

389 Chiswick High Road London W4 4AL

Tel: +44 (0)20 8996 9000

Fax: +44 (0)20 8996 7400

[www.bsigroup.com](http://www.bsigroup.com)

Our Ref: QS/1, SDS/3 (and its panels),  
SES/1, SVS/1, IST/47-1, CB/- and CB-500

Date: 13<sup>th</sup> February 2019

To the members of QS/1, SDS/3 (and its panels),  
SES/1, SVS/1, IST/47-1, CB/- and CB-500

Dear Member,

**BS 9009, ON PUBLIC PROCUREMENT - GENERIC REQUIREMENTS FOR ORGANIZATIONS PROVIDING PRODUCTS AND SERVICES - HAS BEEN ISSUED FOR PUBLIC CONSULTATION FOR A DURATION OF TWO MONTHS, ENDING 4 APRIL.**

The intent behind the standard is to help enable a consistent way for organizations to demonstrate their reliability and trustworthiness to key criteria, which are not exclusively financial, and will help those entering the process to present their credentials from an early stage, in a consistent way - particularly to help with the government's objective to have 33% of suppliers from SME backgrounds by 2022, directly or via the supply chain (source <https://www.gov.uk/government/publications/central-government-spend-with-smes-2015-to-2016>) . This work is generic and not intended to take the place of sectoral/specific arrangements.

The scope of the standard states:

This British Standard specifies generic requirements to demonstrate an organization's:

- a) suitability as an external provider of products and services to the public sector; and
- b) ability to reliably deliver products and services that meet the requirements of the contracting authority.

If you wish to review and comment on the draft, please see the link below (and note that it might be better viewed in an internet browser other than IE, eg Chrome).

<http://standardsdevelopment.bsigroup.com/projects/2018-02931>

Please be aware that the online version has some spacing issues: this is an online problem and not reflective of the actual draft and there is no need to comment on style issues.

We would like to encourage you to inform as many interested parties as possible that this draft is now available for comment.

If you have any questions, please do not hesitate to contact the content developer, Paul Cuddeford ([paul.cuddeford@bsigroup.com](mailto:paul.cuddeford@bsigroup.com)).

Many thanks and regards

**PAUL CUDDEFORD**

Editorial Project Manager, Content Solutions

BS 9009:2019

**Public sector procurement—  
Generic requirements for  
organizations providing products  
and services**

## **BS 9009:2018**

## **BRITISH STANDARD**

### **Publishing and copyright information**

The BSI copyright notice displayed in this document indicates when the document was last issued.

© The British Standards Institution 2019

Published by BSI Standards Limited 2019

ISBN 978 0 580 [add ISBN here \(double-click to paste\)](#)

ICS [add ICS here \(double-click to paste\)](#); [add ICS here \(double-click to paste\)](#)

The following BSI references relate to the work on this document:

Committee reference QS/1/2/1

Draft for comment [add YY/XXXXXXXX DC here \(double-click to paste\)](#)

### **Publication history**

[Add publication history here \(double-click to paste\)](#)

### **Amendments issued since publication**

**Date**

**Text affected**

# Foreword

## Publishing information

This British Standard is published by BSI Standards Limited, under licence from The British Standards Institution, and came into effect on XX Month 201X. It was prepared by Subcommittee X/XX/X, *Title*, under the authority of Technical Committee X/XX, *Title*. A list of organizations represented on this committee can be obtained on request to its secretary.

## Use of this document

### Presentational conventions

The provisions of this standard are presented in roman (i.e. upright) type. Its requirements are expressed in sentences in which the principal auxiliary verb is "shall".

*Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.*

Requirements in this standard are drafted in accordance with *Rules for the structure and drafting of UK standards*, subclause J.1.1, which states, "Requirements should be expressed using wording such as: 'When tested as described in Annex A, the product shall ...'". This means that only those products that are capable of passing the specified test will be deemed to conform to this standard.

### Contractual and legal considerations

This publication does not purport to include all the necessary provisions of a contract. Users are responsible for its correct application.

