

# Supply Chain Management Policy

Policy Owner: Executive Vice Principal: Curriculum, Planning and Quality

Approved by Corporation: July 2019

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# SUPPLY CHAIN Management Policy - Colchester Institute

## Background

Colchester Institute is the principal contract holder for a number of subcontractors delivering apprenticeships funded through a Education and Skills Funding Agency ("Funding Agency") contract. Colchester Institute acts as a "Prime" according to definitions found Supply Chain Management good practice guide for the post- 16 sector.<sup>1</sup>

This policy outlines Colchester Institute's approach to the identification and selection of subcontracting organisations and the distribution of funds that are passed to those subcontractors. The policy has been developed in line with the ESFA funding guidelines and the Best Practice Guide on Relationships between Primes and Subcontractors<sup>2</sup>

This policy will be available on the College's public facing website.<sup>3</sup>

## 1. Subcontracting Process

### 1.1 Pre-Contract-Vendor Questionnaire

A Questionnaire is prepared and forwarded to existing and potential sub-contractors via a web-based tender system which provides access to an online vendor questionnaire. The questionnaire outlines the training requirements (subject areas and approximate volumes) for the forthcoming year and requests information and evidence from the subcontractor regarding their ability to deliver these (to the required volumes and quality standards) and any additional training services. The questionnaire invites subcontractors to provide comment and evidence relating to their business plans, marketing plans, self- assessment, quality of provision (including Awarding Body evidence), financial health, adherence to Health and Safety and Safeguarding (including Prevent) legislation. This enables an evaluation to be made for contracting with them in the forthcoming year.

### 1.2 The Selection Process

In accordance with the timeframe published within a covering letter to potential subcontractors, responses are assessed and evaluated to determine suitability and enable the Prime to identify any risks.

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1 AELP Supply Chain Management: A good practice guide for the post-16 skills sector, AoC, 2012 page 7

2 Best practice guidelines for relationship between a prime provider and subcontractor, AELP, Mar 2018

3 [www.colchester.ac.uk](http://www.colchester.ac.uk)

A pre-requisite for the inclusion in the process is that all subcontractors must be registered on the Register of Apprenticeship Training Providers (ROATP) if they are delivering over £100,000 of funded services. However, it is recognised that the Prime has ultimate responsibility for all aspects of the provision it is contracted to deliver, including subcontracting, and it is understood that the Register alone is insufficient in accepting a sub-contractor and that financial health along with the responses in the vendor questionnaire are considered. All submissions are therefore scrutinised carefully and further evidence sought in order to satisfy the panel that a sub-contractor is equipped and capable of delivering to both the proposed volumes and high quality standards required. Past performance will also be considered.

### **13 Subcontractor Meetings**

Providers which are successful in meeting the criteria to act as subcontractors will be invited to an individual meeting to discuss delivery. Prior to the meeting the outcome of the selection process, including the distribution of funding and the provisional volumes will be notified to the subcontractor in writing. Details of the offer will be discussed at the meeting as well as any additional work which the subcontractor wishes to deliver as part of the contract.

### **14 Issue of contracts**

Contracts will normally be issued prior to the commencement of the contract start, which will normally be 1st August. The contract will include Appendices showing funding streams covered by the contract and the applicable funds to be distributed as well as a planned profile for the contract period.

Service Level Agreements are also appended to the contract and include the following actions and areas:

- o Submission of data, ensuring data is uploaded in a timely fashion with minimal errors
- o Performance monitoring of success rates, learner numbers against profiles, retention
- o Contract Review Meetings and production of associated action plans for follow up
- o Financial audits
- o Health and Safety audits
- o Quality of Teaching Assessment and Learning, including observation processes and CPD
- o Monitoring the use of Apprenticeship Vacancy service
- o Identifying any trends in complaints received
- o Ensure adherence to Equality and Diversity and Safeguarding standards
- o Methods for sharing good practice between the Prime and Subcontractors and between subcontractors, including regular meetings

## **2. Supply Chain Management Policy**

### **21 Reason for Subcontracting**

Colchester Institute as the Prime has opted to subcontract for the following reason:

- To enable Colchester Institute to deliver apprenticeships which support local and regional need and economic development, but which require specialist industry expertise which the College does not have in-house.

