

Supplier Code of Conduct

Coventry City Council



Coventry City Council

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Foreword

The Council recognises the partnership approach required with its suppliers for the delivery of many important public services, assistance required in delivering policy and the construction of public assets. These partnerships are underpinned under a contractual relationship based on a bond of trust between the Council, suppliers and the public.

This Supplier Code of Conduct underlines the importance of acting together with trusted suppliers to deliver better public services with the expectation of building trust and delivering value. The public expects that the Council and its suppliers will look after their interests and deliver on the promises that they make. They expect that suppliers will behave ethically and treat the end users of their service, employees and subcontractors fairly and with respect. Suppliers also expect that the Council will be fair and transparent in its dealings with them.

The Supplier Code of Conduct strengthens these principles and is intended to help suppliers understand the standards and behaviours that are expected when delivering on a council awarded contract.

This Supplier Code of Conduct applies to all suppliers and partners who supply products or services related to contracts or purchase orders with the Council. We therefore expect all suppliers and council departments, agencies and public bodies to meet these commitments and ensure that their employees, partners and subcontractors do the same.

Julie Newman

Director of Law and Governance (City Solicitor and Monitoring Officer)

Introduction

Coventry City Council's 'One Coventry Plan' sets out the Council's vision and priorities for the city, based on our commitments to the people of Coventry and the things that residents have told us are most important. It is more focused on the needs and aspirations of our communities than ever before. The Plan builds on the progress that has been made since it was last updated in 2016, the challenges faced and anticipated, and emerging opportunities.

For many residents, the Council represents the people who empty their bins, maintain the parks and roads, keep the streetlights on, look after older people, vulnerable children, and support people who are homeless, etc. These are all essential services and a significant part of what the Council does. However, the Council also plays a key role in improving the city and making it a better place to live and work.

The role of the Council is changing; and the narrative of the One Coventry Plan sets out clearly the things that the Council can and cannot do, as well as the things that can only be delivered if we all play our part and work together to ensure that Coventry continues to be a great city.

Our Suppliers play an important role in the delivery of public services and meeting the Council's objectives, so our relationships with them are critical to delivering on those commitments.

The overall objective of the Supplier Code of Conduct is to build trusting and open relationships between the Council and Suppliers to drive improved performance throughout the Council's supply chains. This Supplier Code of Conduct acts in a reciprocal way in respect of our Suppliers and sets out the behaviours we would expect of each other.

In selecting Suppliers, the Council checks that it is contracting with reputable bodies. These checks are conducted in line with various procurement regulations¹ that guarantee fair access to opportunities for all suppliers and equal treatment during selection processes.

As we move from procurement to the life of the contract, we expect delivery should be in accordance with the spirit of the contract, as well as its letter. We expect our Suppliers, in delivering goods, services and/or works to, or on behalf of the Council, wherever they operate, to act in a manner that is compatible with public service values, upholds the reputation of the Council, promotes innovation and expertise, opens up the market to small and medium-sized enterprises, and contributes to growth and prosperity in the City of Coventry and the wider United Kingdom.

We recognise that in many cases a Supplier can only be as good as its customer, so in return, Suppliers can expect us to place risk with the party best able to manage it, create the right conditions for innovation and create a culture of collaboration between suppliers, subcontractors and the Council, and pay promptly.

We expect our employees to treat Suppliers with fairness and respect and to work jointly with them to build trusting, collaborative and constructive working relationships. In return, we expect Suppliers to treat our employees in the same way, and to work with us to build those same relationships that are focused on delivering for the public.

¹ [Procurement Act 2023](#), [Health Care Services \(Provider Selection Regime\) Regulations 2023](#) and previous legislation in the management of contracts procured under each of the [Public Contracts Regulations 2015](#), [Concession Contracts Regulations 2016](#) and the [Utilities Contracts Regulations 2016](#).

This Supplier Code of Conduct is intended for all those involved in the Council's supply chain, including consultants working on behalf of the Council, and Suppliers and subcontractors. As a statement of good practice, it should be read both by current and aspiring Suppliers to the Council and by their subcontractors in the supply chain. We expect our Suppliers to communicate this Supplier Code of Conduct to employees, their parent company, subsidiaries and subcontractors; our commitment is that we will communicate it to our employees.

