

# Supply Partner Introduction - Delivering a Response to the FCDO Code of Conduct

#### **FCDO Supply Partner Code of Conduct**

#### **Overview**

- The Supply Partner Code of Conduct gives FCDO a mechanism to ensure that supply partners are
  providing value for money and behaving ethically throughout their supply chains. Terms and conditions for
  all ODA (previously DfID) contracts, both stand alone and call down from framework, have included the
  Code since September 2017.
- The reach of the Code has now been widened to include all new awards and amendments via the CSSF framework.
- Compliance is assessed and monitored for supply partners at both organisational (HQ) and contractual level.
- Assurance is provided across the delivery chain, as each organisation is required to report on the compliance of its delivery partners in the tier immediately below. The prime contractor is responsible for reporting to FCDO on behalf of the entire delivery chain.

#### **Compliance Levels**

There are three levels of Compliance with the **Code**. The lower levels were developed after consultation to ensure that the **Code** does not act as a barrier to smaller supply partners working with FCDO.

Level 1 Level 2 Level 3

Supply partners with an individual contract value of £1M or above OR

Two or more contracts with a combined value of £5M or above

Supply partners with an individual contract value below £1m OR

Two or more contracts with a value of less than £5m

contract value below EU Threshold OR A component of a contract with a value below EU Threshold

Supply partners with an individual

All KPIs assessed

Specific KPIs assessed

Overarching principles only

#### **FCDO Supply Partner Code of Conduct**

#### **Code Content**

Code of Conduct Key Areas



- VfM & Governance
- Ethical Behaviour
- Transparency/Delivery Chain Mgt
- Environmental
- Terrorism/Security
- Safeguarding, Social Responsibility & Human Rights

#### The Role of the Ethics & Risk Team

- Monitor supply partner compliance to the Code of Conduct via:
  - initial HQ and contractual checks
  - periodic deep dives
  - annual review cycle
     (See next slide for more detail on these processes)
- Liaison between FCDO specialist teams and supply partners where there has been a serious incident relating to any aspect of the Code, contractual advice regarding corrective actions/punitive measures
- Work with supply partners and FCDO specialist teams to promote best practice in all areas of the Code

#### **Commercial Compliance Timeline**

Ethics & Risk Team conducts assessments on submissions (HQ and contract) and shares results with Supply Partner. Compliance Supply Partner signs a Plans will also be created at this stage and the Contract, which includes the **E&R Team** will monitor progress to 100% **Supply Partner Code of** compliance with the Code. Ethics & Risk Team conducts Conduct. themed **Deep Dive** assessments of Supply Partners and specific contracts. Supply Partner must submit all **Ethics & Risk Team** required policy documentation conducts annual reviews of Ethics & Risk Team may share and declarations electronically Supply Partners, ensuring compliance related lessons via the inSPIRE portal. that document and learned throughout the contract declarations are up to date lifecycle with the Supply this can be used to trigger a Partner. Deep Dive at any point. **Award Stage Contract Starts End to End Lifecycle Contract Ends** Compliance Baseline is Compliance Delivery is formed monitored Supply Partner Action Ethics & Governance Team Action

#### **HQ Level Check**

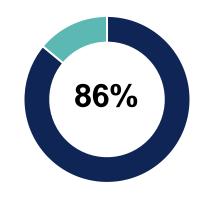
Compliance to the **Code** is initially assessed at organisational level. This is triggered by the signing of a new contract/an amendment to an existing contract where the supply partner in question has not previously undergone a HQ check.





Supply Partners are required to enter their responses and documentation into FCDO's online repository (inSPIRE Supply Partner Intelligence, Reporting & Engagement platform). This information is then assessed by the Ethics & Risk Team

On average, Supply Partners engaging with the **Code** for the first time score **86%** on their HQ Level Check Check. The Ethics & Risk Team are here to help you reach **100%** by sharing a detailed **Compliance Plan**.



#### **Contract Level Check**

In addition to the information supplied at organisational level, the Ethics and Risk team will also evaluate a smaller subset of contract specific responses, which the Supply Partner will be required to complete in **inSPIRE** for each contract awarded.

This exercise:

- Is usually carried out once the initial HQ response has been provided and scored
- Will be repeated for each individual contract awarded.
- Expands on the higher-level information provided during organisational compliance check
- Ensures that organisations are cascading the Code requirements to delivery chain partners
- Provides assurance that the Code is considered on every contract, whether managed centrally or by a country office

The Supply Partner will need to consider their delivery chain partners and whether Level 1, Level 2 or Level 3 compliance will apply in each case. As the directly contracted partner with FCDO they are responsible for compliance across the entire delivery chain.



