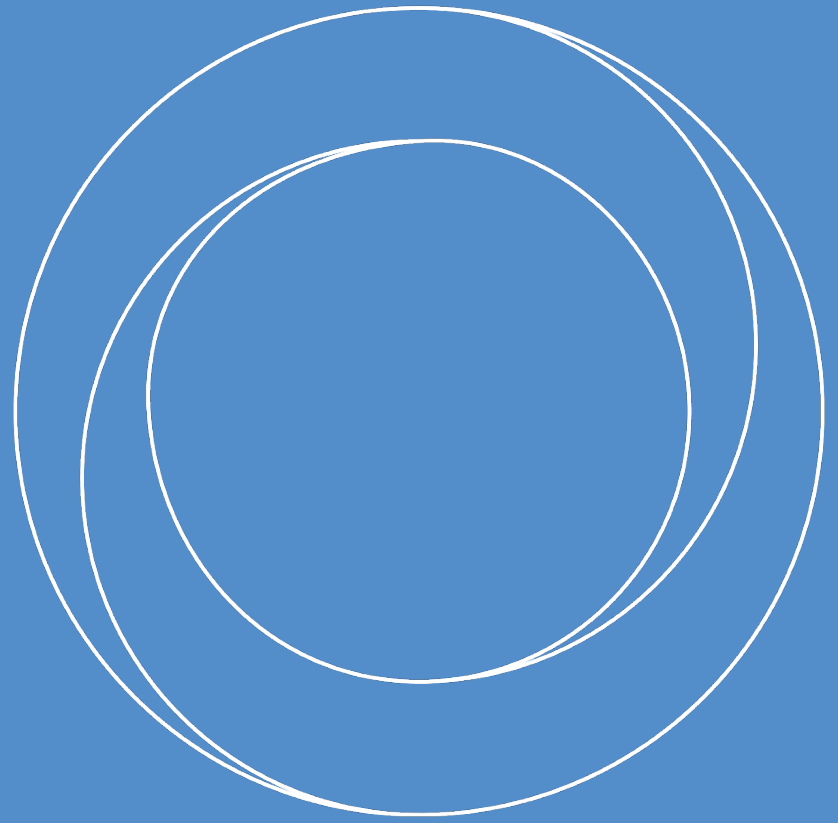




Government
Commercial
Function



Supplier Code of Conduct

September 2017



HM Government
Supplier Code of Conduct
Foreword

Government relies on its suppliers for the delivery of many important public services, for assistance in delivering policy and for the construction of public assets. While underpinned by a contractual relationship this reliance needs to be based on a bond of trust.

Taxpayers expect that government's suppliers will look after their interests and deliver on the promises that they make. They expect that suppliers will behave ethically and treat their service users, employees and subcontractors fairly and with respect.

It is important to publicly state these expectations in a code of conduct and state it in a way that fits today's realities. Suppliers are an extension of government's business, and supplier personnel interact with citizens and businesses on our behalf every day. This code exists to help you, our suppliers, understand the standards and behaviours that are expected when you work with government, and how you can help us deliver for taxpayers.

I expect all suppliers to meet these commitments and ensure that their employees, partners and subcontractors will do the same.



Gareth Rhys Williams
Government Chief Commercial Officer



Introduction

Our aim is to deliver for the taxpayer on a range of commitments including: excellent services that represent good value; policies that fulfil the government's manifesto commitments; and development work that is delivered on budget and in accordance with specifications. In delivering these commitments we must ensure adherence to the highest standards of ethical and professional behaviour

Our relationships with our suppliers are critical to successful performance. Civil servants are all subject to the [Civil Service Code](#) and the [Seven Principles of Public Life](#), which define the values that we espouse and the behaviours required of us. This Supplier Code of Conduct sets out the matching behaviours that we expect of suppliers who are delivering services on behalf of government.

In selecting suppliers, government checks that it is contracting with reputable bodies. These checks are conducted in line with procurement regulations that guarantee fair access to opportunities for all suppliers and equal treatment during selection processes.

As procurements move into their delivery phase, we expect supplier performance should be in accordance with the spirit of a contract, as well as its letter. We expect our suppliers, in delivering goods and services to, or on behalf of government, wherever they operate, to act in a manner that is compatible with public service values, upholds the reputation of government, promotes innovation and expertise, opens up the market to small and medium-sized enterprises, and contributes to growth and prosperity in the UK.