Compliance

The Supplier Code of Conduct is intended to set out the way in which we and our Suppliers will behave towards each other. It is not intended to be legally enforceable, to create any legal obligations or rights, or to undermine our contracts with Suppliers or the rules we set out when we procure our goods, services and/or works, which at all times shall take precedence. For the avoidance of doubt, the Supplier Code of Conduct does not take precedence where the courts or other institutions such as a regulatory agency, authority or body have jurisdiction.

The Council and Suppliers who have entered into a contractual relationship to provide goods, services and/or works, either directly or through subcontractors, are expected to comply with all aspects of this Supplier Code of Conduct.

Both parties should be open and transparent with each other and report any instances of non-compliance. In these circumstances, the first step is for the Council and the Supplier to discuss and, where appropriate, agree suitable remedial actions. If a party considers that an issue has not been resolved by discussion, it may escalate it to the Head of Legal & Procurement Services.

Contact

For further information and queries, contact the Head of Legal & Procurement Services via procurement.services@coventry.gov.uk.

1. Employees and Service Users

1.1. Respectful treatment

Our employees, those of our suppliers, 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 Council service. We expect our suppliers to provide the same commitment, including to their own employees. The Equality Act 2010 protects against discrimination, harassment and victimisation.

1.2. Professional behaviour

We will work constructively and collaboratively with our suppliers. We expect suppliers to be prepared to invest in their relationships with the Council, and establish trust with our staff, and with other suppliers involved in delivery. We also expect suppliers to be able to speak out when Council officials, employees or other suppliers are not upholding the values embedded in the Council's Employee Code of Conduct 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, for example, in its contractual stipulations or measures.

1.3. Meeting user needs

It is important that contracts with our suppliers meet the needs of service users. We will work together with suppliers to articulate these outcomes to ensure that the goods, services and/or works being provided meet the needs of users and we expect fully reciprocal behaviour from suppliers.

1.4. Vulnerable users

Some Council 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 will ensure that these service users are treated at all times with courtesy and that their dignity, safety, security and wellbeing is always treated as a priority concern.

1.5. Human rights and employment law

The Council and suppliers must both comply with all applicable human rights and employment laws in the jurisdictions in which they work. This includes complying with the provisions of the [Modern Slavery Act 2015](#) and [PPN 009: Tackling modern slavery in government supply chains](#). In addition, suppliers must have robust means of ensuring that the subcontractors in their supply chain also comply.

2. Business Practices

2.1. Management of risk

Our aim is to ensure that risk is allocated to the party best able to manage it. To assist us in making that judgement we will, where appropriate, engage with the market to understand its views in order to make informed decisions. We do not expect suppliers or the Council to be made responsible for managing a risk that is best managed by the other party. We expect suppliers not to pass down risk inappropriately to subcontractors, and not to assert that they can manage risk that is in fact better managed by the Council. All parties should 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. We expect risks that are highlighted through the supply chain by subcontractors and directly contracted entities are brought to light in a transparent and timely manner. We require suppliers of critical services to develop resolution plans, deployable in the event of a corporate insolvency to ensure that the provision of critical services continue.

2.2. Continuous improvement

We expect our suppliers to use recognised industry practices in the delivery of goods, services and/or works to, or on behalf of, the Council. We also expect suppliers to continuously improve these goods and services and bring innovation, ideas and expertise to help the Council address its strategic challenges and to support growth and prosperity in the City of Coventry and the wider United Kingdom. We will endeavour to create the right conditions to allow suppliers to innovate both during the procurement process and the life of a contract and where appropriate we will inform suppliers of our innovation requirements during the procurement process.

2.3. Future plans

In order to give guidance to suppliers on future opportunities and the associated resource implications, we will publish our pipelines and plans for future services via the [Central Digital Platform](#) and the Council's [website](#). Although we will update them regularly, suppliers should understand that these are only estimates.

