

NEATH PORT TALBOT COUNTY
BOROUGH COUNCIL
UK STEEL CHARTER POLICY



Introduction

In May 2019 the UK Steel industry launched a new UK Steel Charter aimed at building upon existing government policy on the procurement of steel and also asking signatories to commit to a range of procurement steps intended to transform the way in which materials, in particular, steel, are procured.

The Welsh Government was the first signatory of the UK Steel Charter, signing it on 16th May 2019, acknowledging that the Charter fully complimented its 2018 Procurement Advice Note* supporting the sourcing of steel and asked governments and public sector procurers across the UK to review the way in which they procure steel so as to support the UK steel industry.

The publication of this UK Steel Charter Policy demonstrates the commitment of Neath Port Talbot County Borough Council (the 'Council') to the UK Steel Charter and identifies the practical actions that the Council can consider taking in the procurement of steel together with providing an overview of how such commitments will be met.

Cllr Rob Jones
Leader of Neath Port Talbot County
Borough Council

* *'Supporting the sourcing of steel in major construction and infrastructure projects in Wales' (January 2018).*

UK Steel Charter and its Guidance

The UK Steel Charter sets out a list of procurement steps that the UK Steel Charter identifies as being key to support the steel industry.

However, the Guidance supporting the Charter states:

“This list isn’t exhaustive, nor is it intended that signatories should commit to all of them. We realise that all organisations are different, it is therefore up to each to choose the most practical and suitable measures for themselves. Depending on the nature of your organisation or project(s) some of these actions may sit directly with you, or may need to be fed through to and implemented by your contractors and/or subcontractors.

The Guidance also states:

‘Signing the UK Steel Charter and making a public commitment to its aims and objectives is an important and substantial step for organisations in itself and one we would welcome as many as possible to take. However, to have a real impact it is important, where possible, that organisations take practical steps, implementing small changes in their approach to the procurement of steel that can lead to a big impact on the ground.

Neath Port Talbot County Borough Council’s UK Steel Charter Policy

The following areas are identified as areas in the procurement cycle that the procurement of steel would benefit from:

- pre-procurement planning to identify major projects where steel will be a critical component;
- the advertising of such major projects to make the market aware of future opportunities;
- contractual provision in documentation to ensure supply chains are provided for by the main contractors including the advertising of supply chain opportunities;
- ensuring specifications include provision as to how steel is specified and procured;
- considerations at the supplier selection stage of the procurement exercise to deal with such problems as steel dumping and non-compliance with health and safety and social and environmental legislation; and
- encouraging suppliers to use the facilities of the Sell2Wales site to seek out possible supply chain opportunities by identifying relevant contracts and the main contractors to whom they have been awarded.

Appendix 1 to this Policy sets out procurement steps identified in the UK Steel Charter in line with the above and provides an overview as to how the Council already meets them or intends to meet them.

This UK Steel Charter Policy is also in support of the Welsh Government's Procurement Advice Note '*Supporting the sourcing of steel in major construction and infrastructure projects in Wales*' (January 2018) ('PAN') which states that the considerations of the PAN are to be applied in any major procurement project where steel is a 'critical component'^{**}.

The PAN goes onto state:

'There is no set value as to what constitutes a major procurement project, as this will differ between contracting authorities. It is, therefore, for contracting authorities to determine which of their procurements are 'major' projects. Major projects in which steel is likely to be a critical component, may include, but not be limited to the following:

- *Infrastructure – such as rail and roads;*
- *Construction – such as the building of [prisons, hospitals, universities, housing, community centres], bridges and schools; and*
- *Flood defences.'*

The Council's Environment Directorate (Property and Regeneration, Highways and Engineering and also the South Wales Trunk Road Agent) undertake major projects such as those outlined in the PAN and, in conjunction with the Corporate Procurement as deemed appropriate, will work to meet the commitments set out in the UK Steel Charter as identified in Appendix 1 hereto.

Appendix 1

UK Steel Charter – Neath Port Talbot County Borough Council Commitments and how they will be met

Appendix 1 - The UK Steel Charter –Neath Port Talbot County Borough Council Commitments and How they will be met

This is a list of practical actions that signatories can consider taking, it is not intended to be exhaustive or that signatories should commit to all of them. This table sets out the Actions that Neath Port Talbot County Borough Council will commit to and provides an overview of how the commitments will be met.

We commit to the following steps:	How Neath Port Talbot County Borough Council (the “Council”) will meet this commitment
Establish clear and simple criteria to identify which projects are in the scope of our charter commitments	The Council will apply the UK Steel Charter to all construction projects where steel features as part of the specification.
Monitor and produce data on the levels of UK-produced steel used in our projects	This will be a contractual requirement on contractors to report.
Place a requirement in our appropriate contracts requiring the origin of steel to be provided	This will be a contractual requirement on contractors to report.
Stipulate use of steel products accredited to BRE Standard BES 6001	Include the following tender condition: <i>“The tenderer will ensure that the provision of steel meets the BES 6001 (or equivalent) standard. Where tenderers submit a response in terms of which they claim to meet the contracting authorities’ requirements in an equivalent manner, the contracting authority will require the tenderer to prove technical equivalence. Technical equivalence may be proved in accordance with the provisions of Regulation 44 of PCR 2015. Failure to provide proof of equivalence may result in the tenderers’ response being rejected on the basis that it does not meet the contracting authorities’ requirements.”</i>

	In addition, the Council uses a mandatory question on anti-dumping legislation and whether contractors had steps in place to ensure they, or their supply chain, do not contravene legislation. The anti-dumping has been built into framework agreements that this Council utilises.
Host engagement meetings/events for major projects in advance of procurement decisions being made	This already happens with UK Steel representatives invited to construction related meetings / events.
Develop our organisation's approach to the 'most economically advantageous tender'	The Council already utilises a 'most economically advantageous tender' approach and will continue to develop this to take account of best practice in line with the provisions of the Public Contract Regulations 2015 and the Council's proposed new Contract Procedure Rules.
Appoint a 'UK supply chain champion' to manage engagement with steel sector, and other suppliers	The Council's Director of Environment will fulfil this role.
Use British quality standards of steel when detailing steel requirements in project plans	This is already happening but will now be expanded to include all steel products – see response to use of BES 6001