policy which summarises our requirements and expectations, and this is used by local procurement managers and is available for information upon request. (internal link here)

If the Authority requires an additional test of the Business Continuity Plan, it shall give the contractor written notice and the contractor shall conduct the test in accordance with the Authority's requirements and the relevant provisions of the Business Continuity Plan. Following each test, the contractor shall send to the Authority a written report summarising the results of the test and shall promptly implement any actions or remedial measures which the Authority considers to be necessary as a result of those tests.

The contractor shall undertake regular risk assessments and/or business impact analysis in relation to the provision of the services not less than once every twelve months and shall provide the results of, and any recommendations in relation to those risk assessments or business impact analysis to the Authority promptly in writing following each review.

Further information on Business Continuity can be found at:
http://www.cabinetoffice.gov.uk/content/business-continuity/

2.3.4 Collusive Tendering

Contractors, suppliers or service providers must not collude with another in the pricing or submission of any tender. If such collusion is proven to the satisfaction of the Council then the contractor, supplier or service provider concerned will be removed from any Council Approved List, Preferred List or Framework Agreement and any contracts obtained by such methods may be terminated by the Council.

2.3.5 Considerate Constructor Scheme

All construction or refurbishment contracts/projects in excess of £100,000 or 6 weeks in duration must be registered with the Considerate Constructor Scheme (CCS) and all contractors working on these projects need to adhere to the rules of the scheme. The registration must be undertaken by the principal contractor, who should detail on the CCS documentation the name and contact details of the Lewisham principal contact for each project. Costs of the scheme are to be met by the contractor.

Further information on CCS can be found at:
http://www.considerateconstructorsscheme.org.uk

2.3.6 Financial Viability

The Council will require contractors, suppliers or service providers to provide copies of audited accounts, auditors and directors' reports or latest management accounts in order that financial viability may be assessed.

Contractors, suppliers and service providers will be subject to a periodical review of their financial situation and must satisfy the Council of their continuing financial capability to resource any prospective contracts.

2.3.7 Fraud and Corruption

The Council expects all of its contractors, suppliers, agents, partner organisations and individuals, to act with honesty and integrity. Client officers will be responsible for monitoring their actions and for ensuring that their terms of reference, agreements and/or contracts include a clause to the effect that contractors, suppliers and service providers must abide by the Council's Fraud Policy and co-operate with fraud investigations by Council officers.

Agency employees engaged by the Council are bound by the same rules as direct Council employees and are expected to uphold those principles contained in the Code of Conduct. Failure to do so will result in termination of their engagement.

2.3.8 Insurances

All contractors, suppliers and service providers employed by the Council must maintain such insurance policies as are necessary to cover any liability which may arise under the contract.

For contractors, suppliers and service providers wishing to tender for contracts, the following policies will be required as a minimum:

- Public Liability with a minimum indemnity limit of £5m in respect of each and every claim
- Employers' Liability with minimum indemnity limit of £5m in respect of each and every claim
- Professional Negligence insurance with a minimum indemnity limit of £2m in the annual aggregate

The insurance policies must be maintained with reputable insurers and approved by the Council. The Council may in certain circumstances amend the required level of cover where a risk assessment of a contract indicates such a level is appropriate.

2.3.9 Prompt Payment

All contracts will require contractors, suppliers and service providers to pay their sub-contractors, through the supply chain, within 30 days from receipt of an undisputed invoice (where no other reasonable mutually agreed terms exist).

All contractors, suppliers and service providers will be required to provide consolidated electronic invoices on a weekly/monthly basis and in addition will be required to accept payment by Government Procurement Card in those instances where supplies (under a monthly total of £5k) are made ancillary to the main contract.

The Council is committed to the Prompt Payment Code, to which it has become an Approved Signatory. Contractors, suppliers and service providers engaged to work for the Council are encouraged to adopt the Code throughout their own supply chains.

