

*Public*

# Supply Chain Management Policy

## Policy Statement

The Supply Chain Management Framework (SCMF) has been developed to allow Twin to procure and maintain positive relationships with Supply Chain Partners (SCPs). We support the development, recognition and promotion of sustainable excellence, and positive partnership working within supply chains.

The framework will assist the Company in the:

- Identification of need for subcontracted delivery
- Selection of SCPs in an open, fair and transparent way
- Financial, qualitative, and relationship management of SCPs throughout the duration of their contract with the Company.

The SCMF addresses each step in the process of subcontracting, aligned to the following fundamental principles: Design, Procure, Contract, Funding, Develop, Performance Manage, Quality Assurance and Compliance, and Review and Close. This will enable the Company to set a consistent standard for the management of SCPs and support the Company's strive towards delivering excellence in supply chain management.

## Supply Chain Design

### Supply Chain Partner Rationale

The purpose of the process is to establish if: a) there is a requirement for the use of SCPs, ensuring they are only used when necessary and b) to ensure that the specification developed ensures the right supply chain partners are selected.

Our rationale for subcontracting is enhancing the quality of our learning offer and meets the following aims: 1. Enhance the opportunities available for learners, 2. Fill gaps in niche or expert provision, or provide better access to training facilities, 3. Support better geographical access for learners, 4. Equip adults with technical skills that enable them to access in-demand jobs, apprenticeships, new opportunities and an increased level of income over time (including for the self-employed), 5. Offer an entry point for disadvantaged groups and encourage the participation of underrepresented groups which may include, but not exclusively, ethnic minority background, disability, female, veterans, prison leavers, 6. Support individuals who share protected

characteristics (as defined in the Equality Act 2010) where there might otherwise be gaps and those who might face barriers to employment. The Business Development Team will scope each opportunity to identify whether there is a need for supply chain partners and outline the rationale for the requirement, which will assist in making a decision regarding whether there is a requirement for subcontracted delivery.

Once the supply chain rationale has been identified, it will be reviewed and approved by The Board. Following approval, the specification of the subcontract(s) will be reviewed to ensure it meets the Tender requirements.

### **Supplier Diversity**

The Company will actively promote and encourage a diverse range of suppliers to participate in its procurement process. The process will be transparent and non-discriminatory in the selection of suppliers and will offer a level playing field of opportunities, for all organisations including:

- Small and Medium Enterprises (SMEs)
- Black, Asian and Minority Ethnic (BAME) owned businesses
- Suppliers from other under-represented or protected groups e.g. Women owned businesses
- Organisations from the private, public and voluntary/community sector

### **Supply Chain Procurement**

The purpose of this process is to create and manage a network of SCPs that are able to respond to the supply chain needs of the Company and its future requirements in line with local government agendas.

SCPs details are recorded in our Partner Database. The database is open and allows new organisations to be added to the network at any time. SCPs can be added speculatively onto the network or during an EOJ/mini competition process.

### **Identifying Diverse Suppliers**

Identification and procurement of SCPs will usually be in response to tenders requests/ approaches made available by the Funding Organisation to the Company. In all instances, an advertisement (or 'Call') will be made available on the Company's website indicating that we are looking for suitable SCPs for a specific contract(s). To ensure we reach a diverse range of suppliers, the Company will also advertise using a range of mediums relevant to the call e.g. via ERSA, local network groups, VCSE umbrella organisations and public tender websites (where applicable).

If additional Supply Chain Partners or services are required following a Call, this will be by invitation only. The Body shall ensure that subcontractors are selected fairly and in accordance with the Public Contracts Regulations 2015. Contracts shall be awarded based on an approached organisation's suitability, track record, capacity, capability, quality and financial standing to deliver the service.

### **Expressions of Interests (EOIs)/Mini Competition Process**

The Business Development Team will set out the information required for each specification; this may include an EOI and/or a Mini Competition in-line with the requirements of the opportunity. The scoring criteria for each question/section will also be defined, in order to fairly assess the suitability of potential SCPs. This will include:

- Technical knowledge and experience
- Capability
- Capacity
- Financial standing

Each organisation that expresses interest will be issued with a brief of the opportunity issued with the EOI/Mini Competition, which includes a procurement timeline and a contact for clarification and support.

Each EOI/Mini Competition received is reviewed and scored independently by the Business Development Team and relevant experts within the business, in-line with set scoring criteria, to create a shortlist of suitably qualified SCPs.

Following review, if the organisation is successful, they are informed and advised of any additional required actions prior to bid submission and where applicable indicative offers are discussed and agreed in principle.

Organisations that are not successful will be provided with an EOI/Mini Competition Debrief, this will include: a breakdown of their scoring for each question and/or section against the maximum score available and the highest bidders score; their ranking; and a debrief is provided on the rationale for their scoring.

