



Parliamentary Contract Management Governance and Rules

Document Revision History and Key Facts

Version	Issue date	Policy owner	Date of next review	Comments/ brief description of main changes in this revision
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Table of Contents

	Page
1. CONTRACT MANAGEMENT GOVERNANCE	2
3. CONTRACT MANAGEMENT	4
4. CORE CONTRACT MANAGEMENT PROCESSES	4
5. BENEFITS OF EFFECTIVE CONTRACT MANAGEMENT PRACTICES	5
6. CONTRACT PERFORMANCE MONITORING	7
7. CONTRACT COMPLIANCE	7
8. REPORTING AND RECORD KEEPING	9
9. CIRCUMSTANCES WHEN CONTRACT MODIFICATIONS (INCLUDING EXTENSIONS) WILL OR WILL NOT BE ALLOWED	9
10. RE-TENDERING	10
11. MANDATORY SUPPLIER AND CONTRACT PERFORMANCE APPRAISAL	10
12. SATISFACTORY COMPLETION OF THE CONTRACT	11
13. FORWARD PLANNING	11
14. LEGAL ASPECTS OF CONTRACTING(INCLUDING DISPUTE RESOLUTION)	11
APPENDIX I – CONTRACT COMPLIANCE GUIDANCE	13
APPENDIX II – PPCS ORGANISATIONAL CHART	20

Date of last review	03/05/2017
Date due for review	01/01/2018

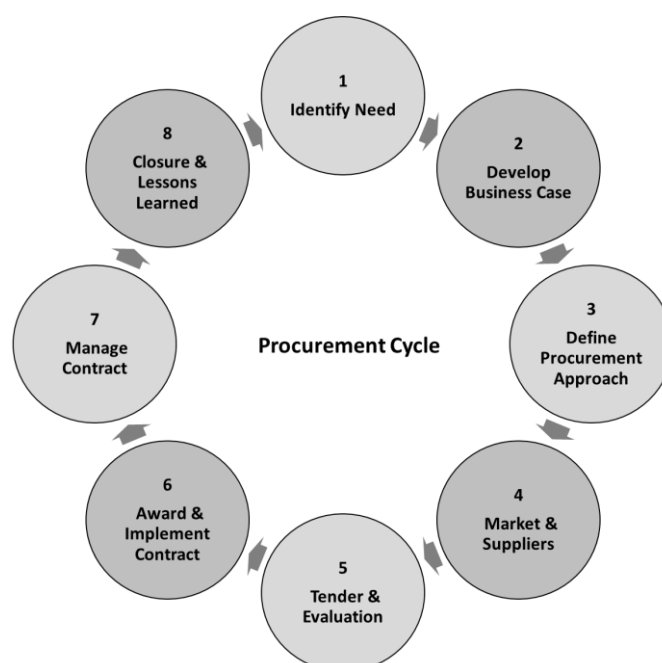
I. CONTRACT MANAGEMENT GOVERNANCE

- 1.1 Parliamentary Procurement and Commercial Service (“PPCS”) is responsible for setting and developing the strategy, processes and guidance for contract management for the House of Lords, the House of Commons and Parliamentary Digital Service (“the Authority”). This document provides information about each of these areas to assist those managing contracts to do so in accordance with internal rules, best practice and the law. If in doubt please contact PPCS.
- 1.2 The Finance Directors of the two Houses have discretion to amend this document, referring significant policy changes to the Management Boards (or equivalent).
- 1.3 At any one time, the Authority has hundreds of contracts in place to provide the works, goods and services required to enable Parliament to carry out its functions as a legislature, employer and occupier of premises.
- 1.4 Effective contract management is essential to ensure public money is being spent responsibly and authorising payments only where valid and undisputed invoices are submitted, for example by checking that all services or goods being charged meet contract requirements, by actively inspecting that we are getting the quality of good/service we are paying for and that we constantly reassess whether we need the goods and services we are commissioning.
- 1.5 Professional contract management is also essential to ensure that we meet our legal obligations in particular health and safety legislation, equal opportunities legislation and procurement regulations. It also ensures that we carry through on our policy commitments such as ensuring that suppliers’ and their sub-contractors’ employees working on our premises are paid at least the London Living Wage.
- 1.6 To ensure we manage our contracts professionally and in the best interests of the Accounting Officers, the Management Boards of both Houses have agreed to the following:
 - PPCS will put processes and guidance in place to ensure effective contract management throughout Parliament;
 - Contract Managers will be identified and will join the contract management community which was created to provide a professional network for the dissemination of best practice;
 - PPCS will keep a contracts data base of all live contracts and establish processes by which relevant information about contracts is fed to it from Contract Managers;
 - PPCS will be a centre for advice and to disseminate best practice for Contract Managers.

