

1. Introduction

This document is aimed at School members and other providers of goods and services. Its purpose is to provide guidance on the School's recommended set of PQQ questions and answers, which you can find [here](#).

2. Why am I being asked these questions and how does this relate to the procurement process?

The role of pre-qualification within the procurement process is to assess the competency of the supplier, contractor or sub-contractor to complete the work, and provide an opportunity to demonstrate a track record through the evidence submitted. These questions are intended to assess both the capability of the company itself, and also their experience within previous contracts.

The Pre-Qualification Questionnaire (PQQ) process does not guarantee you business, but it does enable procuring organisations to pre-qualify a company for a tender and enables you to bid for the work.

If you would like to know more Procurement, please see the 'Procurement Process' section of the [Sustainable Procurement e-learning module](#) or contact [Action Sustainability](#) for more information.

2.1 Should I answer the questions using experience of previous contracts, or experience of my company's internal initiatives?

This will depend on the type of your organisation and the nature of work that you undertake.

For example, it may be appropriate for a supplier or manufacturer to provide evidence of internal company initiatives that they have undertaken themselves, particularly if these relate to the impacts their products have when used on a contract. For example, the sustainability or chain of custody accreditation of materials that they provide.

On the other hand, for contracting companies (non-suppliers) it would be more relevant to provide details of previous experience, either for their clients or on previous contracts. Their internal sustainability or corporate initiatives, whilst laudable, may not be of particular relevance to a client. It also might not be suitable evidence of the sustainability performance or credentials that a client is looking for on a particular contract.

2.2 Will I be asked all of these questions?

Not all questions are intended to be used on every tender. We propose that the questions asked will depend on the type, location and scale of work. For example, if you were tendering for some work in a biodiversity-rich area, such as a SSSI (Site of Special Scientific Interest) or Marine Conservation Zone, you would be more likely to be asked 'Biodiversity & Ecology' questions.

2.3 Myth buster - My clients only care about price. Why bother?

Sustainability is increasingly a factor in procurement decisions. The Social Value (Public Services) Act 2012 and new public procurement and utilities regulations enable clients to take social and environmental considerations into account when making procurement decisions. There are additional drivers to incorporating sustainability into such decisions, such as planning requirements, reputational risk, operational risk, client requirements and stakeholder pressure. The

degree of consideration given to sustainability in each procurement process will differ depending on the project/contract, context and client.

3. Why has the School done this work?

Since its launch, the School has received substantial feedback from its members about the need for industry consistency around PQQs. Inconsistency results in an extra cost and time burden, especially for SMEs. We decided to do something about it. This is why this topic has been chosen to be covered in the Performance Measurement Special Interest Group, which has been running between October 2015 and April 2016.

These recommended pre-qualification questions are **advisory only**. They are not mandatory for Partners or members of the School, but are recommended based on best practice

The long-term aim is for industry consistency or, at the very least, synergy between Partners as to what the supply chain is being asked at pre-qualification stage. The School has engaged with BSI regarding the amendment and revision of PAS91, a publically available standardised pre-qualification questionnaire. We will continue our work engaging with them. Please see the FAQs section below for more detail.

4. How do I answer them?

The Supply Chain Sustainability School's recommended [PQQ questions and answer assessment](#) provides guidelines of what is expected in a 'basic', 'good' and 'excellent' answer. This assessment matrix will tell you what you need to consider.

Evidence could be provided in various forms. Examples of evidence you may consider include:

- Previous performance data
- Case studies (internal or externally published)
- Client testimonials

Although policies, strategies and charters may have a place in proving organisational commitment, they do not provide evidence of previous track record.

If you need further guidance for any of the issues, please refer to the below table. Please note that, where the guidance asks you to log in to the 'Supply Chain Sustainability School', the School is free to use.

For more information about the Supply Chain Sustainability School, please click [here](#).

