

Supporting the sourcing of steel in major construction and infrastructure projects in Wales - Procurement Advice Note (PAN)

Version number: v1

Date: January 2018

Contents

1. Points to note - please ensure you read this section first.
 2. Issues addressed
 3. Dissemination & Scope
 4. Background
 5. Procurement of steel in the procurement cycle
 - 5.1 Pre-procurement planning
 - 5.2 Signalling future demand for steel
 - 5.3 Supply chain transparency and advertising supply chain opportunities
 - 5.4 How steel can be specified and procured
 - 5.5 Supplier selection stage
 - Anti-dumping
 - Social, labour and environmental compliance
 - Health and Safety
 - 5.6 Supply side actions
 6. Support
 - 6.1 Briefing for suppliers
 - 6.2 Briefing for buyers
 7. Acknowledgements
- Annex A Recommendations of 'Public Procurement of Steel' report
- Annex B Sample Contract Condition
- Obligation to advertise supply chain opportunities
- Annex C Pre-qualification / Selection Stage questions
- Anti-dumping (steel and steel products)
 - Health and Safety
 - Compliance with social, labour and environmental law

1. Points to note - please ensure you read this section first.

- *The information set out in this document is not legal advice and is not intended to be exhaustive – contracting parties should seek their own independent advice as appropriate. Please also note that the law is subject to constant change and advice should be sought in individual cases. This document reflects the position as at April 2017*
- *This Procurement Advice Note (PAN) builds on, and is consistent with, the Wales Procurement Policy Statement and the information available in the Procurement Route Planners (PRPs) on <http://prp.wales.gov.uk>. The note therefore assumes a certain level of knowledge of public procurement.*

2. Issues addressed

This PAN supports the Welsh public sector to respond to recommendations 3 to 7 in the Welsh Government's, '[Public Procurement of Steel – A report into the future Welsh public steel requirements and the capacity and capability of the steel sector](#)' (2016).

3. Dissemination & Scope

This PAN is directly applicable to all contracting authorities whose functions are wholly or mainly Welsh devolved functions and is to be applied any major procurement project following publication of this Note where steel is a 'critical component*'.

There is no set value as to what constitutes a major procurement project, as this will differ between contracting authorities. It is, therefore, for contracting authorities to determine which of their procurements are 'major' projects. Major projects in which steel is likely to be a critical component, may include, but not be limited to the following:

- Infrastructure – such as rail and roads;
- Construction – such as the building of and or refurbishment of prisons, hospitals, universities, housing, community centres, bridges and schools; and
- Flood defences.

The PAN should be circulated (for information) within your organisation, particularly drawing it to the attention of those with a procurement or contract management role.

* 'Critical component' is considered to be a structural steel product(s) such as steel frames; reinforcing bars.

4. Background

The British steel industry employs approximately 20,000 people (Charter for Sustainable British Steel) and additionally supports domestic businesses and employees in the supply chain. Recent challenges in the steel sector have underlined the strategic importance of the sector to Wales as a major employer and supplier of steel products. In response, the Welsh Government established a Steel Task Force, the procurement work stream of which commissioned the Public Procurement of Steel report in 2016 to explore the potential for interventions through approaches to procurement to support the steel sector.

The report made a series of recommendations that are addressed in this PAN which are detailed in paragraph 5 below.

5. Procurement of steel in the procurement cycle

5.1 Pre-Procurement Planning

Contracting authorities should ensure their pre-procurement planning procedures include an assessment process for all construction and infrastructure projects to identify 'major' procurement projects where steel will be a critical component e.g. structural steel frames, and where the contracting authority can influence the way in which the steel component is sourced.

5.2 Signalling future demand for steel

Contracting Authorities should also publish and regularly update the 'pipeline' of 'major' projects as far in advance as possible in order to stimulate the market.

Welsh Government will review subsequent updates to the Wales Infrastructure Investment Plan to identify opportunities to update the Steel Requirements Report, first published as Annex 1 of the Public Procurement of Steel Report in September 2016.

Maintaining a 'pipeline' of likely steel requirements supports a strategic approach to the management of supply markets.

Advance notice of relevant programmes or individual projects allows the steel sector to better prepare and cater for future needs by ensuring that the right capabilities are in place. In addition, the steel sector can help deliver better project outcomes through early dialogue and identifying the potential of innovative solutions.