**Compliance with a British Standard cannot confer immunity from legal obligations.**

## Contents

Foreword	3
<b>0</b>	Introduction 5
<b>1</b>	Scope 5
<b>2</b>	Normative references 6
<b>3</b>	Terms and definitions 6
<b>4</b>	Context of the organization 7
<b>5</b>	Organizational governance 8
<b>6</b>	Risk and opportunity management 9
<b>7</b>	Financial and commercial accountability 10
<b>8</b>	Quality management and assurance 11
<b>9</b>	Procurement and the supply chain 11
<b>10</b>	Performance evaluation 12
<b>11</b>	People 13
<b>12</b>	Improvement 13

## 0 Introduction

There is broad concern about the value for money, quality, ethics and transparency of business relationships within the procurement process and supply chain, particularly with regards to public procurement in the UK.

This standard provides a framework to enable those in the procurement process to more accurately demonstrate or assess the trustworthiness of organizations tendering for and procuring public sector contracts.

It is important that public sector contracts are awarded to the most suitable organization which provides the products or services in the optimal way, without compromising ethics, quality or value for money.

Many new or smaller organizations currently experience barriers to entering into the public procurement supply chain because of the actual or perceived complexity of the tender process and blanket requirements, regardless of the context of the organization or the size or complexity of the contract.

Conformity to this British Standard can be demonstrated at three levels to enable use by organizations at all levels of maturity and size (see Annex A).

- a) Level one allows organizations which are smaller or less mature to demonstrate their potential suitability as suppliers of products or services. This includes sole traders, micro businesses and start-ups. It can also be used by larger or more mature organizations which wish to begin the process of demonstrating suitability and plan to progress through the other levels in due course if that seems appropriate.

Conformity to level one would be deemed suitable for lower risk or less complex contracts.

- b) Level two entails a greater depth of evidence and that all managers understand this British Standard, its implications and its importance.

Conformity to level two would be deemed suitable for higher risk, higher value or more complex contracts.

- c) Level three demands the highest degree of evidence, including that the requirements are embedded throughout the organization.

Conformity to level three would be deemed suitable for the most high risk, high value or complex contracts.

This standard is intended to address these issues and to:

- a) simplify the public sector procurement process;
- b) provide a single generic assurance framework to reduce bureaucracy;
- c) ensure due diligence on fundamental issues; and
- d) provide assurance to the public that contracts are awarded fairly and to organizations that can be trusted to behave ethically, deliver what is required and offer value for money without compromising quality.

## 1 Scope

This British Standard specifies generic requirements to demonstrate an organization's:

- a) suitability as an external provider of products and services to the public sector; and
- b) ability to reliably deliver products and services that meet the requirements of the contracting authority.

This British Standard is applicable to any organization, regardless of type, size or the nature of its activities and can be used by organizations:

- 1) contracting out provision of products and services to external providers; and/or
- 2) acting as external providers throughout the supply chain.

*NOTE 1 This British Standard can also be used by organizations involved in non-public sector procurement.*

*NOTE 2 All of the criteria in this British Standard should be met to claim conformity at either level one, two or three.*

## **2 Normative references**

There are no normative references in this document.

## **3 Terms and definitions**

For the purposes of this document, the following terms and definitions apply.

### **3.1 business model**

organization's approach to operating in its environment

SOURCE: ISO30400:2010

### **3.2 characteristic**

distinguishing feature

### **3.3 competence**

ability to apply knowledge and skills to achieve intended results

### **3.4 context**

combination of internal and external issues that can have an effect on an organization's approach to developing and achieving its objectives

### **3.5 contracting authority**

organization using an external provider

### **3.6 customer**

person or organization that could or does receive a product or service that is intended for or required by this person or organization

### **3.7 documented information**

information required to be controlled and maintained by the organization in any format or medium

### **3.8 evidence**

data supporting the existence or verity of something

### **3.9 provider**

organization that provides a product or a service

### **3.10 external provider**

provider that is not part of the organization

### **3.11 governance**

system by which the organization is directed, controlled and held accountable to achieve its core purpose over the long term

*NOTE Governance is about the whole organization and encompasses everything that the organization is and does.*

### **3.12 interested parties**

person or organization that can affect, or be affected by, or perceive itself to be affected by a decision or activity

