

Notice of Key Updates to Terms and Conditions – August 2018

Supply Chain Visibility (Clause 8)

Incorporates the requirement of Procurement Policy Note 01/18 which introduces new measures to increase the visibility of subcontracting opportunities in Government supply chains and to provide greater visibility of supply chain spend. The PPN can be accessed here:

<https://www.gov.uk/government/publications/procurement-policy-note-0118-supply-chain-visibility>

What this change means – for new procurements and contracts valued above £5 million per annum¹ and which are subject to the Public Contracts Regulations 2015, the Supplier must:

- a. Advertise on Contracts Finder all subcontract opportunities arising from that contract and above a minimum subcontract threshold of £25,000; and
- b. Report on how much they spend on subcontracting, and separately how much they spend directly with SME's in the delivery of the original contract.

The clause does not apply to subcontracts which existed prior to the award of the main contract.

Supplier Profit (Clause 20)

Clarifies what information should be submitted to DFID in the 'Actual Profit Margin Report' in order to meet the requirements of this clause and demonstrate the 'Actual Profit Margin'.

What this change means – the Supplier must re-submit their pro-forma to DFID on an annual basis, except where Section 4 of the Contract requires this on a six-monthly, or other, basis.

Protection of Personal Data (Clause 33)

New legislation on the General Data Protection Regulations (GDPR) came into effect on 25th May 2018. A new clause has been developed and this replaces the previous clause 32 for Protection of Personal Data in toto.

What this change means – all new tenders will include an Appendix to the Terms of Reference which will form the "Schedule of Personal Data".

Financial Distress (Clause 41)

A new provision requiring Suppliers to alert DFID of any downgrade in their financial position; including profit warnings by the Supplier, public investigations into improper financial accounting/fraud, material breach by the Supplier to lenders, subcontractors not being paid or litigation for debt, some/all of which may/would trigger financial distress continuity plans and ultimately, termination if necessary.

What this change means - within 4 weeks of Contract Commencement, the Supplier must submit a Financial Monitoring Plan to the Project Officer which sets out their proposal for monitoring and reporting on the financial position.

Safeguarding (Clause 50)

Enhancing requirements and expectations with respect to safeguarding policies and procedures against sexual abuse, exploitation and harassment; provision of training to Personnel, whistleblowing policies, reporting, and record keeping of any allegations of Serious Misconduct.

What this change means – this expansion to the T&C's sets important expectations, and this is underlined by the express addition of safeguarding within the Code of Conduct and as a separate Compliance point.

Code of Conduct (Appendix A)

DFID's Supply Partner Code of Conduct sets out DFID's expectations of its supply partners. We have now strengthened the Code to include enhanced and specific safeguarding measures against sexual abuse, exploitation and harassment.

What this change means – there are no material changes to the applicability or implementation of the Code. The Code now expressly includes requirements on safeguarding measures to protect and prevent sexual exploitation, abuse and harassment, to ensure allegations are reported safely and appropriately, and provide care for victims.

¹ Based on advertised contract value, averaged over the life of the contract, e.g. a contract with a 4 year term with a total contract value of £21m would be in scope, even if the value in the first year were under £5m