Date of last review	03/05/2017
Date due for review	01/01/2018

2. PURPOSE OF THE CONTRACT MANAGEMENT RULES

- 2.1 These Rules have been developed by PPCS who are responsible for ensuring compliance with the Rules, providing advice and support to Contract Managers throughout the various stages of the procurement and contract management life cycle. All staff managing contracts on behalf of the Authority must follow the Rules and best practice set out in this Policy document.
- 2.2 Contract manager is anyone with responsibility for overseeing the delivery of supplies, services or works via a contract with a third party supplier.
- 2.3 Contract Managers must work with PPCS when a contract needs to be put in place for the first time or renewed - because they are best placed to understand the future requirement. The Contract Manager will be expected to draft the specification of requirement and have input into other documentation relating to the tender process. (Please see the Parliamentary Procurement Rules for guidance on the procurement process). When the procurement process has been completed i.e. a contract awarded to a successful bidder, the contract management of that contract begins. The Contract Manager then takes over, seeking advice from PPCS when required.
- 2.4 Contract management sits with the Department responsible for the delivery of the services, works or goods to which the contract relates. These Rules provide the tools necessary to enable Contract Managers to ensure the supplier delivers the outcomes required, by the agreed milestone dates at the agreed price. The Rules also provide the Contract Manager with guidance about the important checks they should carry out throughout the lifetime of the contract to ensure good performance and business continuity and how to identify when things are going wrong.



- 2.5 These Rules cover the stage where a contract has been put in place and is up and running (steps 7 and 8) rather than the procurement process (steps 1-6). Separate guidance is available in the Procurement Rules in respect of the latter.

Date of last review	03/05/2017
Date due for review	01/01/2018

3. CONTRACT MANAGEMENT

- 3.1 Contract management is the active monitoring and control of all aspects of the operational and commercial elements of a contract.
- 3.2 The primary aim of contract management is the delivery of a service that is:
- cost-effective and reliable
 - delivered at the agreed price and standard
 - within the terms and conditions of the contract
 - conducted with all necessary financial, legal and ethical propriety
- 3.3 Contract Managers must ensure that all parties fully understand their responsibilities as described in the contract.

4. CORE CONTRACT MANAGEMENT PROCESSES

- 4.1. The Authority is committed to ensuring that the core management processes below apply to all contracts. Contract Managers are responsible for managing these processes for their own individual contracts and seek advice from PPCS on their relevance and applicability if not clear.

Process	Scope
Service delivery management	Supplies, services or works are delivered in accordance to requirements and agreed levels of quality, price and timescales. Contract management is adequately resourced by both parties in proportion to the importance of the contract and the skills make-up of the team reflects the nature of the contract. The team have the range of skills, capability and experience to effectively and efficiently discharge their roles and responsibilities and are appropriately performance managed.
Relationship management	The relationship between both parties is clear and well defined, responsibilities are documented, there are structural and informal communication routes that include other stakeholders outside the contract manager (users of the contract, technical experts etc).
Performance management	There is a comprehensive performance management framework in place with meaningful metrics and suppliers receive regular and routine feedback on their performance both formal and informal.
Contract brief (i.e.	Contract management staff understand the contractual

Date of last review	03/05/2017
Date due for review	01/01/2018

requirements)	terms including contract scope (services, duration and commercial elements), termination warranties, indemnities, insurance, security and confidentiality and dispute resolution.
Managing contractual documentation	An up to date (annotated with relevant agreed changes) copy of the contract is stored, logged and easily accessible by the Contract Manager.
Change control process (modifications)	Clear documented processes and governance are in place to manage contract changes and any changes are communicated and understood by the parties involved.
Managing contractual/commercial risk	There is an agreed risk management approach clearly applied to the contracts and risks are subject to ongoing review and assessment in line with organisational risk management processes. There is clear understanding by the parties to the contract of who is best placed to manage risks. The Contract Manager understands the commercial aspects of the contract and ensures it remains competitive and fit for purpose.
Dispute resolution	Clear documented processes are in place for managing problems efficiently and effectively. There is clear documentation of any disputes and their resolution.

5. BENEFITS OF EFFECTIVE CONTRACT MANAGEMENT PRACTICES

5.1 “Effective” contract management practices allows Contract Managers to:

- Identify critical contracts;
- Define operational expectations;
- Establish a governance structure and process for internal and supplier interactions across the life cycle of the contract;
- Define formal processes for management involvement in the relationship;
- Clarify internal roles and responsibilities;
- Establish processes to effectively manage performance; and
- Develop supplier capabilities to continuously improve the organisation and ensure value for money for the Authority.

5.2 Key areas Contract Managers should be concerned when managing contracts:

Area	Actions for Contract Managers
Identification of Strategic	Acquire a clear understanding of which suppliers are the most critical to the organisation. Factors that could assist