Having identified such projects contracting authorities in Wales should;

- Ensure early 'meet the buyer' engagement with the industry to discuss steel requirements. Trade bodies such as UK Steel can advise on how to engage effectively with the domestic sector; see

also the UK Steel directory members and products available at <https://www.eef.org.uk/uk-steel/uk-steel-members> and the British Constructional Steelwork Association Ltd. directory at <http://www.SteelConstruction.org>.

- Consider design options and their implications for the steel requirements and identify specific steel products and volumes that will be required against the potential to source these from within the UK or Europe (See section 5.3 How Steel can be specified and procured); and
- Consider how and when steel inputs will be procured through the supply chain.

5.3 Supply chain transparency and advertising supply chain opportunities.

Contracting authorities in Wales should;

- a) Ensure that Tier 1 contractors, in their tender for the overall project, include supply chain plans setting out, where known, how and from which supplier, steel will be sourced; and,
- b) Include a contract condition to ensure that the Tier 1 contractor and its subcontractors openly advertise via sell2wales.gov.wales any remaining supply chain opportunities for the provision of steel (i.e. where no contractual arrangements have been agreed by the date of the main contract award).

A sample contract clause is contained at Annex B.

Where appropriate, and in particular where there may be ongoing sub-contract requirements for steel products at various stages of a project, Tier 1 contractors may be required to register on the Sub-Contract Notice Facility in Sell2Wales.gov.wales which is designed to allow Tier 1 contractors on public contracts to advertise their sub-contract opportunities on the Sell2Wales portal. This will allow steel suppliers registered on sell2wales to receive automatic email alerts of sub-contract opportunities which may be of interest.

To register, contact the Sell2Wales support desk via the Sell2Wales.gov.wales website. UK Steel has raised awareness across the steel sector of the benefits of registering on sell2wales.gov.wales.

5.4 How Steel can be specified and procured

Specification

Contracting authorities in Wales are encouraged to consider specifying the Building Research Establishment (BRE) Standard, BES 6001 *Responsible Sourcing of Construction Products* or equivalent when procuring projects with a 'major' steel component. The BES 6001

standard covers a range of construction foundation products, including carbon steel reinforcement 'rebar'.

As BES 6001 accreditation is third party assessed and certified, it provides public sector contracting authorities with a useful way to check and assure themselves that constituent materials of products covered by the standard have been responsibly sourced. The standard describes a framework for the organisational governance, supply chain management and environmental and social aspects that must be addressed in order to ensure the responsible sourcing of construction products and so gives manufacturers the ability to prove that an effective system for ensuring responsible sourcing exists.

Procurement

Construction or infrastructure projects represent the vast majority of major procurements with a critical steel component. These types of procurement projects require long term planning that means that leaving consideration of the supply chains until the tender and contract award phase greatly reduces opportunities to influence supply chain decisions particularly where structural steel products are concerned as these will be required in the early stages. The Public Procurement of Steel Report characterises procurement strategies in construction and infrastructure projects, as following either a 'traditional' or 'collaborative' approach. The choice of approach can have a significant impact on the scope of public sector clients to consider and plan for steel supply chain opportunities.

'Traditional' procurement approaches are projects that are either standardised 'off the shelf' predesigned products that allow for little, or no input in the design from the supply chain, or where a contractor is required to bid a fixed price to design and build the scheme. This results in public sector clients having little clarity of, or influence over, the supply chain partners to be engaged on the project and limited scope influence the design, other than through contract terms and conditions.

Public sector clients may feel reluctant to use contract terms and conditions to nominate suppliers or amend the design to specify materials, products or higher standards as this is viewed as transferring the risk to the client.

However, the risk of not applying such terms and conditions can open up public sector clients to the risks of substitution of products to those of a lower standard or the substitution of sub-contractors by main contractors.

From a contractor's perspective, having tendered on the basis of a standardised 'off the shelf' predesigned product or a fixed price, they may well be less willing or able to consider supply chain changes or

work to standards introduced by the client that may result in increased costs that clients may not be willing or able to fund.

The answers to these issues have been found in close contract management and more collaborative supplier relationships and management strategies which public sector bodies in Wales are encouraged to adopt.