#### **Deep Dive Check**

The Ethics and Risk team will conduct Deep Dives on Supply Partners as a result of:

- 1. Questions raised during HQ/contract level checks or the annual declaration and review
- 2. An adverse risk assessment
- 3. An issue or incident raised during the programme lifecycle





These checks will concentrate on one of the 6 thematic areas from the Code (e.g. Value for Money and Governance) and will involve a more in-depth assessment of Supply Partner activity and documentation submitted during the initial HQ and contract reviews.

Supply Partners may also be asked to support the provision of additional documentation relative to a particular contract in order to satisfy checks as well as co-ordinate access the Delivery Chain Partner personnel and documentation.

The Ethics and Risk team will share results of Deep Dive activity with the Supply Partner and appropriate teams within FCDO. This will involve setting clear actions to remedy any issues identified, including the agreement of timescales to rectify & improve standards against the relevant Code area



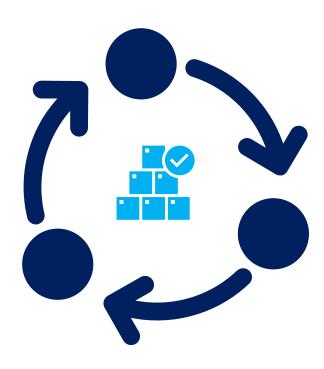
## **Annual Declaration and Review Cycle**

In order to ensure that Code compliance records are up to date, supply partners will be asked to complete an annual declaration and review, which involves renewing your declarations and refreshing your documentation and certifications as appropriate. The Ethics and Risk team will review and provide feedback on your submissions.

This process applies to all supply partners with live contracts, providing they have not undergone their initial HQ check within the previous six months.

Additionally, supply partners whose contracts have expired are also given the opportunity to complete this exercise if they wish to maintain their Code compliance record, as they may be in the process of bidding for new business or form part of FCDO delivery chains on other contracts.

The annual declaration and review process takes place in spring/summer, and covers the 12 months running from the preceding April to March of the current year.



## **Non-Compliance**

Supply Partners are required to be open and transparent about their compliance with the Code of Conduct. Where non-compliance exists, the Supply Partner must **work with FCDO to improve** in this area.

Non compliance can occur as a result of gaps identified in HQ, deep dive or contract level checks, or during the annual declaration and review cycle.

In the event of non-compliance, the Ethics and Risk team will follow the procedures set out in the contract T&Cs, which may involve a rectification plan being required from the Supply Partner to bring them in line with the Code of Conduct. Both parties will also agree timescales suitable to work towards becoming fully compliant.

In the event of continued non-compliance after discussions with the Ethics and Risk team, or failure to adhere to a rectification plan, FCDO will take appropriate action, which may involve escalation within the Commercial Directorate and/or termination of contract.





Supply Partner Intelligence, Reporting & Engagement

#### Overview of inSPIRE



Supply partners should demonstrate their compliance with the FCDO Supply Partner Code of Conduct (HQ Level, Contract Level and Annual Declaration & Review) by ensuring that their policies, processes, declarations and documents are up to date digitally.

The use of **inSPIRE** avoids emails, zip folders and multiple uploads of documentation, and ensures that the most up to date versions of supply partner data are available in real time.

Compliance assessment to the **Code** aligns to a set of questions and responses to individual **Code** KPIs on **inSPIRE**, with supply partner inputs provided via file uploads and free text fields.

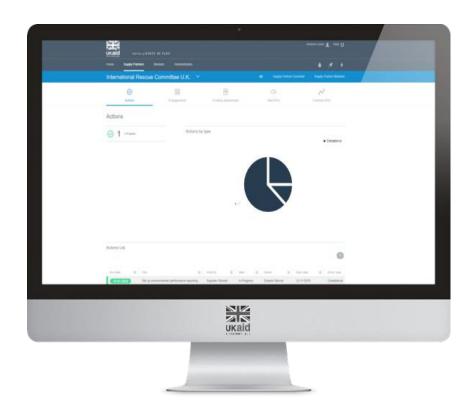
#### Overview of inSPIRE

Actions are managed via a single shared interface where FCDO and supply partners can easily connect, share information and manage output.

For example, the actions required to reach a 100% HQ compliance score will be clearly defined with RAG rating, date and description indicating how to approach each individual task.

