

Introduction

APM is committed to growing and diversifying the services we offer in order to widen participation. APM deliver services in mainstream, niche, new and emerging markets that align strategically with local and national agendas. Supply chain partners play a vital role in this activity.

As a prime provider APM is committed to working in a transparent and fair manner with our supply chain partners.

We want to provide you as much information as possible on how we work with and for your company to create strong and effective supply chains for the delivery of our contracts.

This is why APM publish our supply chain fees and charging policy, along with how we apply these to our subcontracts.

We review this policy yearly to ensure we are providing our partners with the highest quality offer and service, ensuring APM is the market leader and first choice for partners.

APM supply chain fees and charges policy includes as a minimum:

- Why APM subcontract
- Improving the quality of teaching and learning
- APM Management fees
- How APM support supply chains
- Supply Chain Payment arrangements
- Policy Dissemination
- Policy Review
- Policy Publication

Why do APM subcontract?

APM subcontract in order to create strong and effective supply chains which are responsive to funders needs.

These supply chains produce high quality, performance driven services. We engage with sub-contractors to address specific cohort, skills sets, geographical needs/gaps or gaps in our provisions. APM engage with partners who complement our existing services, which are quality driven and who can support our clients and employers.

The reasons we may subcontract are:

- To deliver niche services – we build on the experience and knowledge of sub-contractors in specialist areas.
- To grow and engage with new markets – this allows us to access and engage with new client groups or geographic areas.
- To build on APM's capacity – this allows us to remain flexible and responsive to market change and emerging markets.

- To ensure development opportunities for both APM and its supply chains.
- To develop good practice and new ways of working.
- To expand APM's provision offer.

Improving the quality of teaching and learning

APM will inform our supply chain partners of our quality processes and procedures, we will ensure that they are supported and developed in order to fully comply with these.

APM will ensure that supply chain partners are supported to complete the APM self-assessment and quality improvement plans. Should any actions arise from this activity, APM and the supply chain partner will work together to address these.

Our supply chain partners will be offered the opportunity to take part in training and best practice sharing events.

APM will monitor the quality of our sub contracted provision through our Supply Chain Management Framework, and have a commitment to capacity building our supply chain partners through our supply chain strategy.

APM Management Fees

APM retains a management fee from all our supply chain partners who are in a subcontracted arrangement with us.

The typical management fee range for APM is between 12.5% to 20%. We recognise that our supply chains are diverse and as such our management's fees are tailored to suit the needs of the supply chain partners. This allows APM to include small to large providers ensuring we produce high quality provision.

The management fee for any APM contract takes into consideration the central services/support supplied by APM to the subcontractor and the specific services the subcontractor will provide.

We assess and calculate our fees using risk indicators such as

- The quality of the training/service provider.
- The due diligence that APM require all sub-contractors to complete and how the sub-contractor has scored and if they would require support to attain our required levels - further information on this is in our Pre Approved Partners section on our website.
 - Finances of the sub-contractor.
 - Security including IT Security.
 - Health and Safety (this list is not exhaustive).
 - The size of the sub contract – expected learner numbers and funding.
 - The demand on APM central services.
 - The intensity of APM supply chain support that will be required.

As part of contracting process APM will negotiate with supply chain partners; and may offer tailored payment terms to support the sub contract delivery, this can include milestone payments as opposed to achievement payments.

Management fees may sometimes vary between supply chain partners. However potential difference in management fee from sub-contractor to subcontractor will be dependent on many factors including;

- The level of support needed.
- Their targeted learners or cohort.
- Their track record and the resource APM will invest to support, nurture and develop the subcontractor.

APM will mutually agree the management fee with individual supply chain partners as part of the contracting process.

There may be occasions where the income received by APM from funders is less than the published rates. If this is the case APM may adjust our management fee to avoid any adverse effect to our supply chain.

How APM support chains

APM believe that the key to the delivery of a successful contract is through the close working of our company and that of our supply chain partners. We feel that it is our responsibility as a collective to ensure we are delivering a high quality provision to all clients/learners, therefore APM offer central services, a high level of support and access to our systems. As a minimum a supply chain partner can expect:

- Advice and guidance at pre-contract stage from our Business Development team.
- Support to complete our Pre Approved Supplier process.
- A supply chain manager who will manage and monitor your performance and contract compliance.
- Clear management process through our Supply Chain management framework – which includes monthly meetings, performance reviews, supply chain forums, best practice meetings, dissemination of information from funders.
- Management Information and data system access (where appropriate) or advice and guidance on the required systems.
- Administration support.
- Quality and compliance support.
- Validation of claims before submission to funders.
- Submissions to funders.
- On-going support to address any areas of improvement.
- Shared training opportunities.

- Shared opportunities to work in partnership.
- There may be further support included in our offer which maybe specific to contract size and type.

Payment arrangement for supply chain partners

- Payment terms are as agreed between APM and the supply chain partner in the service level agreements (SLAs).
- Service level agreements will include any rights by APM to withhold, reduce or withdraw funding from supply chain partner.
- Payments will be made to the supply chain partner once APM has received an invoice or self-billing (where appropriate) and validated any claims.
- APM will only pay the supply chain partner once we have received funding from the funder.
- Payments to the supply chain partner will be made by BACS on an agreed date which will be detailed in the SLA.
- Supply chain partners will be responsible for any registration or associated costs related direct claims status with their awarding bodies.

Policy Review

This policy will be reviewed annually.



Signed

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Role	CEO	Financial Director
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Supply Chain Management
**Fees and Charges Policy – Skills Funding Agency
subcontracts**



Version Information

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