Date of last review	03/05/2017
Date due for review	01/01/2018

Suppliers	on how to identify the criticality of the supplier include: risk to the business of failure by that supplier, operational criticality, technical integration, total value, long-term commitment and performance.
Governance and Organisation	<p>Define the team structure that will be required to manage the supplier on a day-to-day basis as well as the roles involved in those skills and activities and the knowledge that team members will be expected to possess.</p> <p>Formalise the on-going governance processes to facilitate supplier management, make it transparent to management and consistent throughout the organisation.</p> <p>Preparing a set of governance practices which should include: meeting schedules; attendees list, agendas and templates for review meetings; detailed designs of day-to-day supplier management activities such as contract management, financial management, and issue resolution; triggers and escalation paths for supplier issue resolution.</p>
Supplier and Organisation development	Encourage suppliers to find efficient ways of working that may reduce costs, introduce new services that meet our needs, and work together to streamline joint processes.
Service Level Agreement and Performance Management	Support continuous performance improvement by holding suppliers accountable for poor performance and propose where possible incentives for outstanding performance. Establish a contractual agreement that clearly defines supplier performance expectations, target levels, and tolerance ranges. In addition, you should formalise the consequences of underperforming to an agreement, the specific trigger points and conditions for remediation once a service level agreement (SLA) breach occurs, the process for remediation, and ownership of the supplier performance within the organisation.
Holding Regular Supplier Reviews	You should hold regular supplier reviews to facilitate on-going supplier performance management and provide a senior management overview of the relationship between the Authority and the supplier. The frequency of review meetings should take into consideration the complexity of the contract, duration, risk and operational criticality.
Contract Management Handovers	You should agree a handover process in your business area before a new Contract Manager (in Parliament) or Account Manager (supplier) takes over. The process must identify who the new staff responsible for managing the contract is, the roles and responsibilities for the contract, access to systems and contractual documents, any required delegation of authority or conflict of interest disclaimer, notification to relevant stakeholders of the change and notification to PPCS to update the contracts

Date of last review	03/05/2017
Date due for review	01/01/2018

	database. A Contract Handover template is available on the intranet.
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6. CONTRACT PERFORMANCE MONITORING

- 6.1 This is the process of checking that suppliers deliver what is agreed in the contract and that they do so in an appropriate manner.
- 6.2 Contract Managers should monitor performance against KPIs/SLAs and statements of requirements – the frequency will depend on the importance and complexity of the contract in question.
- 6.3 The starting points are the statement of requirements, Service Level Agreement and the KPIs agreed with the supplier. Not all contracts will have detailed SLAs or KPIs, it will depend upon the nature and value of the contract. PPCS will work with you to agree what is required. However all contracts must have clearly defined deliverables (outputs/outcomes) and the contract manager must as a minimum ensure that the supplier is delivering what it is expect for the price and deadlines agreed.
- 6.4 Effective monitoring requires good communication between the Contract Manager, the supplier and all other parties involved. It is essential to have a named contact at the supplier's organisation who is responsible for contract management and to plan regular meetings in advance with them to review performance. The monitoring process is subject to the specific goods, services or works being provided and should be linked to the KPIs agreed with the supplier, as a minimum it should include:
- Monitoring the supplier's performance against the specific targets set out in the service level agreement;
 - Inspecting/assessing completed work;
 - Checking that all services or goods being charged have been delivered to contract requirements;
 - Recording customer complaints and customer satisfaction with the service, usually via questionnaires or evaluation forms;
 - Asking the supplier if we can make any changes to help them perform their services better;
 - Ensuring the supplier reports as soon as possible of any changes to the timescale, or to the quality or quantity of the goods or services being delivered.

7. CONTRACT COMPLIANCE

- 7.1 Key contract areas which must be monitored at least annually are:

Compliance aspect	Monitored by
Suppliers working on the Parliamentary Estate are	PPCS and Contract

Date of last review	03/05/2017
Date due for review	01/01/2018

paying their staff the London Living Wage	Managers
Suppliers are complying with the equal opportunity, diversity and staff welfare standards as set out in the contract	Contract Managers
Sustainability and environmental objectives are being met	Contract Managers
Baseline security checks have been undertaken by the supplier in relation to staff working on the Parliamentary Estate	Audit & Compliance Team and Contract Managers
The supplier is not experiencing financial difficulties	PPCS and Contract Managers
The business continuity arrangements for the contract are adequate	Contract Managers
The contract is delivered within the initial approved contract value	Contract Managers
Suppliers are complying with the health and safety requirements in the contract including incident reporting	Contract Managers
Suppliers are complying with information security policies and any contractual obligations identified via information security accreditation where applicable	Contract Managers
We know which subcontractors are being employed by the main supplier on our contracts and that they are being monitored with respect to the above also by the main supplier.	Contract Managers

7.2 In relation to ensuring that the company is not experiencing financial difficulties the Contract Manager will be supported by PPCS who will perform annual financial checks on suppliers for contracts above a certain value. Otherwise each of the above requires the Contract Manager to ask for information from the supplier verifying that the contractual requirements are being met and recording the status/performance of the supplier. If the supplier is unable to meet our requirements in any respect then this may necessitate issuing a “default” notice to them giving them a certain amount of time to meet their contractual obligations as per terms and conditions of the specific contract. Failure to do so may lead to the contract being terminated. Advice from PPCS should always be sought (a) if one of the above standards is not being met and (b) before any letter of default is sent.