‘Collaborative’ procurement approaches managed by integrated teams made up of clients, designers, cost managers, contractors and key supply chain partners can increase the transparency of every aspect of the design and allow opportunities to be identified and acted upon throughout the process. This can both improve the quality of the finished product and deliver a range of social policy objectives such as sustainable / ethical procurement, fair and timely payment and Community Benefits policy and specifically in the context of this PAN, opportunities for UK steel manufacturers and suppliers.

5.5 Supplier selection stage

The Supplier Selection stage is an opportunity to use pre-qualification questions to tackle the problem of steel dumping and non-compliance with acceptable standards of health, safety and welfare and environmental standards.

Annex C to this PAN has three specific questions for use at the Supplier Selection stage covering specific questions built in for buyers to consider when procuring projects with a critical steel component. The questions cover

- ‘Anti-dumping’;
- compliance with social, labour and environmental obligations; and
- Health and safety requirements in the primary bidders supply chain relevant to the legislation of the country in which they are based.

In making the decision whether or not to exclude a bidder for failing to meet any of the requirements set out in the questions in Annex C, it used to be the case that the contracting authority should state that it ‘would’ exclude, so as to remove the element of discretion and thus avoid the excluded bidder from enquiring into and possibly challenging the basis on which the discretion was exercised. However, the growing importance of proportionality (which is now recognised in Regulation 18(1) of the Public Contracts Regulations 2015 as having equal status to equality, non-discrimination and transparency) and the possibility of "self-cleaning" recognised in Regulation 57(13) to (17), mean that decisions to exclude need to be made proportionately, and on the basis of evidence (except where the requirement to exclude is mandatory).

Therefore the notes that accompany each question indicate the potential consequences as "may" rather than "must" exclude. However the seriousness of the effect on competition of breaches of anti-dumping legislation means that exclusion would be appropriate in the majority of cases. With breaches of social, labour and environmental law, exclusion would be mandatory (Regulation 69(5)) if the bid price was abnormally low because of the savings made by not complying with any such applicable law. In other cases, it would be discretionary.

These questions follow the SQuID format of simply asking for "yes/no" answers, without (in the main) asking for supporting information. Therefore it is up to bidders and their supply chains to "self-certify". If it subsequently comes to light that the answers given are not correct, the bidder could be disqualified or (if the contract has already been awarded) the contract could be cancelled without compensation.

In order to be able to support cancellation of the contract, contractual provisions will need to be inserted allowing termination without compensation on these grounds. Also, as a less drastic option, contracting authorities could insert a contract clause for liquidated damages (e.g. 1% of total contract value) rather than terminating the contract. Since the Supreme Court's decision in *Cavendish Square Holding BV v Talal El Makdessi and ParkingEye Ltd v Beavis* [2015] UKSC 67, it is no longer necessary to show that such sums are a genuine pre-estimate of loss. It is sufficient to show that the party relying on them has a genuine and legitimate interest in influencing the conduct of the party who will have to pay. Therefore, with appropriate wording, a penalty could be imposed via the contract to incentivise contractors to make sure the steel they purchase does not infringe anti-dumping rules.

Anti-dumping

Contracting authorities should ensure that the price or cost calculations are based on an assessment of life cycle cost and not simply on lowest purchase price. Regulation 68 *Life-cycle costing* allows for a number of costs to be considered. Most relevant to the procurement of steel are costs relating to acquisition and costs imputed to environmental externalities linked to the product, service or works during its life cycle, provided their monetary value can be determined and verified. The 'externality costs' may include the cost of emissions of greenhouse gases and of other pollutant emissions and other climate change mitigation costs.

It is acknowledged that it may be difficult for contractors to carry out any meaningful checks against anti-competitive agreements as they are unlikely to be easily discoverable. However, if contractors know that they may have their contracts terminated or may suffer a penalty, this may encourage them to make more enquiries where the price of steel seems abnormally low in the producing country.

Regulation 69 'Abnormally low tenders' allows contracting authorities to require tenderers to explain the price or costs proposed in the tender where tenders appear to be abnormally low in relation to the works, supplies or services. Buyers need to be vigilant and appropriately question bids that are significantly out of step with the prices or costs of competing bids. The regulation offers a number of reasons why a bid that may appear 'abnormally low' may be justified.

Contracting authorities may only reject the tender where the evidence supplied does not satisfactorily account for the low level of price or costs proposed, taking into account the reasons referred to in paragraph 2 of the Regulation.

While price is important it should be recognised that abnormally low pricing can unfairly undercut domestic providers which may result in job losses with significant economic and social impacts on affected communities.