### **Due Diligence**

A rigorous process of evaluation and assessment will underpin the selection of each SCP, the following information will be assessed as part of the Company's due diligence process. SCPs will only be approved once they meet an acceptable standard across all areas. All SCPs will be required to update this information as a minimum annually.

- Financial Stability
- Organisation details
- Assurance Questionnaire
- Conflicts of Interest declaration
- Fraud/Bribery prevention and whistleblowing policy and procedures.
- References
- Insurance Policies
- Staff training and development policy and procedures
- Performance Management policy and procedures
- Information Security policy and procedures
- Data Protection policy and procedures
- Data Protection Impact Assessment
- Health & Safety policy & procedures
- Quality Assurance policy & procedures
- OTLA policy and procedures
- Equality & Diversity policy & procedures
- Safeguarding & Prevent Policy & Procedures
- Modern Slavery policy
- Environmental & Sustainability Policy & Procedures
- Document retention and archiving procedures
- Staff Vetting Procedure
- Staff Matrix and BPSS
- Complaints Procedure
- Business Continuity plan
- Inspection/Assessment Reports (if relevant)
- Funding Assurance Audits
- External Verification Reports (if relevant).

As a minimum, Tier 3 and 4 supply chain partners will need to provide confirmation that they have the following in place before approval:

- Finance e.g., VAT Certificate, Certificate of Incorporation
- Insurance e.g., Public and Employers Liability, Professional Indemnity
- Information Security e.g., Security Plan, Policy and Retention of Records Policy

- Health and Safety Policy and Procedures
- Safeguarding & Child Protection Policy & Procedures
- Environmental & Sustainability Policy, Plans & Procedures
- Quality documents.

### **Contract Negotiation / Funding Approval**

Following supply chain selection and negotiation, the contract documentation will be developed. Indicative volumes and values will be discussed and agreed internally to ensure that they in-line with the operational budget submitted within the tender. If they are not within budget, this will be discussed with the Operational Director who will confirm whether there is sufficient funding to enable each contract to be agreed at that level. Once approved, the Contract Manager will arrange and hold a meeting with each successful SCP to go through the following:

- Confirm and agree volumes and values including management fee
- Review and agree terms of the contract (Tier 1/2 Partners) or SLA (Tier 3/4 partners)
- Arrange Health & Safety assessment visit
- Confirm MI & system requirements
- Agree SCP key contacts
- Confirm arrangements to begin On-boarding.

### **Contract Sign-Off**

Following the conclusion of the Contract Negotiation / Funding Approval stage, the Contract Manager will proceed to liaise with the SCP for contract signature. On receipt on the signed contract from the SCP, the Company's Contract Manager will update the records.

Note: Delivery will not commence prior to the contract being signed by both parties (this process also applies for any variation to the original contract).

### **Supply Chain On-Boarding**

When the contract has been signed by both parties, the Company's Contract Manager will confirm with the SCP the commencement date for on-boarding and will start to work through the On-boarding Plan with the SCP.

Set timescales will be agreed with the SCP for the completion of the on-boarding plan and any resulting actions in-line with the Company's go-live commitments. Following the completion and sign-off of all actions, the On-boarding Plan will be retained and uploaded to the Company's database.

Note: Not all actions will need to be completed before the delivery commencement date; however management processes will need to be in place to monitor progress.

Following contract go-live, each SCP will be managed by the Company's Contract Manager.

## **Monitoring and Reporting**

To monitor the Company's adherence to this policy, we will:

- Implement appropriate systems to ensure the accurate monitoring of supplier's diversity characteristics
- Capture and analyse relevant data to monitor and report improvements in supplier diversity
- Capture and review supplier feedback (across all stages of procurement) to ensure continuous improvement.

## **Code of Conduct**

This code of conduct outlines the key values and principles of behaviour by which the Company commit to operating as an organisation.

## **Values**

The code of conduct is underpinned by a core set of values outlined below to be maintained by the company, its staff and SCPs:

- Have respect for our SCPs (actual and potential), managed in a fair and supportive manner
- Use open and transparent procurement arrangements including a fair and objective selection of partners through a robust and documented process and transparency in funding and contracting arrangements
- Strive to work with the best SCPs who operate safely and are considerate towards the environment
- Work collaboratively with our SCPs, encouraging a dialogue between all staff to facilitate the sharing of good practice to improve service deliver and strengthen relationships

- Demonstrate awareness of local demographics, needs and issues and develop appropriate responses to ensure the needs and interests of actual and potential customers are met through effective delivery and supply chain diversity
- Support and capacity build our SCPs through access to training, events, research and business development opportunities
- Maintain and promote effective working relationships with the Company's funding organisations e.g. DFE/ESFA, Home Office, DWP and Jobcentre Plus to facilitate seamless working between funding bodies, delivery partners and SCPs.