7.3 You will find more information on each aforementioned aspect in **Appendix I - Contract Compliance Guidance**.

Date of last review	03/05/2017
Date due for review	01/01/2018

8. REPORTING AND RECORD KEEPING

- 8.1 Contract Managers are required to keep accurate and up-to-date records. Small contracts may only require a report on completion; larger contracts may need monthly updates.
- 8.2 All reports should highlight the results of performance and monitoring and highlight any issues. They should be held on the contract management system provided by PPCS and should form part of the audit trail for each contract.
- 8.3 Reports should be made and/or records kept of:
- Failures to meet contractual obligations e.g. to pay LLW, to comply with H&S standards health and safety/disaster recovery or security, breach of T&Cs;
 - Any complaints relating to the contract whether internal or external;
 - Adherence to KPIs/performance targets;
 - Frequency of reporting;
 - Frequency of progress meetings;
 - Invoices;
 - Variations to contract (and all supporting detail);
 - Contract extensions including details of costs and time.
- 8.4 Information gathered during the delivery of the contract will be used as the basis for identifying issues to be addressed in future contracts. The records will form evidence if contracts are breached or terminated. They also form the basis for payment and act as an audit trail, so must be kept for specified periods of time, minimum of 6 years after contract expiry or termination, see Authorised Records Disposal Practice for more details.

9. CIRCUMSTANCES WHEN CONTRACT MODIFICATIONS (INCLUDING EXTENSIONS) WILL OR WILL NOT BE ALLOWED

- 9.1 PPCS must be consulted before any modifications to a contract's scope, duration or cost take place. PPCS will comply with the provisions of Regulation 72 of the Public Contracts Regulations 2015 when considering whether the modification is permissible or whether a new tendering exercise must take place:
<http://www.legislation.gov.uk/ukxi/2015/102/regulation/72/made>
- 9.2 If a modification is contemplated, a waiver form must be completed and sent to PPCS. The Procurement Waiver Policy provides more information on the internal approval process of contract modifications. In short, any modification other than provided by the terms of the contract will require a waiver in advance of the modification.
- 9.3 Any changes deemed to be "substantial" will require a tender process for a new contract; changes which are "not substantial" will not. This is a matter of law.

Date of last review	03/05/2017
Date due for review	01/01/2018

10. RE-TENDERING

10.1 Re-tendering a contract occurs when:

- the supplier brings the contract to an end or becomes insolvent;
- the end date of the contract has expired but ongoing business requirements remain;
- a decision is made by the Authority to terminate a contract and re-tender.

10.2. PPCS should be contacted at least one year before the end of the existing contract in order to start the new tendering process. This ensures there is enough time to plan a new procurement, to develop suitable contractual provisions and to ensure a smooth transition.

11. MANDATORY SUPPLIER AND CONTRACT PERFORMANCE APPRAISAL

11.1 When planning a contract renewal or at least three months before the contract termination date, whichever is earliest, suppliers must be evaluated as to the level of their performance throughout the life of the contract. The key performance indicators agreed with the supplier should be used here, and the assessment should be in relation to the overall performance for each indicator. Different contracts can have different KPIs, as a minimum, supplier and contract performance should have an overall rate on:

- The supplier relationship
- Quality of the service, supply or works provided
- Right first time for service, supply or works
- Timely delivery
- Customer satisfaction
- Reporting
- Pricing
- Financial stability
- Overall capabilities

11.2 Factors to take into account when appraising the contract are:

- Lessons learned
- What to repeat
- What not to repeat
- What to do differently

11.3. The Contract Manager must send this information to PPCS by completing the End of Contract Review form. Besides forming part of the audit trail for the contract, the information contained in the form will assist in the planning for future procurements.

11.4. PPCS must be informed of any supplier whose contract was terminated or came to an end early for any reason or who performed poorly so that we can prevent – to the extent legally possible – awarding contract to this supplier in the future.

Date of last review	03/05/2017
Date due for review	01/01/2018

12. SATISFACTORY COMPLETION OF THE CONTRACT

- 12.3. This is done by writing a report on the contract delivery (End of Contract Review form). Satisfactory completion of the contract is also necessary for final approval and payment of the contract.
- 12.4. The approval process for payment in the House of Commons is carried out electronically via HAIS when GRN (Goods Receipt Note) is completed, clearing invoices for payments.
- 12.5. The approval process for payment in the House of Lords requires that the submission of a valid invoice for payment must be accompanied by an Invoice Authorisation Form duly authorised and stating that the goods have been received / work done, the price or rate was correct, the arithmetic was correct and the invoice was not previously paid.
- 12.6. Contract Managers must ensure that the payment of valid and undisputed invoices shall be made within 30 days of receipt and agreement of invoices. The Authority will have the final say as to whether an invoice is valid. The invoice must:
- a) be a true and accurate reflection of the services, works or goods undertaken and associated Contract Price;
 - b) be referred with all appropriate Contract references and titles;
 - c) include a detailed breakdown of the services, works or goods provided, taking account of any due deductions, with any supporting invoices or other necessary documentation to substantiate the claim as required by the Authority.

13. FORWARD PLANNING

- 13.1. Departments/Offices are required to inform PPCS of any forthcoming tender, including low value contracts, so this can be reported in the Annual Procurement Plan as part of the PPCS business strategy.

14. LEGAL ASPECTS OF CONTRACTING (INCLUDING DISPUTE RESOLUTION)

- 14.1. It is all too easy to unintentionally create a legally binding contract by word, action or in writing (even if the document does not refer to itself as a contract e.g. email communication), which could commit the Authority to unfavourable terms and conditions.
- 14.2. A common example is that many companies print their own terms and conditions on the reverse side of all correspondences and invoices, so unless the Authority has made it clear that its standard terms are to apply, the supplier's terms may apply by default.
- 14.3. If you are unsure about the contractual impact of any correspondence received, please contact PPCS for advice before communicating with the supplier. However, you should not communicate directly with a supplier during any tender process – all

Date of last review	03/05/2017
Date due for review	01/01/2018

communications at this stage should be via PPCS (save for procurements below £10k).

- 14.4. Another common area is a procurement being challenged by a disappointed supplier. This could bring the whole procurement process to a halt, and will do so under [Regulation 95](#) of the Public Contracts Regulations 2015 if a Claim Form is issued. The best way to avoid this pitfall is to ensure compliance with procurement procedures used, by referring to these Rules, Procurement Rules and seeking advice from PPCS.
- 14.5. Ongoing contracts can pose risks as suppliers may fail to perform to contractual requirements. This could eventually lead to suspension of payments or even termination of the contract.
- 14.6. Where there is a potential for litigation, disruption of delivery, high risk, high profile, complex procurement issues, bespoke contracts, change of suppliers and amendments to the conditions of contract, PPCS must be involved. PPCS will advise whether legal input is required.
- 14.7. A dispute occurs when the parties fail to agree over something. Very often this will be over a technical or contractual issue. However, it may sometimes be because of a clash in personalities from each side, which generates a conflict.
- 14.8. In all cases it is important to bear in mind the need to maintain a good working relationship in order to resolve any dispute. One must always try to resolve disputes informally but if this does not work the formal contractual procedures for escalating the matter must be used. In any event, a record should be kept of any attempt to resolve a dispute.

Date of last review	03/05/2017
Date due for review	01/01/2018

APPENDIX I – CONTRACT COMPLIANCE GUIDANCE

Key areas of a contract that must be monitored at least annually are that:

1. **Suppliers working on the Estate (or for HoC providing services to it) are paying their staff the London Living Wage (or for HoC a living wage where the service provider is based outside of London).**

The House of Commons and the House of Lords are accredited by Citizens UK (CUK) as London Living Wage Employers. The terms of their accreditation licences require that contractors and sub-contractors with dedicated staff who are based on parliamentary premises are paying those staff at least the LLW. “Dedicated Personnel” means anyone (other than an apprentice or intern) who provides a service to or on behalf of the Authority involving 2 or more hours of work in any given day in a week, for 8 or more consecutive weeks in a year.

Additionally, decisions were taken that, for House of Commons contracts and where the Lords and Commons contract together jointly -

- contractors and sub-contractors which provide services in relation to our contracts, while not having a presence on parliamentary premises, pay dedicated staff at least the LLW, or the UKLW if based outside London;
- Contractors are also encouraged to pay apprentices the Living Wage.

The Living Wage rates for 2017 are outlined below.

- London Living Wage rate is £9.75.
- UK Living Wage rate is £8.45

PPCS has written to all relevant suppliers informing them of the increase and that we expect them to implement the new rates by 1 May 2017 as per table below.

Eligible employees of Contractors and sub-contractors	HoC only contracts	HoL only contracts	Parliamentary Digital Services contracts	Joint contracts
Working on the parliamentary estate. (LLW)	£9.75	£9.75	£9.75	£9.75
Providing services and not working on the parliamentary estate but based in London. (LLW)	£9.75	N/A	£9.75	£9.75
Providing services and not working on the parliamentary estate but based outside	£8.45	N/A	£8.45	£8.45

Date of last review	03/05/2017
Date due for review	01/01/2018

Contract Managers should be aware of the following issues which may arise as a result of this change:

- a) You may be contacted by service providers enquiring about their obligation to implement the new rates. You should explain that we are accredited by Citizens UK (CUK) as London Living Wage Employers and wish to make sure all staff working on our premises (or for HoC contracts providing us with a service) receive the appropriate living wage rate.
- b) The implementation of the new rates needs to be carried out within 6 months of the announcement. Suppliers may implement it before this period. However, any delay in the implementation beyond 6 months must be communicated to PPCS.
- c) If a supplier asks for a price uplift to meet the cost of the living wage, the Governance Team should be contacted on ppcs@parliament.uk with details including the name of the service provider, number of staff concerned and the annual cost of the uplift. The Governance Team will then discuss with the Finance Directors to decide whether this increase should be met from our funds.
- d) An important consideration is the assumption the supplier has made generally about wage increases next year for its staff. If, for instance, they have planned an increase on the basis of a 2% inflationary rise, and LLW has gone up by 4%, then if we do end up subsidising them (last resort) it should only be for the difference. We can refer to any indexing in the contract, but even if there is no provision in the contract for an annual uplift, the supplier will probably have been planning to deal with inflation.
- e) Each year, after the new rates are announced, PPCS will send a reminder to all relevant suppliers. Following that, PPCS will carry out spot checks to ensure compliance.
- f) Although PPCS will notify all relevant suppliers of the new rates, it is possible that some suppliers may not receive the notification e.g. out of date contact details. In any case, whenever speaking to the supplier at your next scheduled meeting, please ensure you add the Living Wage as an agenda item for clarification.

Please visit www.livingwage.org.uk for more information.

2. Suppliers are complying with the equal opportunity, diversity and staff welfare standards in the contract

The elimination of unlawful discrimination and promotion of equality of opportunity in its contract management dealings are important to the Authority. Throughout the delivery of the contract, Contract Managers should ensure that suppliers and their sub-contractors:

- understand and accept their legal duties in these areas and take them seriously;
- do not unlawfully discriminate and that they positively promote equality and diversity in the delivery of goods, works or services and in employment.
- treat their employees fairly and with respect regardless of their age, gender, gender identity or reassignment, sexual orientation, race, colour, nationality, ethnic or national origin, religious affiliation or religious belief, marital or civil partnership

Date of last review	03/05/2017
Date due for review	01/01/2018

status, disability, pregnancy and maternity, or any other group or factor that is irrelevant to performance;

- consider their employees on merit for opportunities, including training, development and promotion;
- give their employees all reasonable help to overcome problems at work which are associated with a disability.
- demonstrate that the working conditions of their employees ensure the welfare of the workforce and the maintenance of stable and skilled teams. This includes the salaries paid to each member of staff and evidence that this is sufficient to maintain such a workforce.

Contract Managers should ensure that these aspects are monitored and should ask suppliers to provide evidence at review meetings.

3. Sustainability and Environmental objectives are being met

The Authority is committed to improving the sustainability of their activities and operations and leading by example, for the benefit of the society and the environment as a whole. Contract Managers should familiarise themselves with the Sustainable Procurement Policy and Parliament's Environmental policy as both documents outline the core objectives and responsibilities of the Authority.

Contract Managers must ensure that contract specific sustainability and environmental objectives are met. In this respect, information should be recorded as part of the regular review meetings.

4. Baseline security checks have been undertaken by the supplier in relation to staff working on the Estate

It is a requirement of the Authority that everyone who has access to the Parliamentary Estate or its IT systems has successfully completed HMG Baseline Personnel Security Standard (BPSS), pre-employment checks.

These checks comprise four main elements:

- Identity;
- Nationality and immigration status (including an entitlement to undertake the work in question);
- Employment history; and
- Criminal record (unspent convictions only).

National Security Vetting

The Pass Office will undertake security vetting to at least CTC level on all those who are required to work on the Parliamentary Estate and/or have access to the parliamentary network.

Date of last review	03/05/2017
Date due for review	01/01/2018

- The HMG Personnel Security Controls document, link below, provides guidance on the requirements and process.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/299547/HMG_Personnel_Security_Controls.pdf
- All applicants must have resided in the UK for a minimum of 3 years out of the last 5 years.

PPCS has included in the Selection Questionnaire and ITT templates a requirement that successful suppliers must conduct pre-employment checks on the employees they intend to provide in connection with the contract should they be successful in their tender submissions.

It is important that BPSS checks are carried out before pass applications are submitted and other levels of personnel security control, such as the Counter-Terrorist Check (CTC), are carried out by Parliament's Pass Office.

All suppliers and agencies must undertake these checks on all their staff and sub-contractors who will have access to the Parliamentary Estate or its IT systems. They must make their records available for auditing by the Audit and Compliance Team.

Once a contract is awarded, the Audit and Compliance Team will contact the supplier and its sub-contractors to carry out an audit in their process.

The Audit and Compliance Team has produced the following guidance material to help contractors understand their responsibilities and comply with the standard. These guidance are available on the intranet under Houses of Parliament contractors and agencies (BPSS) responsibilities

- Cabinet Office – HMG Baseline Personnel Security Standard guidance on the screening of contractors;
- Home Office – An employer's guide to right to work checks. This guide sets out what an employer needs to know about conducting right to work checks. It provides guidance on what right to work checks are and why it is important that employers do them. It also explains on whom an employer needs to make checks, how frequently they need to do so, and how to do the checks correctly;
- How to verify an applicant's home address. This is a requirement of the standard and forms part of confirming the applicant's identity;
- How to verify an applicant's last three year employment/educational history. This is a requirement of the standard;
- How to obtain a personal reference. A personal reference may be required as part of verifying an applicant's last three year employment/educational history and ensures there are no unexplained gaps;
- Parliamentary verification record. A record that demonstrates the contractor has completed the employee's baseline checks.

As BPSS includes checking official documentation (passports, identity cards, visas, residence permits, birth certificates and driving licences), the Audit and Compliance Team

Date of last review	03/05/2017
Date due for review	01/01/2018

recommends that suppliers use the document checking facilities available on [Prado](#) and [EdisonTD](#).