4.1 What do the questions mean and how can I find out more?

SCSS issue area	Question	Further guidance
Sustainable construction/ FM/ infrastructure/ homes	Please outline your experience of identifying your significant sustainability risks and opportunities	<p>If you haven't considered your risks and opportunities before, a good place to start is to undertake a self-assessment on the School website. For more information regarding this please see the Assessment Tool page. This will be specific to your trade, and provide you with a bespoke action plan which will address these identified risks and opportunities.</p> <p>The broader process of 'heat mapping' might also be helpful. This is when companies identify their sustainability risks and opportunities based on different categories, for instance, of spend or business/project activity. For more information please log in to the School and then feel free to take this e-learning module: Heatmapping: Prioritising your sustainability impacts.</p> <p>For more information about sustainability in the Built Environment, please log in to the School and then follow these links:</p> <ul style="list-style-type: none"> • Introduction to Sustainable Construction • Introduction to Sustainable Homes • The Business Case for Sustainable FM • Green Infrastructure
Environmental management	<p>Please advise if you have an environmental management system (EMS)</p> <p>Please advise if your EMS is certified to a recognised third-party standard. If so, advise which standard and the date of your last audit.</p>	<p>An Environmental Management System ensures that you manage your environmental risks and is a mechanism for tracking your legal compliance. Certification by a third party will involve audits and looking at documentary evidence. The international standard is ISO14001:2015.</p> <p>A third-party certification organisation may be accredited to United Kingdom Accreditation Service (UKAS) which is the British accreditation body which assesses the competence of organisations that provide certification, testing, and inspection and calibration services.</p>

		<p>Need to know more? Just log in to the School and then take the following e-learning modules:</p> <ul style="list-style-type: none"> • Introduction to Environmental Management • Getting value out of your EMS
	<p>Please provide details of any environmental Enforcement notices or prosecutions (including those pending) your organisation or employees have received within the last 5 years</p> <p>What mitigation actions have you put in place to rectify the issues?</p>	<p>Environmental enforcements will be issued by the regulator, the Environment Agency.</p> <p>If you have received an enforcement notice or prosecution, it is important that you provide details of mitigation actions you have taken, as these will assess the success of the management system in place and determine your organisation's capability to rectify such issues.</p>
Biodiversity & Ecology	<p>Please provide examples of where you have protected biodiversity and/or delivered biodiversity enhancements.</p>	<p>Need to know more? Just login to the School and then take the following e-learning module:</p> <p>Introduction to Biodiversity</p>
Carbon	<p>Please advise of your experience in proposing and/or delivering energy efficient solutions that are of benefit to the end client or to your own business.</p>	<p>Need to know more? Just login to the School and then take the following e-learning module (specific for construction):</p> <p>Delivering energy and carbon efficient buildings</p>
	<p>Please advise on your experience of measuring and managing your carbon impact.</p>	<p>Need to know more? Just login to the School and then take the following e-learning modules:</p> <ul style="list-style-type: none"> • Introduction to Climate Change and Carbon • Carbon Reporting • Carbon in Infrastructure • Life Cycle Analysis <p>For more information on the Carbon Trust's standard click here.</p>

SCSS issue area	Question	Further guidance
Water	Please advise of your experience in measuring and managing water consumption and delivering reductions and returns that are of benefit to the end client or to your own business.	<p>Need to know more? Just log in to the School and then take the following e-learning module: Introduction to Water.</p> <p>For more information from the Carbon Trust on their standard for water, click here.</p>
Waste	Please advise of your experience in measuring and managing waste at source and using the waste hierarchy to deliver returns that are of benefit to the end client or to your own business.	<p>Need to know more? Just log in to the School and then take the following e-learning module: Introduction to Waste.</p> <p>Need to know more about the circular economy principles? Just log in to the School and then take the following e-learning module: The Circular Economy.</p> <p>For more information on the Carbon Trust's standard for waste, click here.</p>
Materials	Please outline your experience in considering resource efficiency and procuring secondary or recycled materials.	<p>For this question, the term 'recycled' and 'secondary' is used. 'Secondary' includes reused, upcycled or reclaimed materials. More information can be found on the 'materials' web page or by taking the School e-learning module, Introduction to Materials.</p> <p>Resource efficiency looks at the amount of material used in the project, as well as the materials used in manufacturing particular products. Organisations can look to reduce the materials used through a variety of tools, such as Building Information Modelling (BIM) or Life Cycle Analysis (LCA).</p> <p>Need to know more? Just log in to the School and then take the following e-learning module:</p> <ul style="list-style-type: none"> • Life Cycle Analysis • Building Information Modelling: <p>For more information about the circular economy principles, please log in to the School and then take the following e-learning module: The Circular Economy</p>