2.4. End-to-end delivery

Some of the services that the Council 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. In such cases, we will endeavour to create and maintain a culture that facilitates collaboration between all suppliers and the Council to ensure that the right service outcomes are achieved. In order to achieve this, we expect suppliers to be aware of how they contribute to that overall delivery, and to work collaboratively with the Council and other suppliers to manage mutual dependencies and ensure that their product or service is used effectively in the delivery of a high-quality service.

2.5. Data quality

A robust delivery model including its pricing structure is dependent on the quality of data on which it is based. The Council will provide accurate data and/or build in flexibility (consistent with procurement legislation) to allow for subsequent validation of data, particularly where new services are being provided, for example, through the use of pilots. For the Council to be able to do this, where a contract is being re-procured, we will require incumbent suppliers to act in a timely manner and be forthcoming with information required for scoping the re-procurement and the tendering process (for example workforce information) and to behave in accordance with any required standards. As per the contractual obligations, this information should be provided

promptly when requested by the Council and updated as required, for example, during any transitional phase leading to transfer of the provision of the services.

2.6. Value

The public expects the Council to obtain value for every taxpayer pound and to be able to demonstrate that long-term value to the taxpayer. This means that contracts should be priced to offer sustainable value throughout their life, including when changes are needed. Whilst we accept that our suppliers make a fair profit margin in return for the risk they are accepting and the commitments and investments they make in order to be able to deliver services for us, 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 will engage constructively with suppliers in relation to any required changes and we expect suppliers to reciprocate this. 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.

The Council awards contracts based on the Most Advantageous Tender (“MAT”), a value for money approach that includes price and quality, as well as appropriate social value criteria. We will measure supplier performance on relevant and proportionate indicators and apply proportionate contractual remedies for non-compliance.

2.7. Reputation and public trust

We want to work with suppliers who are proud of their reputation for fair dealing and quality delivery. We want working with the Council to be seen as reputation enhancing for the supplier. We expect all parties to be mindful of the need to maintain public trust and protective of the Council’s reputation, and ensure that neither they, nor any of their partners or subcontractors, bring the Council into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Council. This is not intended to limit any supplier’s legal obligations or constrain whistleblowing or their ability to fairly criticise the Council or policy.

2.8. Cyber security

It is essential that suppliers safeguard the integrity and security of their systems and comply with the relevant 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 Council data.

2.9. Sustainable procurement

We expect our suppliers to be aware of, and support the Council in, complying with its legal and contractual obligations under social value legislation. This is in delivery of the wider policy that sits behind the contract, and in the delivery of the targets as defined within the Council’s [Social Value and Sustainability Policy](#) and [Climate Change Strategy](#).

We expect our suppliers to assist the Council 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 the Council in reporting publicly on product or service utilisation and any environmental impacts.

2.10. Confidentiality

The Council and suppliers are both expected to comply with the provisions in our contracts and any legal requirements to protect commercial and sensitive information. The Council and suppliers may both also be party to confidential information that is necessary 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. Notwithstanding this mutual understanding, suppliers should recognise that this does not prevent the Council from disclosing information where we are compelled to do so, for example, by law or parliament, or to comply with the principles stated in [PPN 01/17: Update to Transparency Principles](#).

2.11. Conflicts of interest

We expect suppliers to mitigate appropriately against any actual, potential or perceived conflict of interest through their work with the Council in accordance with [PPN 04/21: Applying Exclusions in Public Procurement, Managing Conflicts of Interest and Whistleblowing](#) and Sections 81 - 83 of the [Procurement Act 2023](#). 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.

2.12. Whistleblowing

We expect suppliers to have a comprehensive whistleblowing policy which allows employees to report any incidents or concerns anonymously, safely and without repercussion in accordance with [PPN 04/21: Applying Exclusions in Public Procurement, Managing Conflicts of Interest and Whistleblowing](#). In addition, suppliers may utilise the Council's own [whistleblowing policy](#) to report incidents or concerns.

2.13. Wages and remuneration

We expect suppliers to compensate all workers with wages including overtime premiums, and benefits that at a minimum meet the higher of:

- a) the minimum wage and benefits established by applicable law;
- b) collective agreements;
- c) industry standards; and
- d) an amount sufficient to cover basic living requirements.

2.14. Artificial Intelligence (AI)

Supplier shall provide the Council with as much advance notice as possible if it proposes to use an artificial intelligence (AI) system to provide goods or services to the Council. This applies to the Supplier's use of AI systems to directly provide goods services, and not to use of AI systems as part of the Supplier's internal management. The Supplier shall implement and adhere to responsible and ethical practices when designing, implementing, monitoring, training, testing, deploying, or otherwise developing or using AI systems. This includes adhering to all applicable:

- laws and regulations;
- industry requirements and standards; and
- guidance and codes of practice issued by a relevant regulatory authority.

The Supplier shall also be expected to:

- ensure that any AI systems developed or used by the Supplier are robust, secure, and safe throughout their entire lifecycle;

- develop and use AI systems in a way that respects human rights and human-centric values, including:
 - fairness, equality, diversity, privacy and data protection; and
 - avoiding discrimination and bias;
- be transparent about when and how AI is used;
- ensure the explainability, auditability and traceability of any AI systems used or developed by the Supplier, including their outputs;
- establish and maintain appropriate governance, risk management, policies and procedures that promote the responsible, accountable and ethical use of AI systems; and
- where appropriate, ensure that decisions or outcomes from an AI system are contestable.

The Supplier must be able to demonstrate to the Council's satisfaction that it has embedded these requirements into its responsible AI practices.

The Supplier must not use or retain the Council's data or confidential information for the purposes of training or inputting into any AI system or model without prior written approval of the Council.

Where the Supplier uses third-party providers to develop an AI system, it must implement appropriate risk management and supervision measures to ensure that such third-party provider adheres to the standards set out in this paragraph 2.14.

3. Standards of Behaviour

3.1. 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. We expect suppliers to be explicit about the standards they demand of executives, employees, partners and subcontractors and to have governance and processes to monitor adherence to these standards. Council officers are required to uphold the Council's Employee Code of Conduct and the Seven Principles of Public Life in their dealings with third parties and we expect fully reciprocal behaviour from suppliers.

3.2. Counter fraud and corruption

We demand that suppliers adhere to anti-corruption laws, including but not limited to the Bribery Act 2010, those listed in [Schedule 6: Mandatory Exclusion Grounds](#) and [Schedule 7: Discretionary Exclusion Grounds](#) of the Procurement Act 2023, 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 the Council where fraudulent practice is suspected or uncovered and disclose any interests that might impact their decision-making or the advice that they give to the Council. We expect suppliers to act honestly, fairly, and openly, and to fully comply with their tax obligations.

3.3. Transparency

We seek to be transparent in our dealings with suppliers and we expect suppliers to be open and honest in their dealings with and the Council and be in full compliance with the updated principles published [PPN 01/17: Update to Transparency Principles](#). In addition, where contractually required, we expect full and prompt disclosure of accurate cost, revenue and margin information (Open Book Accounting and Open Book Contract Management) in line with published guidance and the terms of the contract.

Suppliers should expect the Council to publish agreed key performance indicators and to conduct audits of open book contracts to ensure reporting requirements and any 'payment for results' mechanisms have been fairly implemented.

3.4. Treatment of supply chain

We expect suppliers to deal fairly with the subcontractors and suppliers in their supply chain. We expect suppliers to avoid passing down 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, services and/or works, and to encourage innovation in their supply chains to increase the value or quality of supply.

3.5. Prompt payment

We expect both the Council and suppliers to be fair and reasonable in their payment practices. Suppliers should pay subcontractors within 30 days on Council contracts and comply with the standards set out in the Prompt Payment Code on all other contracts.

3.6. Corporate governance and corporate social responsibility

We expect our suppliers to adhere to the UK Corporate Governance Code or follow equivalent good corporate governance principles underpinned by robust processes. We also expect our suppliers to be good corporate citizens by upholding the values of this Supplier Code of Conduct, taking into consideration social value legislation in delivering goods, services and/or works and supporting key Council corporate social responsibility policy areas such as diversity and inclusion, sustainability, prompt payment, small and medium sized enterprise engagement, the Armed Forces Covenant, apprenticeships and skills development and addressing the gender pay gap.

This document is based on the Government Commercial Function Supplier Code of Conduct v3.