Social, labour and environmental compliance

The questions relating to 'social, labour and environmental compliance' relate principally to the bidder's supply chain. The nature of steel production and fabrication is such that compliance with social, labour and environmental law outside of the EU is a significant issue, and so may be a useful differentiator when selecting suppliers.

Regulation 56(2) allows contracting authorities to decline to award a contract to the most economically advantageous tender where the tender fails to comply with applicable obligations in the fields of environmental, social and labour law established by EU law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X to the Public Directive as amended from time to time (these are listed as part of the Question text for Compliance with social, labour and environmental law at Annex C). Regulation 57(8)(a) allows contracting authorities to exclude bidders for the same reason.

Health and Safety

The nature of steel production and fabrication is such that compliance with health and safety law outside of the EU is a significant issue, and so may be a useful differentiator when selecting suppliers.

The Health and Safety questions included at Annex C are very similar to those in the SQUD question set regarding sub-contractors, but have been drafted to reflect a more "international" supply chain. Therefore, in contracts involving steel production, they should replace the standard SQUD questions for sub-contractors while those relating to the bidder should remain the same.

5.6 Supply side actions

In order to help public sector buyers to assess the market for steel suppliers and manufacturers and to be able to alert them to contract opportunities, suppliers and manufacturers will be encouraged to register on Sell2Wales and create a supplier profile.

Steel suppliers and manufacturers will also be encouraged to use Sell2Wales to identify contracts and the main contractors to whom these have been awarded in order to make their own approaches concerning possible supply chain opportunities.

6. Support

6.1 Briefing for suppliers

Recommendation 2 of the Public Procurement of Steel Report requires Steel industry and supplier briefings for all infrastructure projects with a value over £1m well before projects are undertaken to give early warning to the industry of the potential requirements. These briefings will cover:

- The specific details of the Steel requirements of the project in question;
- The current pipeline of projects in the Steel requirements for the Wales infrastructure Investment Plan; and
- The actions required of suppliers as set out at '5.5 Supply side actions' above to ensure their visibility to buyers.

6.2 Briefings for buyers

Recommendation 4 of the Public Procurement of Steel Report requires workshops be developed for public procurers. These workshops will cover:

- An overview of the industry in Wales and the UK to increase knowledge of the industry and promote the uses and qualities of UK steel to main contractors and clients;
- Welsh Government policy with regards to steel, including details of programmes that attach conditions of funding related to engagement with the steel sector;
- How steel should be specified and procured; and
- The 'buyer's' role in ensuring that the mandatory Steel Industry and supplier briefings are undertaken at an appropriate stage for infrastructure projects they manage.

7. Acknowledgements

Reference has been made to the following in the preparation of this PAN;

'Public Procurement of Steel – A report into the future Welsh public steel requirements and the capacity and capability of the steel sector'
(Welsh Government 2016)

Procurement Policy Note - Procuring Steel in Major Projects
Action Note 16/15 30 October 2015
(Crown Commercial Service, 2015)

Procuring Steel in Major Projects – revised guidance.
Action Note 11/16 13 December 2016
(Crown Commercial Service, 2016)

The Charter for Sustainable British Steel
(UK Steel 2015)

Annex A

Recommendations of 'Public Procurement of Steel – A report into the future Welsh public steel requirements and the capacity and capability of the steel sector' (Welsh Government, 2016).

1. Steel requirements for the Wales infrastructure Investment Plan are published and updated at least annually, drawing on the information contained within the Wales Infrastructure Investment Plan.
2. That steel industry and supplier briefings with support from Business Wales are made mandatory for infrastructure projects with a value over £1m, well before projects are procured to give early warning to the industry of potential requirements.
3. That steel industry suppliers and manufacturers relevant to public sector projects are encouraged to register on the Sell2Wales portal to
 - a) increase communication and links between public sector and the steel industry particularly so that steel supplier events can be notified seamlessly
 - b) so that steel suppliers and fabricators can track the successfully awarded main contractors
 - c) to give procurers (and government) a better understanding of the companies engaged in the industry.

Where main contractors have not already established that they intend to use Welsh or UK suppliers for any steel requirement, the contractors should be required by the public sector to advertise sub-contract opportunities for this business on sell2wales.