	<p>Please advise of your experience in procuring materials from ethical/ responsible sources</p>	<p>Responsible and ethical sourcing looks at the impacts on people and the environment throughout the supply chain of a product or service. A way of ensuring that you're confident in the responsible/ethical practices in your supply chain is through certification. These can differ between materials and sectors; for example, certification required by the FM sector can differ from those required by the construction sector.</p> <p>Need to know more? Just log in to the School and then take the following e-learning modules:</p> <ul style="list-style-type: none">• Introduction to Materials• BES 6001 for responsible sourcing
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SCSS issue area	Question	Further guidance
<p>Local business and community</p>	<p>Please explain your experience in maximising social value in a given location, including through:</p> <p>Increasing opportunities for employment of a local workforce and/or people from particular ‘target’ groups</p> <ul style="list-style-type: none"> • Realising opportunities from procurement through a ‘local’ supply chain, social enterprises, small and medium enterprises, and/or other ‘target’ business groups • Provision of work experience • Engaging with schools, colleges and/or universities (e.g. to deliver careers guidance or support with science, technology, engineering and maths – STEM) • Community initiatives • Volunteering and charitable giving <p>Note: “Local” is defined as whatever the relevant client or planning authority states it is.</p>	<p>For more information about Social Value in the Built Environment, please see this page.</p> <p>Need to know more? Just log in to the School and then take the following e-learning modules:</p> <ul style="list-style-type: none"> • Introduction to Economy and Community • Local and SME Spend in FM
	<p>Please describe your approach to maintaining community relations, including:</p> <ul style="list-style-type: none"> • How you minimise disruption e.g. through logistics, communications • How you minimise nuisance (e.g. air pollution, dust, vibration, noise) • Systems and procedures to register and address complaints • Your experience in using the Considerate Constructors Scheme (or equivalent if applicable), including previous scores on any sites you have managed, timeframes and project context/type. <p>NB: If you’ve never been required to use, please provide details of how you’ve contributed to your client’s score</p>	<p>For more information on the Considerate Constructors Scheme (CCS), please see their website.</p> <p>Need to know more? Just log in to the School and then take the following e-learning module:</p> <p>Introduction to Economy and Community</p>

SCSS issue area	Question	Further guidance
Employment, Skills and Ethics	Please describe your policy and practice with respect to identifying and managing the risk of ethical business, including bribery and corruption, in your business and supply chains	Need to know more? Just log in to the School and then take the following e-learning modules: <ul style="list-style-type: none"> • Ethical Business - the Basics • Competitive advantage through business ethics
	Please explain your approach to developing the workforce of the future, including use of apprenticeships, graduate schemes and other development programmes.	Need to know more? Just log in to the School and then take the following e-learning module: <ul style="list-style-type: none"> • People, Skills and Labour issues in FM
	Please describe your experience in training your workforce, including through professional development and performance reviews	
	Please explain your approach to equality, anti-discrimination, fairness, inclusion and respect, including: <ul style="list-style-type: none"> • How you comply with the Equality Act 2010, in relation to management of your workforce • How you comply with legislation around flexible working and shared parental leave • Your approach to promoting inclusive workplace behaviours • Your approach to: payment of the 'Living Wage', freedom of association, participation in collective bargaining, grievance procedures, working hours, including split shifts, responsible use of zero-hour contracts 	<p>The human resources cycle involves the stages of employment and the role of HR throughout. It ranges from (but is not limited to) advertising for and recruitment of staff, to induction and orientation, to career development and evaluation, through to termination or transition.</p> <p>Need to know more? Just log in to the School and then take the following e-learning modules:</p> <ul style="list-style-type: none"> • FIR 1: Achieving business success through FIR • FIR 2: FIR on site - why it matters and how to achieve it • People, Skills and Labour issues in FM <p>In this instance, we are referring to the Living Wage as determined by the Living Wage Foundation, as opposed to the National Living Wage, as released by the Government in 2016. The government rate is separate to the Living Wage rate calculated by the Living Wage</p>

		<p>Foundation. The government rate is based on median earnings while the Living Wage Foundation rate is calculated according to the cost of living. For more information about the Living Wage Foundation and how they set their living wage, please see their page.</p>
	<p>Please provide details of the steps your organisation has taken to comply with and/or exceed the requirements of the Modern Slavery Act 2015 Do you have any prosecutions under the Modern Slavery Act 2015? Please provide details of dates and outcomes.</p>	<p>Need to know more? Just log in to the School and then take the following e-learning modules:</p> <ul style="list-style-type: none"> • Modern Slavery • Modern Slavery Act • Responding to the Modern Slavery Act 2015

SCSS issue area	Question	Further guidance
Sustainable Procurement/ Supply Chain Management	Please provide evidence of your approach to Sustainable Procurement	Need to know more? Just log in to the School and then take the following e-learning module: Embedding Sustainable Procurement
	Please describe your experience in developing the capacity and competence of your workforce and supply chain to deliver sustainability requirements. If not, do you have an action plan in place to develop your supply chain's competency?	The Supply Chain Sustainability School is a one stop shop that allows organisations to benchmark their competency against their peers and access free online learning resources. For more information, please see the School's About Page . Through taking the self-assessment, your organisations are provided a tailored action plan which allows you to start developing your workforce's competency. You can also invite your supply chain to participate, and ask them for evidence of their involvement and action plan.
	Please explain your approach to continuous improvement in supply chain management, including: <ul style="list-style-type: none"> • Fair payment terms • Prompt payment (i.e. extent to which fair payment terms are met) • Whether you are a signatory to the Prompt Payment Code or equivalent • How you identify new, potential suppliers (e.g. small and medium enterprises) and enable them to compete for your business • How you ensure and manage your supply chain to meet your and your clients' sustainability requirements and provide adequate information 	Need to know more? Just log in to the School and then take the following e-learning module: Embedding Sustainable Procurement Need to know more about engaging a diverse supply chain? Just log in to the School and then take the following e-learning module: Engaging a diverse supply chain The Prompt Payment Code is a signatory database that allows organisations to commit to

	<p>where necessary.</p> <ul style="list-style-type: none"> Your dispute resolution procedures and the number of disputes with subcontractors and/or suppliers not settled by mutual agreement and requiring third party intervention (including court action) over the last three years. <i>This does not apply to small businesses, with ≤ €10 m turnover and <50 employees.</i> 	<p>prompt payment, which gives their suppliers reassurance that they will be paid promptly and in accordance with the agreed terms.</p> <p>For more information, please see: http://www.promptpaymentcode.org.uk/</p>
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5. Frequently Asked Questions

5.1 Why isn't there an industry standard for PQQs?

This document does not replace or attempt to replicate PAS91.

At the time of writing (April 2016), PAS 91 is currently being updated only to ensure it aligns with current legislation and the amended standard will be published in June.

Following this update a steering group, on which the School will be represented, will review the standard and determine if it requires further revision.

If the steering group decides on a revision, then this process will take around 12 months, so we are unlikely to see a revised standard before late 2017.

Given that we have a sustainability question and model answer set ready to go, it seems sensible to go ahead and publish it now prior to the full PAS91 review later which is to be confirmed.

We therefore will:

- Publish the developed current question set through the School and develop guidance materials related to it for our members (this document)
- Encourage Partners to use the question set in their own PQQ activities.
- Have a School representative join the BSI steering group in order to influence the process directly, rather than indirectly via Build UK.
- Revise our advice through the School, if appropriate, when the revised version of PAS 91 is published

5.2 Will my clients now ask these questions?

This document is the output of the Special Interest Group looking at best practice. As mentioned above, the Special Interest Group recommends that this is adopted by all Partners and will encourage Partners to this end.

6. More information?

For more information on Performance Measurement and to find out about free school workshops on this topic, please contact alex@actionsustainability.com or call 0207 697 1984.