We also have high expectations of government employees in this regard. We recognise that in many cases a supplier can only be as good as its service users. We expect our employees to treat suppliers with fairness and respect. Our base assumption should be that everybody comes to work every day determined to do a good job. In return we expect suppliers to treat our employees in the same way, and seek to build trusting and effective collaborative relationships that are focused on delivering for the public.

This code is intended to be used by all central government bodies in their relationships with suppliers. As a statement of good practice it should be read both by current and aspiring suppliers to government and by their subcontractors in the supply chain. We expect our suppliers to communicate this code of conduct to employees, their parent company, subsidiaries and subcontractors. Any queries regarding this code should be referred to the Commercial Director of the relevant central government body or to the Government Chief Commercial Officer [cco@cabinetoffice.gov.uk]



Employees and Service Users

Respectful treatment

Our staff and service users have the right to respectful treatment. We will not tolerate discrimination, harassment or victimisation in the workplace or in connection with any government service, and we expect our suppliers to provide the same commitment, including to their own employees. The Equality Act 2010 protects against discrimination, harassment and victimisation.

Professional behaviour

We expect suppliers to be prepared to invest in their relationships with government and establish trust with our staff and with other suppliers involved in delivery. We also expect suppliers to be able to speak out when government officials, civil servants or other suppliers are not upholding the values embedded in the Civil Service Code or this Supplier Code of Conduct. We also expect suppliers to speak out, without fear of consequences, when a project or service is unlikely to succeed because of our behaviours or a lack of good governance. We expect the same behaviour when a contract is no longer fit for purpose, e.g. in its contractual stipulations or measures.

Vulnerable users

Some public contracts deliver services to service users with particular needs such as physical or mental disabilities, medical conditions or other factors that place them in a vulnerable position. Suppliers should ensure that these service users are treated at all times with courtesy and that their dignity, safety, security and well-being is treated as a priority concern.

Human rights and employment law

Suppliers must comply with all applicable human rights and employment laws in the jurisdictions in which they work and have robust means of ensuring that the subcontractors in their supply chain also comply. This includes complying with the provisions of the Modern Slavery Act 2015.

Business practices

Management of risk

We try to ensure that risk is placed with the party best able to manage it. This means requiring prime contractors not to flow risk inappropriately to subcontractors, and not to assert that they can manage risk that is in fact better managed by government. All parties should also be prepared to share intelligence of supply chain risks, so that material commercial and operational risks, for example the impact of losing a key supplier, can be mitigated.

Continuous improvement

We expect our suppliers to use recognised industry practices in the delivery of goods and services to, or on behalf of, government. We also expect suppliers to continuously improve these goods and services and bring world-class innovation, ideas and expertise to help government address its strategic challenges and to support growth and prosperity in the UK.



End-to-end Delivery

Some of the services that government requires are complex, and no single supplier will have complete contractual responsibility for every element of what is needed to deliver to the end service user. We expect suppliers to be aware of how they contribute to that overall delivery, and to work with government and other suppliers to ensure that their product or service is used effectively in the delivery of a high quality service. We expect suppliers to behave in accordance with required standards and be forthcoming with information required where a contract is coming to an end and is in a transitional phase leading to contract exit.

Value

Citizens expect government to obtain value for every taxpayer pound and to be able to demonstrate that long-term value to the UK taxpayer. This means that contracts should be priced to offer sustainable value throughout their life, including when changes are needed. Whilst we accept our suppliers make a profit margin in return for the risk they are accepting, we expect suppliers not to exploit an incumbent or monopoly position, an urgent situation or an asymmetry of capability or information to impose opportunistic pricing. We expect suppliers to work in good faith to resolve any disputes promptly and fairly during the life of a contract through good relationship management and, where appropriate, contractual dispute resolution mechanisms, recognising that taxpayer and supplier interests are rarely best served by protracted litigation.

Reputation

We want to work with suppliers who are proud of their reputation for fair dealing and quality delivery. We also want working with government to be seen as reputation enhancing for the supplier. However, reputation can quickly be lost, for example, by exaggerating the extent of benefits. Equally, we expect suppliers to be protective of government's reputation, and ensure that neither they, nor any of their partners or subcontractors, bring government into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in government.