Further information on the Prompt Payment Code can be found at:
http://www.promptpaymentcode.org.uk/

2.3.10 Quality Management

Whilst it is not a requirement for contractors, suppliers or service providers to be formally Quality Assured with an accredited certification body, it is a requirement that organisations have a quality management system in place that is at least to the standard of the ISO 9000 series (or equivalent).

Further information on Quality Management can be found at:
http://www.bsigroup.com/en/Assessment-and-certification-services/management-systems/Standards-and-Schemes/ISO-9001/

2.3.11 Sub-Contracting

Any contractor, supplier or service provider wishing to sub-contract must submit the name of the sub-contractor to the Council for approval. The main contractor, supplier or service provider will be responsible as far as practicable for the compliance with this Code by any sub-contractor employed on a contract and the contractor, supplier or service provider must enforce its provisions against the sub-contractor if necessary.

When seeking written permission from the Council to sub contract, the main contractor must satisfy the Council of the intended sub contractor's competence and provide written evidence of having assessed the sub contractor in the following areas:

- experience in the type of work to be done;
- health and safety policies and practices;
- recent health and safety performance (number of accidents etc);

- qualifications and skills;
- safety method statement;
- health and safety training and supervision provided;
- arrangements for consulting the workforce;
- any independent assessment of their competence;
- memberships of a relevant trade or professional body; or
- whether they or their employees hold a 'passport' in health and safety training.

The degree of competence required will depend on the work to be done, and the level of risk involved.

The Council will treat a breach of this Code by a sub-contractor as if it were a breach by the main contractor, supplier or service provider and will be entitled to take action against the main contractor, supplier or service provider accordingly.

The main contractor, supplier or service provider must make it a requirement in any sub-contract that the sub-contractor complies with this Code and the main contractor, supplier or service provider must supply a copy to the sub-contractor.

2.3.12 <u>Technical Competence</u>

The Council will satisfy itself of a contractor's, supplier's or service provider's technical competence and ability to undertake work for which they may be considered. In assessing such suitability, account will be taken of similar work undertaken recently, the size and qualifications of the contractor's, supplier's or service provider's workforce relevant to its ability to resource the particular type of work, and accreditation under any regulatory registration schemes. The contractor, supplier or service provider must provide such relevant information and reasonable access for the Council to assess such suitability.

2.3.13 <u>Transfer of Undertakings (Protection of Employment) Regulations</u>

The Transfer of Undertakings (Protection of Employment) Regulations [or 'TUPE'], provide that, if an undertaking is transferred by one employer to another, the staff of the undertaking are

a) entitled to employment by the new employer, with the same conditions of service as before,
b) not entitled to redundancy payments from their old employer. The Regulations (as amended by the Trade Union Reform & Employment Rights Act 1993) incorporate into UK law the EC Acquired Rights Directive.

The TUPE Regulations will not apply to all Council contracts, but where they do, contractors, suppliers and service providers will be expected to make provision for their implementation in any tenders. Where a bid is submitted on the basis that TUPE would apply, the Council will need to be satisfied that the Tenderer is proposing to offer pension arrangements which are broadly comparable to those currently available to the staff.

Under the Local Government Pension Scheme (Amendment etc) Regulations 1999, the Scheme is modernised to allow the entry of specific types of employers by means of admission agreements. This entry ['Admitted Body Status'] may be available to companies bidding for Council contracts, and allows the transferred staff to maintain their current pension arrangements. Tenderers should seek their own independent professional advice in these cases.

3. Enforcement of the code

3.1 The Council will seek to ensure that all contractors, suppliers and service providers whom it employs take full account of the code in the delivery of goods and services.

3.2 Contractors, suppliers and service providers shall ensure that the applicable provisions of the Sustainable Procurement Code of Practice are appropriately communicated to all members of their supply chain at tender stage and reinforced with those who are appointed as subcontractors.

3.3 Any duly accredited representative(s) of the Council will have the contractual right at all reasonable times to enter any site, depot, workshop or office of the contractor, supplier or service provider (or the sub-contractor if appropriate) to ascertain whether or not this Code is being complied with. During any such visit the representative(s) may be accompanied by the contractor, supplier or service provider or their representative(s).