

SUPPLIER CODE OF CONDUCT IMPLEMENTATION GUIDANCE – PROFORMA CLAUSES

A new Victorian State Government Supplier Code of Conduct to foster ethical, sustainable and socially-responsible procurement – and applying to all companies that supply goods and services to mandated public health services – is being progressively implemented from 1 July 2017.

The Supplier Code of Conduct was developed in response to a 2014 election commitment and provides clarity for suppliers on minimum ethical expectations in the following areas:

- a) Integrity, Ethics and Conduct
- b) Conflicts of Interest, Gifts, Benefits and Hospitality
- c) Corporate Governance
- d) Labour and Human Rights
- e) Health and Safety
- f) Environmental Management

As this is a Whole of Victorian Government policy initiative, both HPV and mandated health services have a role in implementing this new initiative.

To ensure suppliers comply with the code, health services must ensure that any new Invitation to Supply (ITS) and contract documents contain relevant clauses, including a letter as a returnable appendix, confirming the supplier's commitment to the code.

Health services should also review the terms and conditions attached to Purchase Orders to ensure inclusion of an appropriate clause that references the code. The Supplier Code of Conduct itself is available at the VGPB website:

<http://www.procurement.vic.gov.au/Suppliers/Supplier-Code-of-Conduct>.

Updates and amendments to the code will also be made available at the VGPB website, which provides further information on the implementation of the Code.

Purpose of this guide

This guide provides wording for clauses to be added to health services' invitation to supply and contract documentation, and a template appendix letter to be used for all new invitations to supply.

Wording is also provided to amend purchase order terms and conditions for use where a contract is not in place, e.g. low value. These changes should be brought to the attention of suppliers when the purchase order is issued.

The VGPB recommended wording can be found at <http://www.procurement.vic.gov.au/Buyers/Supplier-Code-of-Conduct> under the sub-heading Schedule of Contract Changes.

Invitation to Supply Commitment Letter

This Commitment Letter must be included in all invitations to enter into supply agreements (tenders). Return of a signed Commitment Letter is a mandatory requirement for any ITS. Health services must ensure this is reflected in tender documentation. Not committing to the Supplier Code of Conduct will mean it is a non-conforming tender. An appendix is attached below with the suggested letter wording.

Invitation to Supply Document Clause

Add the following clause (or similar) into an appropriate place in the ITS (tender) documentation

Supplier Code of Conduct

- (a) *The Victorian State Government is committed to ethical, sustainable and socially responsible procurement and we expect the same high standards of our Suppliers.*
- (b) *The Victorian State Government's Supplier Code of Conduct is available at the Victorian Government Purchasing Board website: <http://www.procurement.vic.gov.au/Suppliers/Supplier-Code-of-Conduct>. Updates and amendments to the Code will also be made available at this website. Respondents are to familiarise themselves with the Supplier Code of Conduct and include in their response the completed Commitment Letter (refer Part A Returnable Appendix).*

Contract Agreement Clause

Add the following clause (or similar) into an appropriate place in the Agreement

Supplier Code of Conduct

- (a) *The Victorian State Government's Supplier Code of Conduct is available at the Victorian Government Purchasing Board website: <http://www.procurement.vic.gov.au/Suppliers/Supplier-Code-of-Conduct>. Updates and amendments to the Code will also be made available at this website*
- (b) *The Contractor acknowledges that:*
 - (i) *the Supplier Code of Conduct is an important part of the State's approach to procurement and describes the State's minimum expectations regarding the conduct of its suppliers;*
 - (ii) *the Contractor has read the Supplier Code of Conduct; and*
 - (iii) *the expectations set out in the Supplier Code of Conduct are not intended to reduce, alter or supersede any other obligations which may be imposed on the supplier, whether under this Agreement or at Law'.*

Purchase Order Terms and Conditions Clause

Add the following clause (or similar) into an appropriate place in the terms and conditions of purchase order documents used for low value or intermittent works/goods/services ordered without contract agreements

1. Supplier Code of Conduct

- (a) *The Victorian State Government's Supplier Code of Conduct is available at the Victorian Government Purchasing Board website: <http://www.procurement.vic.gov.au/Suppliers/Supplier-Code-of-Conduct>. Updates and amendments to the Code will also be made available at this website*
- (b) *The Contractor acknowledges that:*
 - (i) *the Supplier Code of Conduct is an important part of the State's approach to procurement and describes the State's minimum expectations regarding the conduct of its suppliers;*
 - (ii) *the Contractor has read and aspires to comply with the Supplier Code of Conduct; and*
 - (iii) *the expectations set out in the Supplier Code of Conduct are not intended to reduce, alter or supersede any other obligations which may be imposed on the supplier, whether under this Agreement or at Law'.*

Appendix <X> - Supplier Code of Conduct Commitment

Returnable appendix associated with an Invitation to Supply

Note: This appendix should be referenced in the clause relating to the Victorian Government Supplier Code of Conduct in the Invitation to Supply (ITS) document. Refer to the *Guideline for Health Services – Supplier Code of Conduct*.

Remove this box when implementing the template

<ITS reference code (if allocated)>

<Name of ITS>

Note to Respondents: The Victorian State Government's Supplier Code of Conduct is available at the Victorian Government Purchasing Board website: <http://www.procurement.vic.gov.au/Suppliers/Supplier-Code-of-Conduct>. Updates and amendments to the code will also be made available at this website.

Respondents are to familiarise themselves with the Supplier Code of Conduct and must include in their ITS response the completed commitment letter below.

To	Invitees details	
<Category/Project Manager Name>	Representative	<Company representative name>
<Health Service Name>	Company Name	<Company Name>
<Health Service Address>	Company Address	<Company Address>

Commitment to the Victorian State Government Supplier Code of Conduct

- 1) I acknowledge that:
 - a) the Victorian State Government (**the State**) is committed to ethical, sustainable and socially responsible procurement;
 - b) the State has a Supplier Code of Conduct (**Code**) the Code describes the State's minimum expectations of the conduct of its suppliers in relation to:
 - i) integrity;
 - i) ethics and conduct;
 - ii) conflicts of interest;
 - iii) gifts, benefits and hospitality;
 - iv) corporate governance;
 - v) labour and human rights;
 - vi) environmental management;

- c) the expectations set out in the Code are not intended to reduce, alter or supersede any other obligations which may be imposed by any applicable contract, law, regulation or otherwise;
 - d) to ensure that the Code remains current and relevant, it may be amended or updated by the State; and the Code includes an ongoing expectation that suppliers (including my organisation) will raise concerns or otherwise seek clarification in relation to any aspects of the Code, including any updates or amendments to the Code; and
 - e) the Code includes an ongoing expectation that suppliers (including my organisation) will raise concerns or otherwise seek clarification in relation to any of aspects of the Code, including any updates or amendments to the Code.
- 2) On behalf of my organisation I:
- a) confirm that the State's expectations of suppliers as set out in the Code are understood;
 - b) provide a commitment that if selected to supply goods and / or services to any State department or public body my organisation will:
 - i) periodically check with reasonable frequency for updates and amendments to the Code; and
 - ii) aspire to meet the State's expectations of Suppliers as set out in the Code, including as updated or amended by the State.
- 3) Signed for and on behalf of the Respondent by a director or duly authorised representative of the Respondent having the authority to make the declarations set out above and to bind the Respondent.

Name	Position
Signature	Date