4. That the Welsh Government directly, or via a delivery partner, develop workshops for public procurers on how steel should be specified and procured together with an overview of the industry in Wales and the UK to increase knowledge of the industry.
5. That Value Wales issue policy guidance to support the sourcing of steel in construction and infrastructure projects.
6. The steel industry promotes the use and qualities of UK steel directly with main contractors and clients. In doing so, it will be important to determine what is defined as being UK steel.
7. That clients are encouraged to utilise more collaborative procurement strategies which can lead to better engagement with local steel suppliers.
8. That Welsh Government, through the Procurement Task force, use available data to identify and understand supply voids in

steel UK markets with ongoing dialogue with the steel sector to establish how these may be exploited.

ANNEX B

Obligation to advertise supply chain opportunities

Sample Contract Condition

1. The supplier shall ensure that all sub-contracts, which the supplier intends to procure following date of this contract, and which the supplier has not, before the date of this contract, already awarded to a particular sub-contractor, are:
 - (a) Advertised on Sell2Wales.gov.wales; and
 - (b) Awarded following a fair, transparent and competitive process proportionate to the nature and value of the sub-contract.
2. Any sub-contract awarded by the supplier pursuant to Clause 1 must contain suitable provisions to impose, as between the parties of the sub-contract:
 - a) requirements to the same effect as those in Clause 1; and
 - b) a requirement for the sub-contractor to include in any sub-contract which it in turn awards, suitable provisions to impose, as between the parties to that sub-contract, requirements to the same effects as those required by this Clause 2.
3. For the purposes of Clauses 1 and 2, “sub-contract” means a contract between two or more suppliers, at any stage of remoteness from the Authority in a subcontracting chain, made wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this contract and “sub-contractor” means any third party with whom (a) the supplier enters into a sub-contract; or (b) a third party under (a) enters into a sub-contract; or the servants or agents of that third party.

Procurement Policy Note - Procuring Steel in Major Projects
Action Note 16/15 30 October 2015
(Crown Commercial Service)

Annex C

Pre-qualification / Selection Stage questions

Anti-dumping (steel and steel products)

Question text	Answer	Guidance
<p><i>Do you take steps to ensure that members of your supply chain do not contravene anti-dumping legislation?</i></p>	<p>Yes/No</p>	<p>The buyer may not select you to tender unless you can show adequate processes for ensuring that all steel and steel products sourced by you for this contract will comply with anti-dumping legislation.</p> <p>The relevant legislation is set out in COUNCIL REGULATION (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community http://trade.ec.europa.eu/doclib/docs/2010/april/tradoc_146035.pdf.</p> <p>The key principles are –</p> <ul style="list-style-type: none"> • A product is to be considered dumped if its export price to the EU is <u>less</u> than a comparable price for the like product, in the ordinary course of trade, as established for the exporting country • The comparable price will normally be based on the prices paid or payable, in the ordinary course of trade, by independent customers in the exporting country. If it appears that market conditions in the exporting country do not permit a proper comparison (for instance where there is evidence of collusion with other suppliers or government bodies to keep prices artificially low), then the cost of production plus an element for overheads and profits should be used • The export price is the price actually paid or payable for the product when sold for export from the exporting country to the EU • A fair comparison must be made between the export price and the comparable price in the country of origin.

		By "members of your supply chain" we mean suppliers or sub-contractors of any tier or consortium members or partners or any other entity (including your own company or members of your company's group) from whom you propose to source steel to fulfil this contract.
If the answer to question [No.] above is "Yes", provide a brief outline of the steps that you take.	Text, 300 words max	The buyer may not select you to tender unless you can show adequate processes for ensuring that all steel and steel products sourced by you for this contract will comply with anti-dumping legislation. For instance, the steps that you take might include establishing the comparable price in the exporting country (such as market research, or checking production costs) and checking whether this is greater than the export price to the EU.
<i>Do you take steps to ensure that members of your supply chain do not make agreements with other economic operators aimed at distorting competition contrary to Regulation 57(8)(d) of the Public Contracts Regulations 2015?</i>	Yes/No	The buyer may not select you to tender unless you can show adequate processes for ensuring that members of your supply chain do not make anti-competitive agreements with other suppliers, for example fixing artificially low prices with other exporters, or entering into arrangements to keep the domestic price artificially low to circumvent anti-dumping legislation.
If the answer to question [No.] above is "Yes", provide a brief outline of the steps that you take.	Text, 300 words max	The buyer may not select you to tender unless you can show adequate processes for ensuring that members of your supply chain do not make anti-competitive agreements. For example, this might include making enquiries into their pricing structure as against other local suppliers, carrying out market research into pricing against production costs and potential collusion between suppliers, and ceasing to use suppliers where there is credible evidence of collusion or anti-competitive behaviour.
In the last three years, have you or any member of your supply chain been found to be in breach of the anti-dumping legislation or	Yes/No	"Found to be in breach" means that a decision has been made by a competent court, tribunal or administrative authority.