### **Supply Chain Management**

During all interactions with potential or actual delivery partners, the Company will:

- Advertise opportunities as widely as possible to attract a diverse response and establish a supply chain best suited to meet the specification and customer need
- Apply a simple, consistent and fair application process with timescales for supply chain selection
- Provide constructive feedback to all potential delivery partners, irrespective of the outcome of the selection process
- Establish clear terms and conditions of delivery at the outset to promote excellence in delivery and performance
- Be open to negotiation with regard to funding and payment structures to ensure value for money and transparency.

### **Contract award, delivery and support**

- Funding arrangements will be open, transparent and included in any written agreement prior to contract start
- Clear KPIs/milestones will be agreed at the outset with SCPs and included in their contract
- Management information and reporting requirements will be consistent, proportional, clearly specified and agreed with SCPs at the start of the contract.
- Agree a consistent and timely payment schedule prior to contract start to mitigate financial risk to the delivery partner
- Effective communication mechanisms will be established to ensure transparency and consistency across the supply chain including open lines of communication and clear dispute resolution procedures to ensure any issues are resolved as soon as they arise.

## Quality Standards

Twin will apply robust mechanisms throughout the duration of the contract to effectively performance manage subcontractors, thus, both ensuring contract targets are met and high-quality standards are maintained.

Twin will:

- Maintain **weekly contact** with Supply Chain Partners (SCP) by face-to-face meetings, teleconferencing, MS Teams
- Organise and chair **monthly performance & quality review meetings** with a set agenda to cover:
  - **Performance** (Targets Forecast, performance in month, future forecast, milestones, attendance data)
  - **Claims and Finance**
  - **Caseload Management** (Destinations, Progressions, overall achievement rates, drop out rates, Learning Aims, Past planned end dates)
  - **Quality & Compliance** (File Audits, Observations, Timely submission of data, Publicity checks, case studies)
  - **Systems and Security**
  - **Staff Training/Support needs**
  - **Equality, Diversity, and Inclusion**
  - **Health & Safety and Safeguarding**
  - **Environmental Sustainability**
  - **Feedback and Complaints**
  - **Marketing**

Twin holds overall responsibility for Quality and Compliance of the contract against Funders' requirements. At the same time, SCP are required to maintain robust, auditable trail systems in place for all deliverables claimed, thus, ensuring compliance with these requirements.

Each SCP will be allocated an experienced Contracts Manager (CM) who will be working very closely with Twin's Quality and Compliance Teams (Q&C).

The Q&C teams will undertake the following to identify and test the controls SCP have in place to assure quality of delivery and compliance with the Funding Body requirements:



**Quality and Audit Controls Review:** This will be conducted at on boarding and as a minimum annually, depending on the risk grading. Conducted as a desk-based review and face-to-face interviews with Quality and Audit personnel within SCP organisations. The Review will include:

- **Compliance checks:** verifying and testing the controls SCP have in place to monitor compliance with Funder's requirements before any claims are submitted for payment. For example, checks to be conducted through interviews, review of processes and controls, review of evidence. The compliance checks will embrace controls to prevent malpractice and fraud from occurring.
- **Policies/Procedures:** Twin will undertake a robust due diligence approach ensuring policy documentation is in place and compliant with Funders' regulations throughout the duration of the contract.
- **Internal Quality Assurance:** Verifying and testing controls SCPs have in place to monitor their own delivery. Interviews, Review of IQA and observation process to be included.
- **Training and Awarding Body Registration:** Reviewing advisors'/trainers' CVs to test experience. Ensuring SCP's registrations with Awarding bodies are up to date.
- **Accreditations/Inspections:** Review and Monitor accreditation/ Inspections Reports to mitigate risk (i.e. OFSTED, MATRIX)

### **Observations of Inductions, Teaching, learning and Assessment**

- Conducting in depth, graded observations of Induction, Teaching, learning and Assessment. This to include an Observation Report and Action planning. Sharing good practice across the Supply Chain.

### **File compliance checks**

Twin will apply the following Tier checks to test SCP's compliance with Funders' requirements:

- Tier one compliance checks will be completed by the Supply Chain Partner. The file audit content will include the following checks:
  - ✓ Learner/Employer/Provider Details
  - ✓ Eligibility
  - ✓ Learning Plan

- ✓ Participant Timesheets
- ✓ Learning
- ✓ Progressions
- ✓ Reviews
- ✓ Leavers
- Documents to be uploaded on our LMS system to support claims. The checks will ensure documentation meets the minimum evidence requirements. In cases where evidence submitted is non-compliant to data evidence requirements, these will be rejected with an explanation of the reasons why. SCPs in these circumstances will be asked to correct the evidence and re upload it on the LMS. Once accepted, the deliverables relating to that evidence will be accepted in TWIN's monthly claims to the Funders.
- Tier two compliance checks will be completed by the Twin Compliance Team on documents and claims already accepted. This falls under Twin's standardisation methodology and continuous quality improvement approach to our work to ensure accuracy of Tier one checks, including the quality of content submitted by SCPs.
- Monitoring of SCPs rejection rates to identify higher risk partners whilst at the same time working with those partners needing additional support and training.

