

1. Scope

This policy applies to all Supply Chain activity supported with funds supplied by the Education and Skills Funding Agency (ESFA) or any successor organisations.

2. Context

This policy is now a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2017. The content of this policy has been developed in line with AoC/AELP Common Accord, the ESFA Funding rules and the LSIS Supply Chain Management document.

MAXIMUS Training defines a “Supply Chain Partner” in accordance with the ESFA definition of provision subcontracting;

“Provision subcontracting is when you subcontract the delivery of full programmes or frameworks. It is not subcontracting the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an apprenticeship framework or outreach support).”

The purpose of this document is to define the basis on which these supply chain arrangements will be managed. Where appropriate, MAXIMUS Training will contract with other parties to deliver programmes and activities funded by the government through its funding bodies. The organisation with which it contracts will be subject to the requirements set out herein.

The management of the Supply Chain will be based upon a consistent approach to performance management in accordance with the standards required to achieve the requirements mandated under ESFA Funding Guidance and as set out in our Contract Management Framework.

All Supply Chain Partners will undergo our robust due diligence process prior to contract award and will be risk assessed in relation to the performance standards set out in our contract with each Partner.

3. Why does MAXIMUS Training subcontract?

MAXIMUS Training is committed to delivering a high quality service to our commissioners and will often require the input of likeminded subcontractors to meet the learner’s needs.

MAXIMUS Training is always looking to improve its Supply Chain by working with its Supply Chain Partnership base to complement our own, existing provision and therefore offer quality driven, industry-recognised, qualifications to support learners and employers in either areas where the Supply Chain Partner skill set and experience could complement those offered by MAXIMUS Training or where MAXIMUS Training does not have geographical reach.

4. Our values

All MAXIMUS Training departments and subcontractors are expected to demonstrate our values, which are:

- Passionate about what we do
- Professional
- Performance focussed
- Ethical and honest.

5. MAXIMUS Training's commitment to assuring the quality of Supply Chain Partners

MAXIMUS Training is committed to assuring the quality of its Supply Chain Partners. This is demonstrated by ensuring that all Supply Chain Partners are:

1. Selected through an objective and rigorous due diligence process that requires demonstrable evidence of financial security, quality processes and practices.
2. Managed through a consistent process of regular performance monitoring reviews with a focus on continual improvement and collaborative working in line with our contract management framework.

6. What fees does MAXIMUS Training apply with its Supply Chain Partners?

Where MAXIMUS Training holds the lead (prime) contract for provision of a service to the ESFA and that Partner provides an agreed service, a management fee of 20 per cent will be claimed by MAXIMUS Training.

This management fee is deducted from the ESFA funding rate paid to MAXIMUS Training for delivery of the contracted services.

The agreed fees will be negotiated with the Supply Chain Partner and will depend on a number of factors including (but not limited to):

1. Market experience of the Partner.
2. Evidence of quality of delivery of services.
3. MAXIMUS Training's risk rating awarded to the Partner (through due diligence).
4. Level of support requested or deemed to be required from MAXIMUS Training.
5. Evidence of previous performance against similar target measures as proposed.

Actual performance against target measures will (where services are paid for in line with adherence to any applicable funding guidance) be agreed with the Partner in their contractual agreement.

7. What support does MAXIMUS Training offer its Supply Chain?

MAXIMUS Training believes that the Supply Chain has the responsibility to deliver a high quality service provision, efficiently and effectively to all learners.

MAXIMUS Training has a responsibility to work collaboratively with its Supply Chain Partners to drive industry leading performance, compliance and quality of service and therefore, as a minimum in return for the management fee, MAXIMUS Training provides the following services and support to its Supply Chain members:

1. Dedicated platform and marketing materials, promoting the partner network offer, providing a centralised landing page for referrals, employers and participants.
2. Co-ordination of partnership working across the Lot including arranging best practice forums and the coordination and management of a steering group.
3. Access to development tools and materials.
4. Dedicated central complaints handling team, including support for related media enquirers.
5. MAXIMUS will provide a full programme audit, compliance monitoring and contract management services.
6. Dedicated delivery partner contract management and support staff.

8. How and when will MAXIMUS Training make payments to the Supply Chain?

Payments will be made by MAXIMUS Training to the Supply Chain according to the schedule for submission and payments identified in the contract:

1. The Supply Chain Partner will be paid monthly based on values in the PFR less the agreed management fee.
2. MAXIMUS Training will provide the Supply Chain Partner with the Monthly Performance Report relating to the relevant learners, in line with compliant performance, a self-billing invoice will be raised by MAXIMUS and all invoices will be paid within 30 days of invoice date, providing Education Skills Funding Agency funds have been received by MAXIMUS Training.

9. How will MAXIMUS Training provide performance management the Supply Chain Partner?

MAXIMUS Training will manage the performance of the Supply Chain Partner in line within our Contract management Framework. MAXIMUS Training's dedicated Supply Chain Manager will hold as a minimum the below standardised review meetings:

1. **Weekly performance forecast calls** – Weekly forecast calls will take place at the end of each week to monitor progress against agreed monthly targets and KPI's.
2. **Monthly forecast** – The subcontractor will provide a full quarterly forecast against profile, identifying how it will align outcomes and address shortfalls. The provider will also provide an updated copy of their Site or Subcontractor continual improvement plan identifying outcomes against actions.
3. **Quarterly strategic contract meetings** – These meetings take place every quarter. The purpose of which is to review the contract, performance of the contract to date and in quarter, compliance KPI's to date in quarter, relationships and stakeholder groups. Additionally, it is a vehicle for sharing good practice between sites and subcontractors by offering support across the board to ensure that the contract is delivered within the required

specifications, meeting profiles and timings. Meetings follow a standard meeting agenda.

10. How does MAXIMUS Training communicate the Supply Chain fees and charges policy?

1. For external stakeholders, the policy is published here:
www.maximusuk.co.uk/training
2. For new Supply Chain Partners, the policy is issued at the contract agreement stage of the contracting process.
3. For existing Supply Chain Partners, the policy is re-issued at the annual review stage of the contracting process.

11. How often does MAXIMUS Training review the Supply Chain fees and charges policy?

This policy will be reviewed by MAXIMUS Training on an annual basis.