comparable legislation in any other jurisdiction worldwide?		
If you answered "Yes" to question [No.] above, please provide brief details of the nature of the finding and any penalty imposed, and the action that you have, or your supply chain member has, taken to prevent re-occurrence.	Text, 300 words maximum	If you have or a supply chain member has been found to be in breach of anti-dumping legislation, the buyer may not select you to tender unless you are able to provide robust and credible evidence that measures have been taken to prevent this from re-occurring.

Note: if any of your answers to the above questions are found to be incorrect or misleading then, without prejudice to any other right or remedy of the buyer, the buyer may decide to disqualify your tender or, if a contract has been awarded, cancel the contract without compensation or impose such penalties as are provided for in the contract."

Health and Safety

Question text	Answer	Guidance
<p>Do you take steps to ensure that all members of your supply chain have in place appropriate health and safety policies dealing with at least the following -</p> <ul style="list-style-type: none"> • a Policy Statement - signed and dated • the Organisation and Responsibilities - how Health and Safety requirements are implemented; and • the Arrangements – standards and procedures adopted in practice, <p>and that this is reviewed at least every 2 years?</p>	Yes/No	The buyer may not select you to tender unless you can show adequate processes for ensuring that members of your supply chain (as defined above) have in place and actively maintain appropriate health and safety policies.
<p>Do you take steps to ensure that all members of your supply chain provide appropriate health and safety training, particularly for workers carrying out potentially hazardous tasks?</p>	Yes/No	The buyer may not select you to tender unless you can show adequate processes for ensuring that members of your supply chain provide appropriate health and safety training.
<p>If you answered "Yes" to questions [No.] and [No.] above, please provide brief details of the steps that you take to ensure that appropriate health and safety policies are in place and that appropriate training is provided?</p>	Text, 300 words maximum	The buyer may not select you to tender unless you can show adequate processes for ensuring that members of your supply chain provide appropriate health and safety training.

<p>In the last three years, have you or any member of your supply chain been found to be in breach of any health and safety legislation or comparable legislation in any other jurisdiction worldwide, or served with notice to cease or improve matters relating to health and safety?</p>	<p>Yes/No</p>	<p>"Found to be in breach" means that a decision has been made by a competent court, tribunal or administrative authority.</p> <p>"Served with notice" means served with notice by a competent authority in the relevant jurisdiction.</p>
<p>If you answered "Yes" to question [No.] above, please provide brief details of the nature of the finding or notice and any penalty imposed, and the action that you have, or your supply chain member has, taken to prevent re-occurrence of the circumstances giving rise to the finding or notice.</p>	<p>Text, 300 words maximum</p>	<p>If you have or a supply chain member has been found to be in breach of, or has been served with notice in respect of, any health and safety legislation, the buyer may not select you to tender unless you are able to provide robust and credible evidence that measures have been taken to prevent this from re-occurring.</p>

Note: if any of your answers to the above questions are found to be incorrect or misleading then, without prejudice to any other right or remedy of the buyer, the buyer may decide to disqualify your tender or, if a contract has been awarded, cancel the contract without compensation or impose such penalties as are provided for in the contract."

