

Qualifying Value Criteria (QVC)

Heathrow Procurement



Heathrow

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1. Supplier Value Definition

Heathrow's Supplier value Definition outlines the principles and expectations for our supply chain, aligning with our Purpose, Vision, Beacons, and Values. Developed with input from senior leadership, it provides a clear strategic direction for where we and our suppliers are heading.

Our definition will set the standard for supplier entry to the airport, ensuring we engage with business's who are ready to meet our key non-negotiable requirements such as health and safety, security, cyber and sustainability. These will be known as our Qualifying Value Criteria (QVC).

These standards will be applied proportionately based on the supplier's segmentation, size and risk profile, delivering a fair and transparent way to win work. Our aim is to ensure all potential suppliers understand the essentials when providing goods, works or services whilst improving supply chain capability, diversity, and performance.

It is an investment to operate at Heathrow and we know that by setting clear expectations we can best equip suppliers to decide on that investment. We also have a duty to protecting our national infrastructure by guaranteeing non negotiables are met consistently and to the right standard.

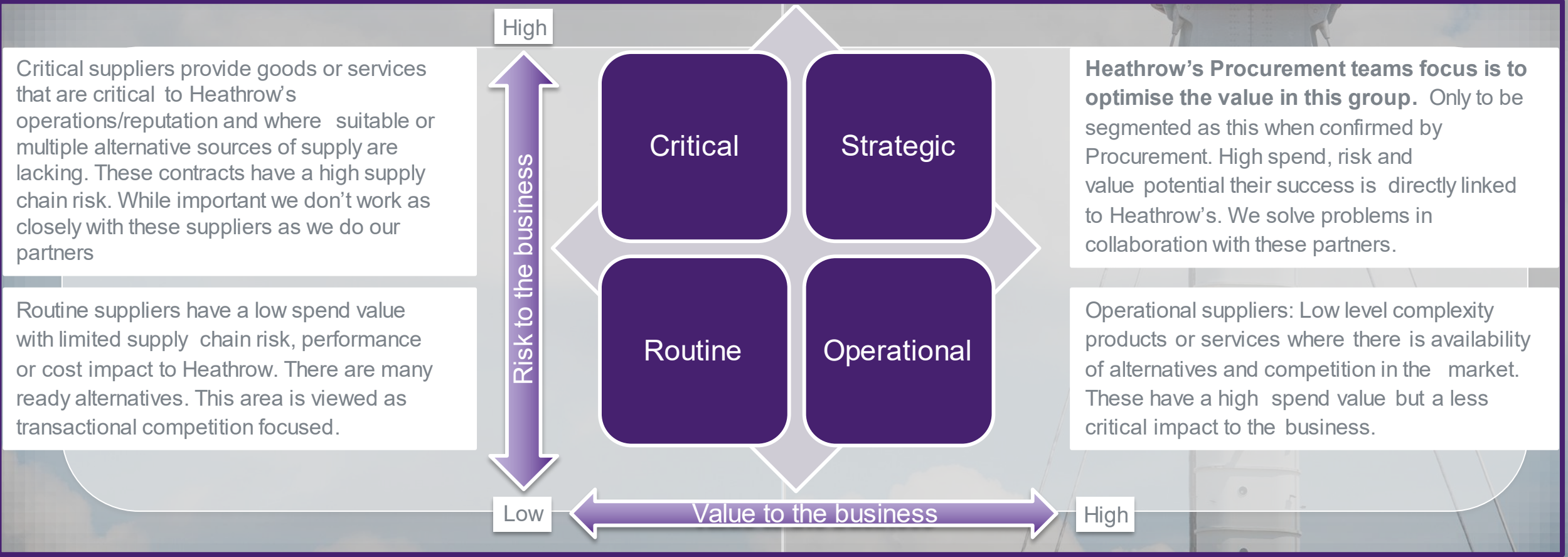


2. Supplier Segmentation

Supplier segmentation is the process of categorising suppliers into different groups based on key criteria. An essential tool in supply chain management it enables us to optimise our supplier relationships, reduce risk, and improve overall supply chain performance.