### **3.13 quality**

degree to which a set of inherent *characteristics* ( see 3.2) of an *external provider* (see 3.10) fulfils requirements

### **3.14 requirement**

need or expectation that is stated, generally implied or obligatory

*NOTE Requirements can be generated by different interested parties or by the organization itself and can include legal, statutory and regulatory requirements.*

### **3.15 organizational culture**

values, beliefs and practices that influence the conduct and behaviour of people and organizations

SOURCE: ISO 30401:2018

### **3.16 top management**

person or group of people who directs and controls the organization at the highest level

### **3.17 sustainability**

ability to continue operating at an acceptable level in the long term

### **3.18 risk transfer**

transferring responsibility for managing a risk factor to another organization or functional entity

## **4 Context of the organization**

The organization shall demonstrate that it understands its own identity and the context it operates in, including the internal and external issues that can affect its role as a provider.

The organization shall provide documented evidence of:

- a) its purpose;
- b) the values and principles that play a role in shaping its culture;
- c) its culture, including behaviours, history and ethics; and
- d) its business model.

The organization shall identify:

- a) relevant interested parties both within the organization and external to the organization (e.g. employees, owners, directors, shareholders, partners, regulators, supply chain, contractors, service or product users); and
- b) the requirements of those interested parties and their needs and expectations.



## **5 Organizational governance**

### **5.1 Governance**

The organization shall demonstrate effective governance by:

- a) providing evidence of how the organization achieves and maintains its purpose and values, taking into account the needs and expectations of relevant interested parties;
- b) identifying the risks and opportunities involved in acting as a provider and fulfilling its commitments in alignment with its values;
- c) establishing and maintaining a process to avoid conflicts of interest and upholding the independence of those directing the organization; and
- d) directing and controlling the organization in a manner that enables transparent reporting.

### **5.2 Leadership and commitment**

Top management shall ensure effective implementation of the requirements in Clause **4** and **5.1**.

Top management shall:

- a) ensure that all activities and behaviours reflect the organization's purpose and values in relationships with interested parties;
- b) demonstrate effective and coherent leadership at the highest level and throughout the organization;
- c) clearly define roles and responsibilities;
- d) ensure the provision of resources and facilities necessary to fulfil its commitments;
- e) ensure that people working on behalf of the organization are treated fairly and ethically, in line with the values of the organization; and
- f) ensure that different business objectives are aligned.

Top management shall provide evidence of:

- a) one or more policies or statements which address, as a minimum:
  - 1) quality management;
  - 2) occupational health and safety;
  - 3) environmental management;
  - 4) social responsibility;
  - 5) risk management;
  - 6) prompt and fair payment;
  - 7) anti-bribery;
  - 8) modern slavery;
  - 9) equality, diversity and inclusion; and
  - 10) information management and security;
  - 11) intellectual property;
  - 12) conflict of interest; and
  - 13) training and skills development;
- b) clearly stated objectives; and

- c) how values, policies and objectives are communicated.

### **5.3 Ethics, social responsibility and sustainability**

To ensure the organization maintains its principles, values and desired behaviours when acting as a provider, the organization shall demonstrate that it:

- a) balances financial and operational objectives with its values and desired behaviours;
- b) evaluates potential contracts and contracting authorities to ensure alignment with its own purpose and values;
- c) monitors behaviours of relevant internal and external interested parties and takes appropriate and timely action to address behaviours that are not aligned to the organization's values and desired behaviours;
- d) provide appropriate mechanisms for reporting perceived or known issues, including whistleblowing; and
- e) provides evidence of awareness of:
  - the impact of the organization's activities on the environment and society;
  - the sustainability of its services; and
  - implements actions to improve these.

## **6 Risk and opportunity management**

### **6.1 General**

The organization shall implement and maintain a risk management process that is appropriate to the context in which the organization is operating (see Clause 4). The organization shall show evidence of its risk assessment and ensure appropriate measures are in place to manage those risks.

The organization shall take into account internal factors and the associated strategic risks and opportunities, including those related to:

- a) its business model and long-term sustainability;
- b) timescales for planning, measuring, reporting and financial rewards; and
- c) short, medium and long-term objectives.

The organization shall take into account relevant external factors and associated operational risks and opportunities, including those related to:

- 1) political change;
- 2) economic change;
- 3) social factors;
- 4) technical factors;
- 5) legal and regulatory factors; and
- 6) environmental factors.

### **6.2 Management of risk**

The organization shall demonstrate that it has identified, assessed and taken actions to manage risks and opportunities related to factors including:

- a) finance;
- b) security – physical and cyber;

- c) business continuity;
- d) supply chain;
- e) interdependencies within the organization;
- f) inappropriate risk transfer;
- g) reputation;
- h) fraud, bribery, corruption;
- i) unethical working practices both within the organization and its supply chain;
- j) clarity of contract requirements;
- k) managing future commitments against current commitments;
- l) occupational health and safety; and
- m) knowledge management.

## **7 Financial and commercial accountability**

### **7.1 General**

The organization shall provide appropriate information to enable assessment of its financial stability, performance and potential. This shall include:

- a) an overview of the organization's financial model;
- b) evidence that the financial model is consistent with long-term performance;
- c) financial stability including evidence of adequate reserve capital;
- d) evidence of designing and operating to sustainable contracts;
- e) fair payment terms for customers and suppliers; and
- f) transparent reporting.

### **7.2 Value**

The organization shall demonstrate:

- a) how quality standards can be met and maintained within agreed financial terms;
- b) commitment to and evidence of working with the contracting authority to continuously improve value for money over the complete life-cycle;
- c) capacity to improve value for money over the life-cycle of agreements;
- d) improvement actions planned or taken.

### **7.3 Fair and prompt payment**

The organization shall demonstrate that it is committed to fair and prompt payment to other organizations throughout the supply chain.

The organization shall provide documented information, including:

- a) mutually agreed contracts stating the terms of prompt payment;
- b) evidence that commitments to payment within stated timeframes are met;
- c) evidence of fair and prompt payment to other parties in the supply chain; and

- d) evidence of effective communications between the organization and other parties in the supply chain that demonstrate mutual agreement when terms of payment are changed.

## **8 Quality management and assurance**

### **8.1 Quality management**

The organization shall demonstrate that a system and related processes are in place to ensure consistent provision of products and services that meet agreed requirements.

### **8.2 Product and service characteristics**

The organization shall define the characteristics of the product or service to be provided and these shall be:

- a) clearly defined;
- b) capable of being monitored, measured and evaluated as appropriate;
- c) agreed by both the provider and the contracting authority before a contracted provision begins; and
- d) reviewed at agreed intervals and updated as necessary.

### **8.3 Processes for delivery**

The organization shall establish, implement and maintain processes to deliver the product or service which:

- a) clearly define how the product or service is delivered, taking into account necessary inputs and desired outputs;
- b) is appropriate to the complexity and nature of the service; and
- c) is capable of evaluation against defined standards of acceptability agreed by both parties.

### **8.4 Quality assurance**

The organization shall provide relevant evidence that can demonstrate quality assurance, including but not limited to:

- a) capability to consistently deliver products and services that meet agreed quality requirements (see **8.2** and **8.3**); and
- b) competence within the organization to deliver the agreed products or services.

## **9 Procurement and the supply chain**

The organization shall establish and maintain procurement processes which align with the policies of the organization (see Clause **5**) and meet the requirements of the agreed provision of products or services.

The procurement process shall include:

- a) risks and opportunities of working with existing or potential organizations in the supply chain;
- b) interdependency of different parts of the supply chain;
- c) the life-cycle of the product or service provision;
- d) the proposed length of relationship;

- e) values, policies and objectives of organizations in the supply chain;
- f) integrity and completeness of data provided;
- g) professional behaviour and respectful treatment at all levels; and
- h) defining acceptable levels of out-sourcing and risk-transfer.

The procurement process shall ensure the documented information required for tender application is:

- 1) proportionate and appropriate to the size, complexity and risk of the contract;
- 2) accessible in language and complexity to all organizations, regardless of size or maturity.

## **10 Performance evaluation**

### **10.1 General**

The organization shall implement and maintain processes and measures for monitoring and evaluating performance, appropriate for the product or service being provided.