### **Subcontracting Charges and Fees**

For all funded provision, we will pay the full value allocated by the funding body, including any uplifts applied less the agreed management fee. Our management fees are determined by risk factors identified through our Due Diligence process which will identify an approval level, based on the approval level and through discussion or negotiation we will agree the contract content and value, in line with our SCMF.

The subcontract management fee for DFE/ESFA AEB, DWP, Home Office is 20%.

The value stipulated in the contracts is paid following evidenced completion of the start qualifying period, any further contract specific Milestone payments will be made following evidenced achievement of the relevant milestone and the remaining value due will be paid on evidenced programme completion. Any progression payments will be made following the evidence of relevant progression criteria.

## **What our Management Fees Cover**

Twin will provide a wide range of services to support our SCPs, which may include the following:

- Course and programme set up and mobilisation support
- Due Diligence Support, including annual updates
- Assistance with policy writing where required
- Dedicated Contract Manager
- Access to our Quality Team
- Access to our Compliance Team
- Contract compliance advice and guidance on funding audit compliance
- Two tier compliance checks on all claims
- System training where appropriate
- Performance monthly review data in relation to retention and achievement
- Partnership meetings and best practise workshops
- Instant updates on Funding
- Formal observation of teaching and learning with written and verbal feedback and support
- Employer and learner feedback surveys
- Information and Guidance Learning from a Matrix accredited team
- Assistance with Self-assessment reports
- Health and Safety Consultancy support where appropriate
- Equality & Diversity Training support where appropriate
- Health and Safety Training where appropriate
- Safeguarding and Prevent Training where appropriate

## **Payment Terms**

All SCPs will be required to agree to our supplier terms and conditions.

Twin operates a self-billing process, which involves Twin raising the subcontractors invoice on their behalf. Twin will not accept any invoice from the subcontractor.

Twin will provide the subcontractor with a self-bill analysis no later than 10 working days after the end of the prior month. Once Twin receives payment from their funder, a self-bill invoice will be issued and payment made.

Twin estimate any payments will be made by approximately the 30th of each month for the previous month's activity. However Twin reserves the right to pay within 30 days of invoice as per our standard terms and conditions.

Adjustments may be made to specific payments where evidence of eligibility, participation or achievement cannot be validated by Twin. Any amendments will be based on current guidance provided by the funding body rules.

## **Dispute Resolution**

Any dispute, difference or question arising between Twin and the subcontractor either during the currency of the Agreement or afterwards shall be referred to the Provider Manager for the PRIME and nominated contact for the Subcontractor for discussion and review in order to try to resolve the same.

In the event of the nominated contacts being unable to resolve the relevant issue, either party may request in writing that the matter is referred to the PRIME's nominated representative and the Subcontractor's representative nominated for this purpose (jointly "the Dispute Resolution Panel") for formal review and consideration. Any request for referral to the Dispute Resolution Panel must include details of the dispute and any proposals to resolve it.

The Dispute Resolution Panel will meet within 28 days of receiving a request for referral. In the event of the Dispute Resolution Panel failing to identify a mutually acceptable resolution within 28 days of the date of reference, then the dispute shall be referred to and settled as far as possible by mediation in accordance with the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure.

Neither Party may commence court proceedings in relation to any dispute arising out of the Agreement until they have attempted to settle it by mediation. Any such mediation may be terminated by either Party at any time of such Party wishing to commence court proceedings.

## **Contract termination**

- Adhere to the Company's established supply chain management framework and take reasonable steps to support underperforming providers to improve
- The Contract Manager will ensure that all SCPs are aware of their KPIs at all times and will operate an early warning system to allow SCPs to improve before termination processes commence
- Apply fair, consistent and transparent criteria when making decisions to terminate SCPs due to underperformance and agree a sufficient termination period
- Support SCPs as appropriate in transferring, storing or destroying confidential data/records.

**Review**

The Company or SCPs may recommend changes or improvements to this Code of Conduct. All suggestions will be subject to consultation before any amendments are made.

**Appendix 1 – Associated documents**

- Subcontracting Contingency Plan V6.0
- Due Diligence Process v2.0
- Due Diligence Template v6.0
- Partner Tracker v1.0
- Due Diligence sign off form v2.0
- Supply Chain Onboarding plan v2.2
- Partner Monitoring Template v3.0
- Case Study Template v2.0
- Performance Improvement Notice Template v2.0
- Performance Improvement Plan v2.0
- Self-Assessment Report Template v2.0
- Supply Chain fees Policy v6.0