The College retains a small number of subcontractors contracted under previous subcontracting rules, with run-out provision only.

### **22 Contribution to Improving quality of teaching, learning and assessment**

Subcontracting provision allows Colchester Institute to offer learners the most suitable programme for them, using specialist providers, and those located in different geographical locations. Subcontractors have access to specifically trained and qualified staff to ensure that the quality of provision is of the highest standard. Regular monitoring of provision delivered by subcontractors will ensure a constant focus on the quality of teaching learning and assessment and any areas identified which require improvement will be given due attention through action planning and support.

### **23 Distribution of Apprenticeship Funding**

The distribution of funds will be agreed in line with the training to be delivered. These funds will be distributed on a monthly basis over the duration of the apprenticeship programme. The value of the funds being passed to the sub-contractor will be shared with the employer for their approval, as well as agreed with the provider that has been selected for these services.

### **24 Payment Terms**

Payment of distributed funds will be based on the income received from the Funding Agency for each learner each month as shown on the Data Service PFR and additional reports for Levy and Non-Levy employers. Payment will be by BACS transfer on set monthly dates notified within contracts which reflect receipt of monies from the Funding Agency.

## **25 Support Available to Sub-Contractors**

- Contract management support and operational support via a named link within the Apprenticeship Team under the supervision of the Executive Vice Principal: Curriculum, Planning and Quality
- Regular Health and Safety monitoring (with at least one full audit annually) undertaken by the College or its appointed person.
- Support through the Register validation process
- Preparation and delivery of a legally binding contract as required by part 2 of the Financial Memorandum
- Subcontractor training as needs are identified – this could include quality, data, health and safety, safeguarding, Prevent, equality and diversity, functional skills, etc. (in some cases this may be subject to an additional charge)
- Continuous quality monitoring, audit compliance and control by the Quality Adviser or an appointed person.
- At least one substantive contract compliance audit per annum undertaken by either the College or an appointed third party specialist organisation to obtain independent assurance.
- Apprenticeship and other referrals from the College and outside agencies such as National Apprenticeship Service, Essex County Council and other organisations.
- Regular (monthly) payment against profile on dates published at the beginning of the year
- Have access to the Colchester Institute portal for up to date information relating to Health & Safety and password protected areas to upload data.
- Observation of teaching staff by Colchester Institute observers, with full feedback given to teachers and reports to a named organisational contact.
- Support from the College's Funding and Information Team in respect of data queries and funding guidance.
- Support for entering learner details into digital accounts for levy payers
- Direct payment of all incentive payments direct to employers

## **26 Publication of this Information**

This policy is published on the College's website ([www.colchester.ac.uk](http://www.colchester.ac.uk)) and will be made available to any potential sub-contractor after an enquiry has been received. It will be included in the formal agreement between the College and any new sub-contractor and issued annually to all existing/continuing sub-contractors.

## **27 Policy Review**

This policy will be reviewed annually or more often should there be significant changes to Funding Rules.

## **2.8 Monitoring and Evaluation**

The Executive Vice Principal Curriculum, Planning and Quality will be responsible for ensuring that the policy is evaluated prior to annual review and will invite feedback from colleagues within the College Executive and subcontractors as part of this process.

## **2.9 Approval**

We confirm that this Supply Chain Policy has been submitted to the Board of Governors and approved as part of the procurement and due diligence process for subcontracting apprenticeship provision.

Signed:  .....

Name: Kevin Prince

Title: Chairman

Date: 26/07/2019

Signed:  .....

Name: Alison Andreas

Title: Principal and Chief Executive

Date:

