



Damar Training

Supply Chain Policy

Version February 2021

## Introduction

This policy covers both (A) the core principles that apply to relationships with all our suppliers and (B) our approach to subcontracting of training delivery.

### A. Core Principles

#### a. Alignment with our ethos and culture

Just as we aim to create sustainable, long-term and trusting partnerships with our customers, we aspire to do the same with our suppliers and are proud to have worked with many of our key suppliers for several years.

As a minimum, we expect that our suppliers have policy and quality frameworks that are at least as robust as our own. We also carry out appropriate due diligence to ensure that as well as providing value for money, our suppliers share a similar ethos to our own.

Damar prides itself on a very strong partnership culture. The delivery of high quality apprenticeships requires high quality input from a range of suppliers (such as end-point assessment organisations, awarding bodies and technology partners) and so, in order to consistently deliver an excellent level of service, we need to work effectively alongside our supply chain. We are committed to continuous improvement, to capturing innovation, and to sustainable development. Our supply chain approach encourages openness, trust and collaboration.

#### b. Prompt payment

We support and comply with the Prompt Payment Code administered by the Chartered Institute of Credit Management on behalf of the Department for Business, Energy & Industrial Strategy.

### B. Subcontracting of training delivery

a. Although the **vast majority of Damar's services are provided directly by Damar**, some of our funded delivery may from time to time (and only by agreement with our customers) be subcontracted to trusted third party subcontractors. The contractual arrangements vary depending on individual circumstances. This document sets out, in overview, our approach to subcontracting.

b. All subcontracting takes place within the parameters of the Education and Skills Funding Agency's funding rules as amended from time to time (the "Funding Rules"). There are two types of subcontracting permitted under the Funding Rules:

i. "full-provision subcontracting", where Damar is delivering a material part of an employer's programme but, at the employer's request, we subcontract the delivery of specialist apprenticeships that Damar does not deliver.

- ii. "part-subcontracting", where an element of an apprenticeship (eg some technical content) is delivered by a specialist.
  - c. In all cases however, the contractual relationship with the employer (our customer) rests with Damar and subcontractors are only used where the subcontractor, the scope of work to be undertaken and fees payable have been agreed with the employer.
  - d. All proposed subcontractors are required to undergo a thorough due diligence process before Damar enters into a contract with them.
2. Our reasons for subcontracting
- a. We only consider subcontracting where at least one of the following circumstances applies:
    - i. One or more of our partner-employers has a need for an apprenticeship that Damar does not deliver but does not wish to contract directly with the subcontractor (this is full-provision subcontracting).
    - ii. One or more of our partner-employers has a need for some content to be delivered within an apprenticeship that Damar is not able to deliver directly (this is part-subcontracting).
3. How we use the relationship to contribute to improving our and our **subcontractor's quality of teaching and learning**
- a. We want all of our subcontract relationships to contribute to the quality of delivery of both parties. This will vary depending on each relationship but may include:
    - i. Collaborative working on e-learning and other training materials.
    - ii. Joint CPD events for staff.
    - iii. Collaborative work with employers, including employer engagement and marketing.
    - iv. Attendance at standardisation meetings.
    - v. Support with staff training (e.g. assessor/trainer qualifications).
    - vi. Joint attendance at learner engagement events.
4. How we determine the costs associated with subcontracting
- a. For part-subcontracting, Damar negotiates an arms-length price with the subcontractor for the work they are carrying out. Such price is disclosed to the employer before we enter into a contract for delivery of the apprenticeship in question.
  - b. For full-provision subcontracting, we retain a margin of between 10% and 20% of **the total fees for our "wraparound" services** provided to the employer as part of

**Damar's contract with** that employer. The range and the amount retained varies according to individual circumstances which include (but are not limited to) the following:

- i. The overall value of the subcontract.
- ii. Where delivery is taking place.
- iii. The experience and internal resources of the subcontractor.
- iv. The extent of the support that Damar is contracted to provide to the employer.

The retained margin is disclosed to the employer before we enter into a contract for delivery of the apprenticeship in question.

5. The support employers receive in return for the margin that we retain
  - a. This varies according to individual circumstances but usually includes:

- i. Support with paperwork and processes.
- ii. Quality monitoring visits to the subcontractor.
- iii. **Randomised "quality calls" to employers and students.**
- iv. A monthly operational review and a quarterly more strategic review meeting.
- v. Some or all of the matters listed at paragraph 3a. above.
- vi. Help with apprentice vacancy advertising and grants.
- vii. Support with health and safety.
- viii. Support with Functional Skills delivery.

6. Payment terms between us and our subcontractors

These are set out in detail in each subcontract. However, the general principle is that payments to subcontractors are made in our normal creditor run in the month falling two months after the month of delivery (subject to payment having been received by Damar for the delivery in question).

7. Non-application of the Public Contracts Regulations 2015 (PCR 2015)

- i. Procurement within the meaning of PCR 2015 is **defined as "the acquisition by means of a public contract of works, supplies or services by one or more contracting authorities from economic operators chosen by those contracting authorities, whether or not the works, supplies or services are intended for a public purpose"**.
- ii. **"Contracting authorities"** are defined within PCR 2015 as "the State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law...".
- iii. Damar is not a contracting authority as defined in PCR 2015 and so the Regulations do not apply to the procurement of subcontractors by Damar.

8. Communication of this policy to current and potential subcontractors

All potential subcontractors are provided with this policy prior to the execution of any subcontract and material changes are communicated to current subcontractors as they occur.

9. Timing for policy review

This policy is reviewed annually (and amended if necessary) in the light of changes in **the Agency's** funding rules.

10. Where the policy is published

**This policy is published on Damar's website at [www.damartraining.com](http://www.damartraining.com).** It is also available, by request, from Damar (please email your request to [info@damartraining.com](mailto:info@damartraining.com)). Internally, the policy is published and is accessible to all staff via the file address at the foot of this page.