

European Supplier Diversity Forum

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Supplier Diversity – The DWP approach

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About DWP

The Department for Work and Pensions is responsible for welfare and pension policy and is a key player in tackling child poverty. It is the biggest public service delivery department in the UK and serves over 20 million customers.

Our Departmental Strategic Objectives have a very strong link to Diversity & Equality:

- Maximise employment opportunities for all
- Promote equality of opportunity for disabled people

A diverse supply chain plays a key role in contributing to overall progress against these aims.

About DWP

- Third party spend (inclusive of VAT) in 2009/10 - approx £4.6 billion
- Around 12% of all Government central civil commercial spend
- Current supply base of around 13,700 suppliers
- 16 category areas

What does supplier diversity mean to DWP?

‘Maximising opportunities for all suppliers to bid for DWP contracts including (but not limited to)’:

- Small businesses
- Medium sized businesses
- Local businesses
- Businesses owned and managed by under represented groups (Ethnic Minority Enterprises, Black Minority Enterprises, Supported Factories & Businesses etc)

How do we approach supplier diversity in DWP?

DWP try and address supplier diversity at each stage of the procurement and contract management process.

Procurement

Considerations made:

- Supplier diversity is considered in the early stages of a procurement
- The Sustainable Procurement Risk Assessment Methodology (SPRAM) is mandatory and completion is required at the early stages of a procurement – SPRAM requires that commercial staff consider what opportunities there are to try and address and improve supplier diversity in that contract and supply chain
- Considerations made include whether or not it is possible and appropriate to split the requirement into ‘lots’ – for example on a geographical basis (local or regional) or by type (for example, desktop PCs and monitors or type of training to be delivered)

Procurement

- Consideration of reserving a contract for supported factories and businesses – this means that only these organisations are eligible to bid for the contract. This is set out in Regulation 7 of the UK Public Contract Regulations 2006
- Supplier diversity is covered in the sustainable procurement standard wording that is included in Invitation to Tender documents
- In specifications we encourage bidders to consider how a more diverse supply chain could potentially improve their capacity to deliver a contract

Contract management

Considerations made:

- DWP standard terms and conditions of contract now include a Diversity & Equality Requirements Schedule
- This includes requirements that contractors provide details of what proportion of their sub contractors are:
 - *SME's
 - *EME's
 - *BME's
- This information must be provided within 6 months of a contract start date and is monitored by contract managers
- The aim is to encourage suppliers to try and improve their supplier diversity where it is possible to do so

What else do we do?

- DWP Supplier Charter – launched in October 2009 to our critical 59 suppliers – supplier diversity included
- Supplier engagement – we engage with suppliers on wider diversity and equality wherever possible – supplier diversity is always mentioned
- Support for contractors – DWP happy to work with contractors to see how they could improve their supply diversity and share any good practice we have
- Supply chain – DWP encourages that this approach is mirrored as far as possible further down the supply chain

Thank you for listening

Any questions?