Compliance with social, labour and environmental law

Question text	Answer	Guidance
<p>Do you take steps to ensure that members of your supply chain comply with applicable social, environmental and labour legislation in the UK or in the jurisdiction in which they operate, and in any event that they comply with at least the following international standards?</p> <ul style="list-style-type: none"> • ILO Convention 87 on Freedom of Association and the Protection of the Right to Organise; • ILO Convention 98 on the Right to Organise and Collective Bargaining; • ILO Convention 29 on Forced Labour; • ILO Convention 105 on the Abolition of Forced Labour; • ILO Convention 138 on 	<p>Yes/No</p>	<p>The buyer may not select you to tender unless you can show adequate processes for ensuring that members of your supply chain (as defined above) comply with applicable social, environmental and labour law in the UK, or in the jurisdiction in which they operate. In any case, your supply chain members must comply as a minimum with the international standards set out opposite in relation to –</p> <ul style="list-style-type: none"> • Workers and employers (without distinction) must be free to establish and to join organisations of their choosing without prior authorisation, and to exercise their right to organise (ILO Convention 87) • Protection against anti-union discrimination (ILO Convention 98) • Non-use of forced or compulsory labour in all its forms (ILO Convention 29), including as political coercion or education, punishment or discrimination (ILO Convention 105) • Non-use of child labour and in particular, the minimum age for any work likely to cause risks to health and safety must be at least 18 (ILO Convention 138) • Non-discrimination on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation (ILO Convention 111) • Ensuring equal remuneration for men and women workers for work of equal value (ILO Convention 100) • Non-use of the worst forms of child labour, including – <ul style="list-style-type: none"> ○ all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; ○ the use, procuring or offering of a child for prostitution, for the production of pornography

<p>Minimum Age;</p> <ul style="list-style-type: none"> • ILO Convention 111 on Discrimination (Employment and Occupation); • ILO Convention 100 on Equal Remuneration; • ILO Convention 182 on Worst Forms of Child Labour; • Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol on substances that deplete the Ozone Layer; • Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention); • Stockholm Convention on Persistent Organic Pollutants (Stockholm POPs Convention); • Convention on the Prior Informed Consent 		<p>or for pornographic performances;</p> <ul style="list-style-type: none"> ○ the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; and ○ work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (ILO Convention 182) <ul style="list-style-type: none"> • Non-use of substances that are responsible for ozone depletion (Vienna Convention and Montreal Protocol) • Environmentally-sound treatment of toxic waste and avoidance of transportation of hazardous waste to less-developed countries (Basel Convention) • Non-production or use of persistent organic pollutants (Stockholm Convention) • Acting responsibly and transparently in relation to the import or export of hazardous chemicals, in particular using proper labelling, including instructions for safe handling, and informing users of any applicable restrictions or bans (PIC Convention (Rotterdam)).
--	--	--

<p>Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO) (The PIC Convention) Rotterdam, 10 September 1998, and its 3 regional Protocols.</p>		
<p>If you answered "Yes" to question [No.] above, please provide a summary of the steps that you take.</p>	<p>Text, 300 words max</p>	<p>The buyer may not select you to tender unless you can show adequate processes for ensuring that members of your supply chain (as defined above) comply with applicable social, environmental and labour law in the UK, or in the jurisdiction in which they operate. In any case, your supply chain members must comply as a minimum with the international standards set out above.</p> <p>Measures could include, for instance –</p> <ul style="list-style-type: none"> • Checking whether your suppliers or sub-contractors have policies dealing with the above matters • Checking that they take reasonable steps and employ reasonable resources to enforce their policies • Checking whether they have ever been found to be in breach of environmental, social or labour laws either in their own jurisdiction, any other jurisdiction in which they operate, or the international standards above • If they have been found to be in breach, checking what measures they have put in place to rectify such breach (including identifying victims and payment of compensation where appropriate) and taking steps to prevent recurrence.
<p>In the last three years, have you or any member of your supply chain been found to be in breach of any social, environmental or labour legislation or comparable</p>	<p>Yes/No</p>	<p>"Found to be in breach" means that a decision has been made by a competent court, tribunal or administrative authority.</p>

legislation in any other jurisdiction worldwide?		
If you answered "Yes" to question [No.] above, please provide brief details of the nature of the finding and any penalty imposed, and the action that you have, or your supply chain member has, taken to prevent re-occurrence.	Text, 300 words maximum	If you have or a supply chain member has been found to be in breach of any social, environmental or labour legislation, the buyer may not select you to tender unless you are able to provide robust and credible evidence that measures have been taken to prevent this from re-occurring.

Note: if any of your answers to the above questions are found to be incorrect or misleading then, without prejudice to any other right or remedy of the buyer, the buyer may decide to disqualify your tender or, if a contract has been awarded, cancel the contract without compensation or impose such penalties as are provided for in the contract. Furthermore, note that if your tender is abnormally low by reason of non-compliance with social, environmental or labour law, then the buyer must disqualify your tender."