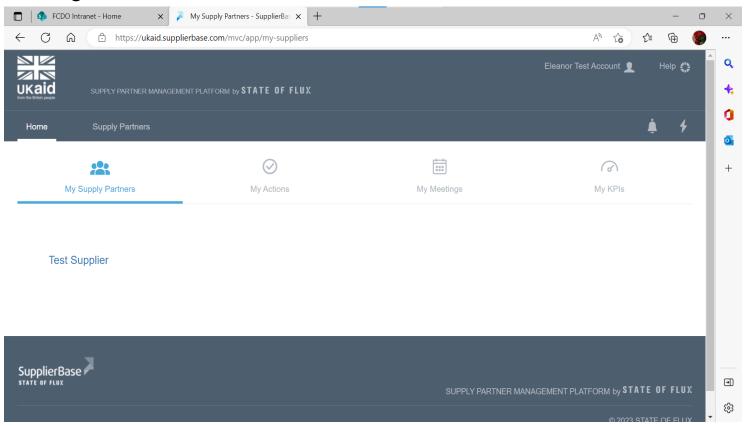
A new contract award will trigger an action item requesting the upload of contract specific compliance materials, and Annual Declaration update requests are also communicated via the action item facility.

The use of **inSPIRE** ensures that actions can be addressed in real time and in a timely manner with a full audit trail.

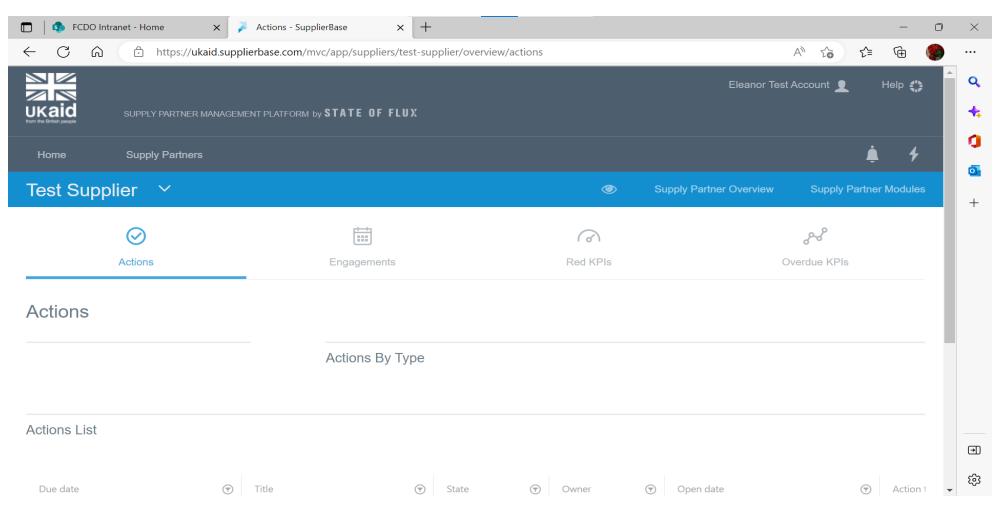


The following slides will demonstrate how to locate and use the repository for HQ level compliance documentation. Instructions for contract level and annual declaration areas will follow when required.

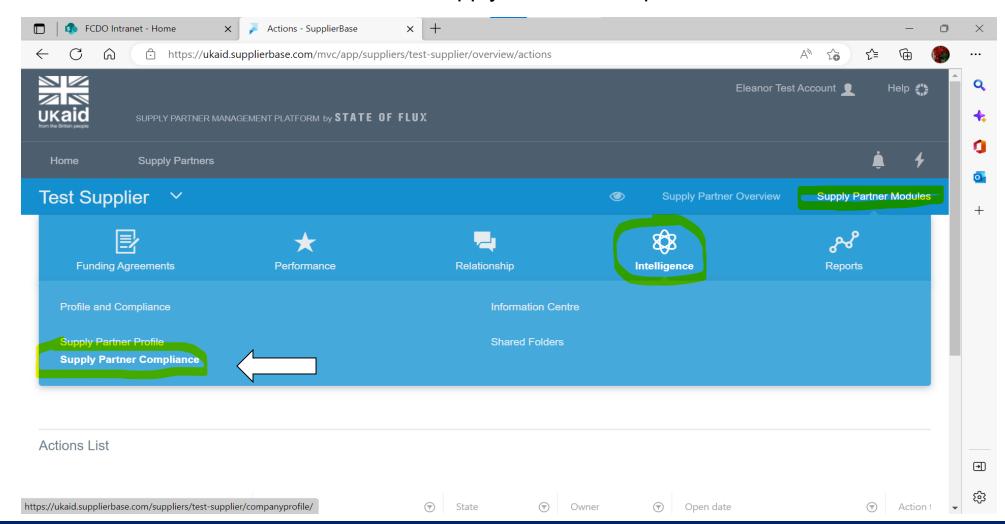
Having completed the login process, you should see a screen showing your company name and/or logo similar to the one below.