*NOTE The measures can be quantitative and/or qualitative.*

Monitoring, measuring and evaluation shall take into account:

- a) activities prior to service delivery;
- b) delivery at point of service;
- c) actions required following delivery of service;
- d) effectiveness of communication throughout the life-cycle of the product or service provision; and
- e) the performance of both the contracting authority and the supplier.

### **10.2 Customer satisfaction**

The organization shall implement and maintain processes to evaluate customer satisfaction. These processes should include mechanisms to measure if the product or service provided meets the needs and expectations of:

- a) contracting authorities;
- b) end users;
- c) vulnerable users; and
- d) other relevant interested parties.

The organization shall provide evidence of customer satisfaction evaluation to the contracting authority as required.

The organization shall implement processes for investigating and recording the results of:

- 1) customer feedback, including complaints handling;
- 2) incident investigation;
- 3) actions taken resolve complaints or to correct or improve products or services; and
- 4) issue resolution.

## **11 People**

### **11.1 General**

The organization shall demonstrate effective relationship management, including:

- a) people working within the organization;
- b) owners and shareholders;
- c) partners, contractors and others in the supply chain;
- d) the contracting authority;
- e) end users; and
- f) other relevant interested parties.

The organization shall ensure:

- 1) relationships are appropriate and reviewed to ensure continuing effectiveness
- 2) communication with relevant interested parties, as appropriate;
- 3) effective collaboration as appropriate; and
- 4) desired behaviours are promoted.

### **11.2 Competence**

The organization shall establish processes for:

- a) identifying the competence requirements for people working on behalf of the organization to effectively deliver products and services;
- b) meeting competence requirements, including:
  - 1) agreed between the contracting authority and external provider; and
  - 2) legal, regulatory and other requirements;
- c) regular reviews of individual and organizational competence, including any gaps; and
- d) addressing individual and organizational competence gaps.

### **11.3 Communication**

The organization shall demonstrate processes for effective and appropriate communication with relevant internal and external interested parties (see Clause 4).

The organization shall ensure:

- a) clear and open communication of relevant information and knowledge at all stages, as appropriate; and
- b) regular two-way communication with key relevant interested parties.

## **12 Improvement**

The organization shall implement and maintain processes to:

- a) take appropriate action during product and service delivery to address immediate concerns;
- b) ensure corrective action to address underlying issues and prevent reoccurrence;
- c) act on customer feedback and complaints;
- d) act on feedback from other relevant interested parties;
- e) continually improve its products and services, including delivery ;

- f) continually improve its business systems and processes; and
- g) provide documented information on improvement plans, actions and achievements, as appropriate.

## **Annex A (informative)**

### **Guidance on using BS 9009 and how to meet its requirements**

#### **A.0 Introduction**

##### **A.0.1 General**

How an organization meets the requirements in this document varies depending on its size, maturity and complexity.

The guide below is tiered; this enables organizations to start with level one and work towards level three, if appropriate.

Similarly, the level of evidence required by the contracting authority can depend on the size and nature of the contract. For some smaller contracts a lower level of evidence can be sufficient. The contracting authority should, therefore, state the level of evidence required for organizations wishing to be considered for a contract.

Contracting authorities should recognize that smaller organizations often have simpler structures and processes. Extensive documented information or historical evidence is not the only way to meet the requirements in this standard and the required level of evidence should be proportionate to the resource available, the maturity of the organization and the complexity of any specific contract being considered.

##### **A.0.2 Guide to meeting the requirements at different levels**

###### **A.0.2.1 Level 1**

Top management, including business owners and decision makers should:

- a) demonstrate understanding of the intent of the clauses of this standard; and
- b) provide verbal or documented information to address requirements.

###### **A.0.2.2 Level 2**

Top management, including business owners and decision makers should:

- a) demonstrate an understanding of the intent of the clauses of this standard; and
- b) be able to provide verbal or documented information to meet the requirements.

Managers at all levels should:

- 1) understand the intent of this standard and the importance of conforming to it;
- 2) the benefits of conforming to this standard;
- 3) how their teams, function or departments impact on and contribute to meeting the requirements; and
- 4) the implications of not conforming to this standard.