Audit and Compliance Team

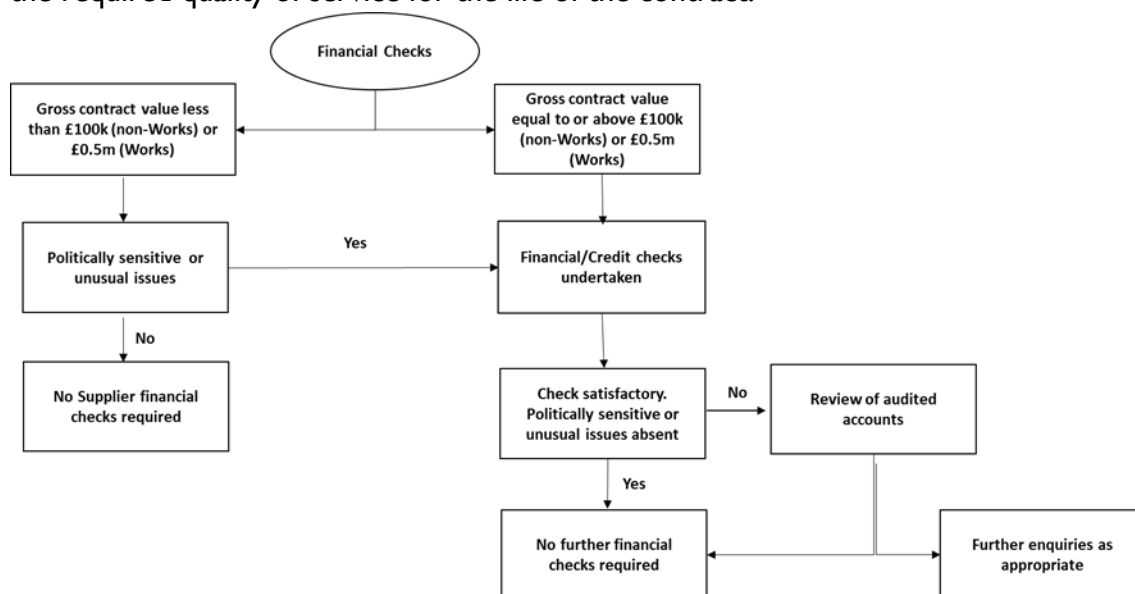
Telephone: 0207 219 3021/3468/4072

Fax: 0207 219 6552

Email: act@parliament.uk

5. The supplier is not experiencing financial difficulties

Financial checks are undertaken by PPCS before contracts are awarded to ensure that suppliers providing services to the Authority are financially stable and capable of providing the required quality of service for the life of the contract.



Financial checks will normally be carried out at the stage of selecting potential suppliers in a procurement process. The exception to this general rule is when the contract is both under the agreed threshold and not of a critical nature, where PPCS consider financial checks to be disproportionate in these circumstances.

Once the contract is in place, especially for large or critical contracts, PPCS will carry out an automatic annual financial check of the supplier and inform the Contract Manager of any areas of concern, where:

- a) the contract initial term is more than 2 years and the gross contract value is equal or above £100,000 (non-Works) or £0.5m (Works); or
- b) the gross contract value is less than £100,000 (non-Works) or £0.5m (Works) but the contract is politically sensitive or has unusual issues; or
- c) prior to an extension if the contract falls under criteria (a) or (b).

More information on financial checks is available in the Supplier Financial Viability Checks guidance.

Date of last review	03/05/2017
Date due for review	01/01/2018

6. The business continuity arrangements for the contract are adequate

Business continuity is about making sure that the business is prepared for the unexpected, so that when the business is affected by some form of disruption it can continue to operate and get back to a normal level of operation as quickly as possible.

Contract Managers must develop a business continuity plan for their contract to ensure that no disruption is caused to the business.

Typically Contract Managers should understand clearly how the services/goods/works provided impact on the Authority business, identify the maximum length of time the business can manage with a disruption, what is the critical time required to resume following a disruption, document critical activities, quantify resources needed (people, premises, technology, information and suppliers) and draw up realistic action plans to mitigate incidents.

Make arrangements, as provided for in the contract, for TUPE, data transfer, implementation, equipment delivery/removal, or any other aspect that requires clear planning and needs to be carried out before the contract end date.

Arrangements should be documented by the Contract Manager and agreed with the supplier where appropriate. Business continuity plans should regularly be tested to ensure they are fit for purpose.

Ensure provision for appropriate Authority staff training to safeguard business continuity after the supplier has left.

Contract Managers must ensure that adequate time is allowed to run a procurement process in order to continue to provide the services required. Therefore, they must contact PPCS:

- at least six months before the expiry date for non-EU contracts;
- at least one year before the expiry date for EU contracts;

Additional guidance on how to set up a business continuity plan is available at the [HM Government Business Continuity Management Toolkit](#).