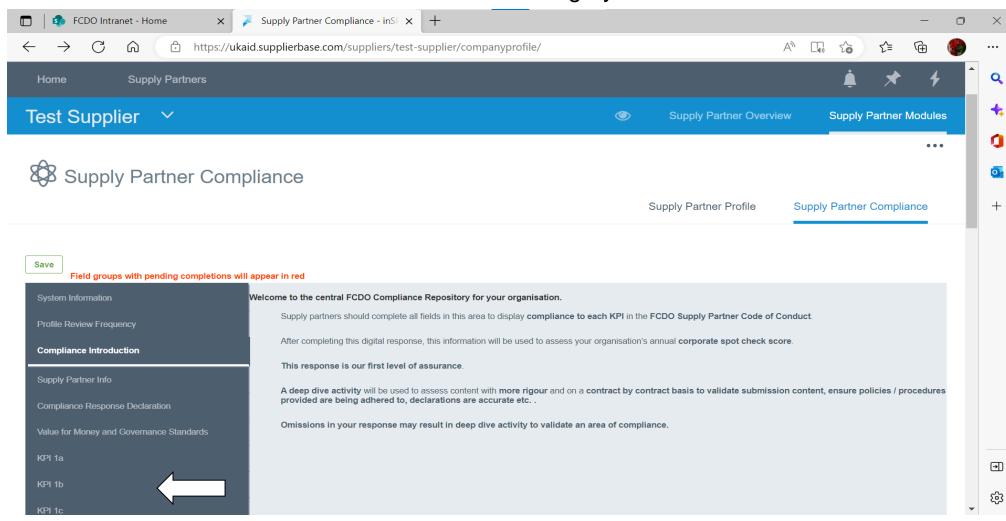
#### Click through on the name/logo to reach the screen below



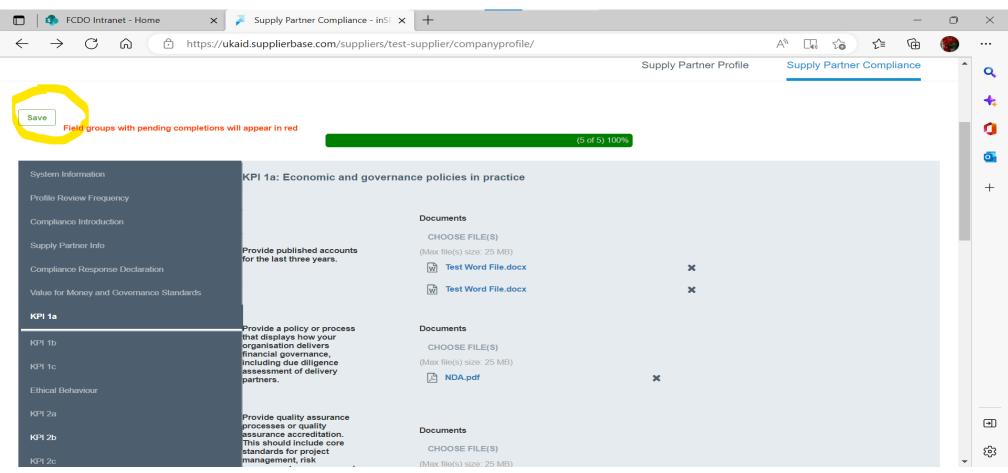
In turn, hover over "Supply Partner Modules"> "Intelligence"> "Supply Partner Compliance" as indicated below and then click on "Supply Partner Compliance":



This will reveal the main repository for HQ compliance materials as per below. Scrolling down will reveal a list of the Code KPIs in the dark grey column on the left side:



Clicking on each of these KPIs in turn will reveal the questions which need to be addressed for each Code area – see example KPI 1a below. Documents should be uploaded where indicated, and responses provided in the free text fields. It is important to remember to click on the "Save" button on the top left (highlighted) before moving away from each KPI.



# **Supporting Information**

Please refer to the following information for further guidance in preparing your submission:

1) Link to **inSPIRE** platform: https://ukaid.supplierbase.com

You can find documents 2-4 on our website:

2) Supply Partner Code of Conduct

Procurement at FCDO - Foreign, Commonwealth & Development Office -GOV.UK (www.gov.uk)

3) Supply Partner Handbook

4) Supply Partner Code of Conduct FAQ

# **Questions**