###### **A.0.2.3 Level 3**

Top management (including business owners and decision makers) and managers at all levels should:

- a) demonstrate an understanding of the intent of the clauses of this standard; and
- b) be able to provide more extensive and/or detailed verbal or documented information to meet the requirements.

People working for or on behalf of the organization should be aware of:

- 1) this standard and the importance of conforming to it;
- 2) the benefits of conforming to this standard;



- 3) how their own contribution impacts and contributes to meeting the requirements; and
- 4) the implications of not conforming to this standard.

It should be noted that meeting the requirements of this document does not provide evidence that any organization is suitable to provide specific products or services to the public sector. Individual contracts include specific additional criteria which organizations should address as part of the tender process.

### **A.1 Scope (Clause 1)**

This standard is intended to provide organizations with an opportunity at the defined three levels (see **A.0.2**) to demonstrate its overall trustworthiness as a potential or actual supplier to the public sector. An organization which achieves certification under this British Standard should then be able to conform to the different contractual requirements of public sector organizations. Compliance to this standard is intended to enable public sector procurement departments to concentrate on defining and checking evidence against contract-specific requirements appropriate to the product or service provided, therefore enabling an organization, irrespective of its size or complexity, to evidence generic requirements in each tender application.

This standard can also be used by organizations considering becoming a provider to the public sector to evaluate the contracting authority (the public sector body offering the contract). By checking that the contracting authority is also committed to core values and fair treatment of those in the supply chain, this should provide the public with some assurance that products or services paid for by the public are being procured fairly and transparently, delivered reliably and on time and offer value for money without compromising on quality or ethics.

### **A.2 Normative references (Clause 2)**

Normative references are other documents that are essential for the use of the standard. This standard does not have normative references to ensure there are no barriers to use by start-up businesses, small businesses or any other organization with limited resources.

### **A.3 Terms and definitions (Clause 3)**

Some words and terms in this British Standard have a technical definition which differ from that generally understood or in a dictionary. It is important that users of this standard read and understand the definitions to avoid misunderstanding of intent.

### **A.4 Context of the organization (Clause 4)**

The intent of this clause is to demonstrate how well an organization understands its own situation, current capabilities and the factors that can affect it – positively or negatively.

Understanding the context of the organization enables greater agility and more effective risk management. In smaller organizations, context requirements can be met through simple statements that show that the business owner and/or key decision makers have genuine understanding of who they are and how they fit into the wider world.

When looking at the requirements in this section organizations should ask themselves questions such as:

- a) Do we understand who – or what – can affect our success? How are making sure we track changes to interested parties' relevance to what we do?
- b) Are we talking and listening to our interested parties so that we really understand their needs and expectations?
- c) How good are we at adapting objectives to changes in our context?

- d) Do we have a realistic and honest understanding of our own capabilities, strengths and weaknesses?

### **A.5 Organizational governance (Clause 5)**

The intent of this clause is to provide assurance that the organization has a system to ensure it is held accountable over the long-term. To build trust with other organizations in the supply chain evidence should be provided which gives confidence in the integrity of the products and services, in line with relevant standards or requirements. Evidence should also be provided to demonstrate that the organization operates in a way that aligns with its own stated purpose and values on a day-to-day level and that those at the highest level take responsibility for ensuring transparent, ethical practice is promoted.

In smaller organizations, governance does not necessarily involve complex hierarchical layers. This can enable an organization to easily involve everyone working for them in developing a positive culture with a shared sense of purpose and values. This might be more challenging in larger or more complex organizations and more formal processes and communication to ensure effectiveness throughout the organization might be required.

When looking at the requirements in this section organizations should ask themselves questions such as:

- a) Do we have a clear statement of purpose? Is it sustainable?
- b) How was it developed? Did we involve key interested parties (including workers) in its development or can we include them at review?
- c) What are our key relationships?
- d) What is success? How is it measured?
- e) Do strategy and objectives fit with purpose?
- f) Does our business strategy align with the organization's overall direction and budget control and does reporting support this?
- g) Are we clear about core beliefs and desired behaviours? Are we communicating them?
- h) Have we communicated our values and are we living them? Do we use them when making decisions?
- i) Do we have a culture that promotes respect without stifling challenge or improvement?
- j) How effectively are we embedding our values into all our systems and processes?
- k) Do our systems of recognition and reward promote the behaviours that we say we want and reflect long-term objectives? Do our short-term incentive packages support our longer term strategic objectives?

### **A.6 Risk and opportunity management (Clause 6)**

The intent of this clause is to ensure that an organization identifies areas that can affect its ability to effectively provide the services or products agreed, or generally have an effect – positive or negative – on the organization itself. By demonstrating that it is aware of and managing its risk as well as recognising opportunities for improvement, the organization can build and/or maintain relationships and give reassurance to other interested parties.

In complex organizations or supply chains, risks are often found where different departments or teams interact. In small organizations there are potential risks in working with a larger organization, where there is an imbalance of power or element of over-dependence on any one client or customer. The greater the number of interdependent operations involved, the more difficult it can be to manage. Managing risk is a multi-layered activity and should be analysed from every practical viewpoint by the organization.

When looking at the requirements in Clause 6, organizations should ask themselves questions such as:

- a) Is the business model that we work to robust and suitable for long-term operation (if appropriate)?
- b) Do we have suitable risk assessment processes?
- c) Do we review our risks and opportunities regularly enough?
- d) Are we doing all we can to eliminate risks or reduce them to as low as possible?
- e) Are our short-term objectives compatible with our long-term objectives?
- f) Are the various parts of our organization working together rather than being in competition for resources?
- g) Do we have enough understanding of how to manage planned change?
- h) Do we know what to do in the case of unplanned change – what's our plan if we suddenly lose key staff or suppliers, for example?
- i) What are our supply chain risks? What about delays, loss of quality, interruption, unethical working practices?
- j) Have we thought about what risk we can and should manage? Are we being expected to manage risks that the contracting authority should be managing – or are we passing risk inappropriately down our own supply chain?
- k) Do we consider risks associated with new contracts or ventures and how they might affect reputation, resources etc?

*NOTE For more information and further guidance on risk management and risk principles organizations, see ISO 31000.*

## **A.7 Financial and commercial accountability (Clause 7)**

The intent of this clause is to ensure both financial suitability and ethical behaviours are considered.

Financial stability, compliance with legal requirements, robust planning and transparent reporting are key elements in building trust between organizations. The external provider should therefore be able to provide evidence that assures contracting authorities that the financial side of the business is managed in a way that can be depended on.

When looking at the requirements in this section organizations should ask themselves questions such as:

- a) Is our financial model the right model? Does it help us meet our long-term objectives as well as meeting our immediate needs?
- b) Do our accounts adequately reflect our financial situation – does the picture we are presenting reflect our obligations around such things pensions, loans, investments, etc.?
- c) Are the costs presented reflecting the true value of the possibly unpaid contribution of owners or shareholders?
- d) What do we consider to be fair in terms of how fast we are paid by the contracting authority?
- e) What can we promise others in the supply chain who we need to pay? Can we continue to meet our own terms?
- f) Are we openly communicating what our terms for payment and fair treatment are – up and down the supply chain?

- g) What is the ratio between available cash and other assets in comparison to our debt and/or liabilities?
- h) What is the ratio between our long-term debt or liabilities in relation to our assets or equity?
- i) Are our contracts showing a healthy and acceptable margin? Is our overall margin acceptable after all costs and overheads are factored in?

#### **A.8 Quality management and assurance (Clause 8)**

The intent of this clause requirements is to enable the organization to show it is consistent - that it does what it says it does reliably and on time, every time. Meeting these requirements allows an organization to show that they can meet the requirements of a contracting authority and other important interested parties without compromising quality to cut costs.

When looking at the requirements in this clause organizations should ask themselves questions such as:

- a) Are the details of what is going to be provided clearly defined and agreed by both sides?
- b) Are there processes in place to make sure that it can be provided in a consistent way and to check that the quality doesn't slip?
- c) Do you have the competence to do what you are promising?
- d) Can you do everything you need to do, as well as it needs to be done, in-house, or do you need to get help?
- e) Have you done any benchmarking? Have you considered and taken on good practice in the industry?
- f) Have you implemented a recognised quality management standard or product standard? Are you certified to any relevant standards by an accredited conformity body?
- g) Do your key performance indicators confirm your ability to meet requirements, e.g. on time, in-full performance, project milestone achievements.