7. Suppliers are complying with the health and safety requirements in the contract including incident reporting

Health and Safety Requirements are an important element not just during the procurement process, when obtaining information from suppliers' past performance, but also a critical element for the successful delivery of contracts. This is even more relevant when the suppliers are required to work on our premises.

Clear H&S requirements should be defined in the statement of requirements. Contract Managers need to make sure that agreed H&S requirements are met. This can be monitored by revisiting information provided by the supplier at the ITT stage and ensuring that the activities are being carried out accordingly. Any non-compliance in respect of H&S should be brought immediately to the attention of the supplier, the Parliament Safety Team of the Authority and PPCS. Breaches of H&S requirements must be dealt with as per provision outlined in the standard terms and conditions applicable to the contract.

Date of last review	03/05/2017
Date due for review	01/01/2018

To find out more information on the Authority's H&S policy, please access the Combined Health and Safety Policy available on the intranet.

8. Suppliers are complying with information security policies

'Information security' refers to the security of all of the information held by the Authority. On certain contracts, it is possible that suppliers may hold or have access to information that belongs to the Authority. Typically it could include security, commercial or personal sensitive information.

Contract Managers should ensure that whenever a supplier handles information that belongs to or is provided by the Authority, they follow appropriate Authority policy which is outlined in Information Security, Data Protection & FOI available on the intranet.

The statement of requirements should outline how information will be handled. Contract Managers should provide the supplier with a copy of the relevant policy whenever this is a requirement.

Staff may have access to commercially sensitive information on contract prices, product comparisons, and product quality and supplier performance. Such information must not be disclosed without prior authorisation from PPCS.

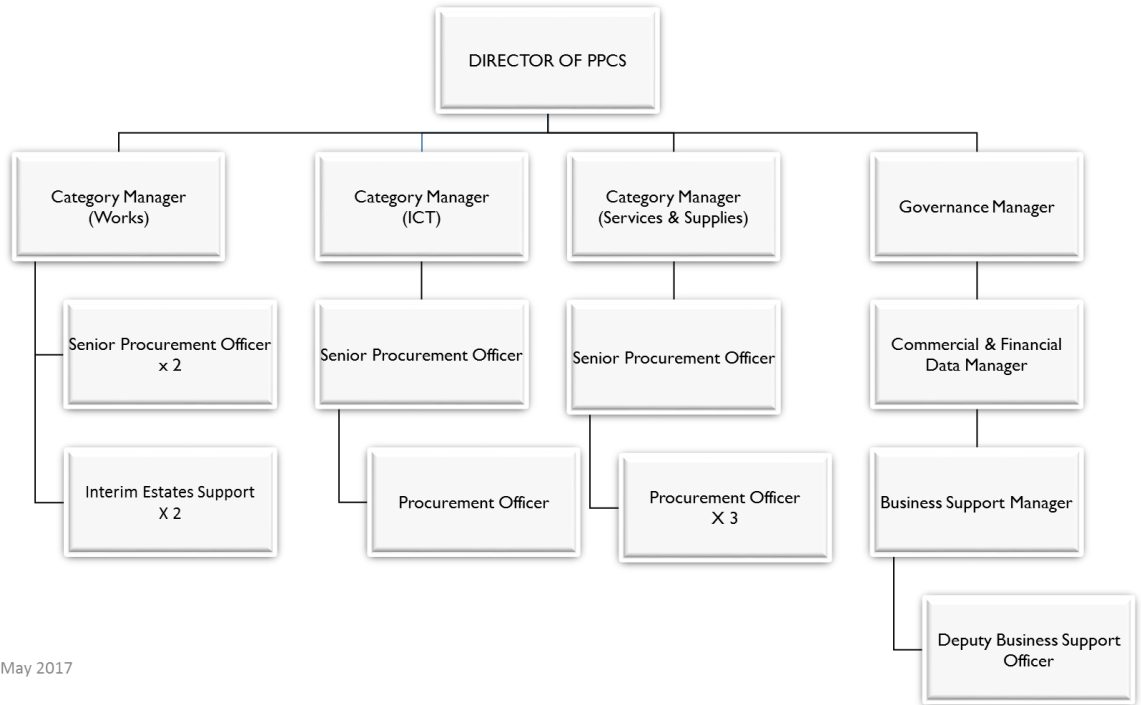
9. We know which subcontractors are being employed by the main supplier on our contracts and that they are being monitored with respect to the above also by the main supplier.

Suppliers are required to inform the Authority which sub-contractors they will be working with at the tender stage. The Authority acknowledges that this is not always possible to anticipate, and therefore it is important that Contract Managers monitor this process closely, by requiring the supplier to specify who will be carrying out the works, services or supplies.

The information on supplier's and sub-contractor's personnel must be provided to the Audit and Compliance Team, so that their staff can have appropriate access to staff working on the Estate, to monitor compliance with the Living Wage requirement and also to ensure that appropriate levels of security clearance to access our information are granted.

Date of last review	03/05/2017
Date due for review	01/01/2018

APPENDIX II – PPCS ORGANISATIONAL CHART



PPCS – May 2017

Date of last review	03/05/2017
Date due for review	01/01/2018