Cyber Security

It is essential that suppliers safeguard the integrity and security of their systems and comply with the relevant government standards and guidance. Suppliers must inform the National Cyber Security Centre if they become aware of any cyber security incident that affects or has the potential to affect government data.

Sustainable Procurement

We expect our suppliers to be aware of, and support government in, complying with its legal and contractual obligations under social value legislation, in delivery of the wider policy that sits behind the contract, and in the delivery of the targets as defined within the Greening Government Commitments 2016 to 2020. We expect our suppliers to assist government in the understanding and reduction of supply chain impacts on our environment, and risks related to the security of raw material supply. We expect suppliers to be open and transparent in assisting government in reporting publicly on product or service utilisation and any environmental impacts.



Confidentiality

Suppliers are expected to comply with the provisions in their contracts and any legal requirements to protect sensitive information. Suppliers to government may also be party to confidential information that is necessary for them to be effective partners. This information, even if it is not covered by contractual provisions, should be handled with the same care as information of similar sensitivity in the supplier's own organisation.

Conflicts of Interest

We expect suppliers to mitigate appropriately against any real or perceived conflict of interest through their work with government. 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, for example by creating a technical solution that locks in the supplier's own goods or services.

Standards of Behaviour

Ethical behaviour

We expect the highest standards of business ethics from suppliers and their agents in the supply of goods and services funded by the public purse, for example as referenced in the Committee on Standards in Public Life's 2014 report and 2015 guidance: *Ethical Standards for Providers of Public Services*. We expect suppliers to be explicit about the standards they demand of executives, employees, partners and subcontractors and to have the governance and audit processes to monitor and enforce these standards. Civil servants are required to uphold the [Seven Principles of Public Life](#) in their dealings with third parties and we expect fully reciprocal behaviour from suppliers.

Counter Fraud and Corruption

We demand that suppliers adhere to anti-corruption laws, including but not limited to the Bribery Act 2010, and anti-money laundering regulations. We expect suppliers to have robust processes to ensure that the subcontractors in their supply chain also comply with these laws. We have zero tolerance of any form of corrupt practices including extortion and fraud that we become aware of and we expect suppliers to be vigilant and proactively look for fraud, and the risk of fraud, in their business. Suppliers should immediately notify government where fraudulent practice is suspected or uncovered and disclose any interests that might impact their decision-making or the advice that they give to government.

Transparency

We expect suppliers to be open and honest in their dealings with government, and be in full compliance with the updated principles published February 2017 on "The Transparency of Suppliers and Government to the Public". In addition, where contractually required, we expect full and prompt disclosure of cost, revenue and margin information ("Open Book Accounting and Open Book Contract Management") in line with published guidance and the terms of the contract.



Treatment of Subcontractors

We expect our suppliers to deal fairly with the subcontractors in their supply chain, observing the principles of the Prompt Payment Code. We expect suppliers to avoid flowing unreasonable levels of risk to subcontractors who cannot reasonably be expected to manage or carry these risks. We expect suppliers not to create barriers to the use of small and medium-sized enterprises who are qualified to provide goods or services, and to encourage innovation in their supply chains to increase the value or quality of supply.

Corporate Social Responsibility

We expect our suppliers to be good corporate citizens; by upholding the values of this code and supporting key government corporate social responsibility policy areas, such as diversity and inclusion, sustainability, prompt payment, small and medium-sized enterprise engagement, support of the Armed Forces Covenant, apprenticeships and skills development.

Compliance

The overall objective of this Supplier Code of Conduct is to drive improved performance throughout government supply chains, by building trusting and open relationships with our supply base. Suppliers who provide goods or services to or on behalf of government, are expected to comply with all aspects of this code. Suppliers should be open and transparent with government in relation to breaches or suspected breaches of this Supplier Code of Conduct and should promptly notify government of any such breach. If non-compliance with the requirements of this code is reported or alleged, the first step is for government to discuss it with the supplier. If that does not result in a return to compliance, or in cases where the breach is sufficiently grave, government will look towards the eight principles of Corporate Renewal, as outlined in the National Audit Office report published in September 2014 on “Transforming government’s contract management” to rectify the breach.