#### **A.9 Procurement and the supply chain (Clause 9)**

The intent of this clause is to enable the organization to show that it understands how the supply chain works, its own place in it and the impacts that each part can have on both the provision of goods and services and other organizations in the supply chain. It is also intended to tackle the frequent issue of complex and inaccessible tender applications and requirements, which cause a barrier to newer and smaller organizations which would otherwise be well-placed to become part of the supply chain.

When looking at the requirements in this clause organizations should ask themselves questions such as:

- a) Do you really understand your supply chain? Are you aware of how they work and how reliable they are?
- b) Do other parts of the supply chain align with your own organization's values and ethics? Are you doing enough to monitor and manage this?
- c) Do you understand the effect of late payments throughout the supply chain?
- d) How could elements of the supply chain impact your own ability to fulfil requirements?
- e) Have you assessed the risks within your supply chain?
- f) Have you ensured that products and services which you obtain meet the required standards?

- g) Are you behaving professionally and fairly to smaller organizations in your supply chain? Are bigger organizations treating you fairly? Are you all communicating and addressing these issues?
- h) Are you being reasonable in what you ask of other organizations? Is it overly complicated for other organizations to bid for work? Is the language you use clear and simple?

#### **A.10 Performance evaluation (Clause 10)**

The intent of this clause is to ensure that organizations are monitoring how they are doing at every stage of the contract so that problems are addressed and communication with all relevant people is maintained.

When looking at the requirements in this clause organizations should ask themselves questions such as:

- a) Are you checking that you have on-going access to the right resources to provide our products or services?
- b) Are you checking that you understand and are meeting the requirements?
- c) Do you have oversight end-to-end for what you are doing?
- d) Have you got something in place to check if your customers or end-users are satisfied with what you are providing at the point of delivery?
- e) Are you checking your waiting, delivery and process times?
- f) Are you making sure that standards for hygiene, safety, security, etc are being met all of the time?
- g) Are you behaving professionally, appropriately and with courtesy at all stages of provision?
- h) Are you making sure that any post-delivery action or support is being done as it should be?
- i) When implementing issue resolution processes have you built the process in order to facilitate resolution at the earliest point in the system and at the most appropriate level to avoid all issues being escalated and this affecting relationships and causing delays?
- j) Are you behaving professionally, appropriately and with courtesy at all stages of provision?

#### **A.11 People (Clause 11)**

The intent of this clause is to ensure relationship management is proactive, appropriate and ongoing. Effective relationship management is essential for delivering the full potential of collaborative business relationships. Trust is built and sustained when there is confidence that each organization is also looking out for the interests of partner organization(s) and that individual relationships are effective builds and sustains trust. Arrangements should be made to ensure that each relevant interested party's satisfaction contributes to the overall success of the contract.

When looking at the requirements in this clause organizations should ask themselves questions such as:

- a) Are you paying enough attention to relationships with all relevant interested parties? Are you remembering the needs and expectations of end-users as well as the contracting authority?
- b) Are you communicating efficiently and effectively, adapting what you say and how you say it, as appropriate?

- c) Are you on top of our competence needs and taking appropriate measures to fill gaps? Are you providing suitable training, or recruiting suitable people? Are you outsourcing appropriately?
- d) Do you have a strategy to make sure you align the competence requirements of regulators, the contracting authority and others and monitor any changes to these requirements?

#### **A.12 Improvement (Clause 12)**

The intent of this clause is to ensure that the organization has processes in place to fix problems, take steps avoid reoccurrence of problems and generally encourages improvement in what they do.

When looking at the requirements in this clause organizations should ask themselves questions such as:

- a) Do you have processes in place to fix immediate issues prior to and at the point of delivery?
- b) Are you following this up with proper investigation of what causes problems and putting measures in to prevent problems happening again?
- c) Are you listening to the feedback of our interested parties? Are you acting on it appropriately?
- d) Are you encouraging people in your organization to look for ways to innovate or otherwise improve what you do? Are you acting on their suggestions?
- e) Does your culture support a drive for improvement?