It is integral to QVC as there are proportioned requirements for each segment allowing both parties to build a more collaborative working relationship.

If you are not aware of which category you fall into regarding supplier segmentation, please reach out to your procurement point of contact for confirmation.



3. Our QVC Foundations

Our critical non negotiables form our Foundations. They underpin everything we do and license to operators of Heathrow.

Our Foundations are:

- Safety, Security and Compliance
- Service and Operations
- Governance and Financial Resilience

These foundations are translated into Heathrow's Qualifying Value Criteria (QVC), which sets a standard across all suppliers in a proportionate way. It sets a starting foundation across all new suppliers to Heathrow, ensuring they represent, or are prepared to work towards, the necessary characteristics Heathrow requires.



3.1. Introduction to QVC

The Qualifying Value Criteria (QVC) has been created in response to our Heathrow's Foundations and Procurement Strategy to establish a baseline standard that all our suppliers must meet to propose goods, works or services to Heathrow.

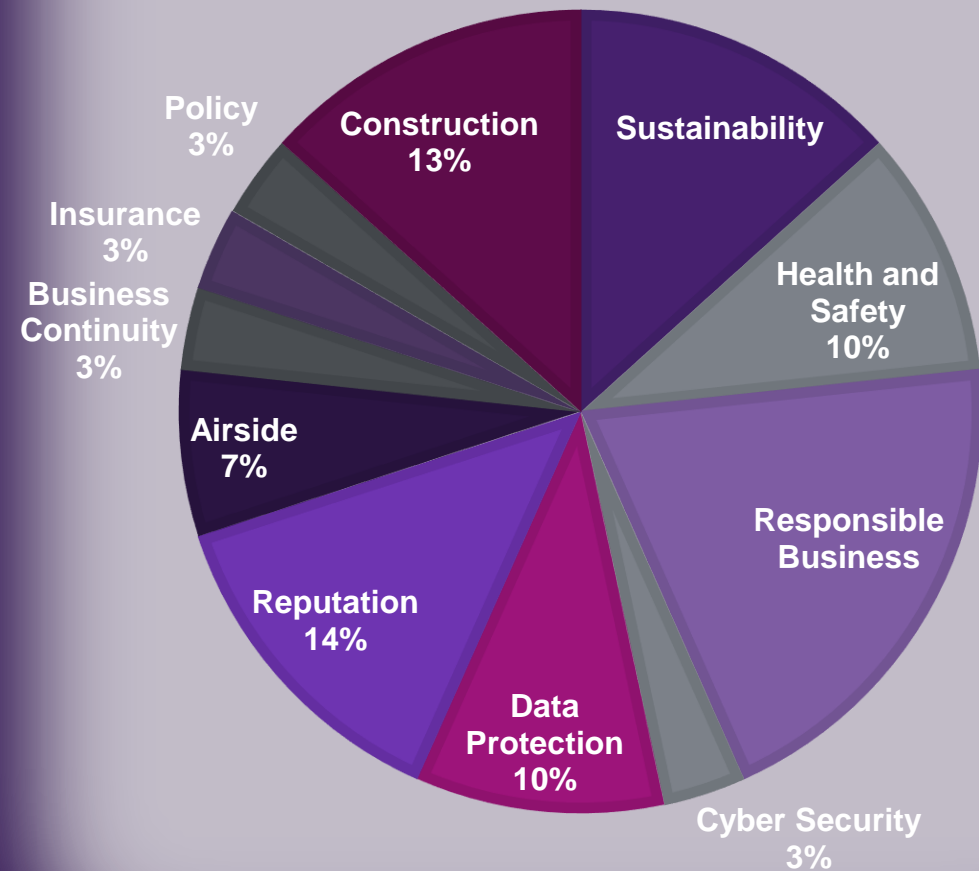
If you are unable to initially meet these required QVC, you can receive a discretionary pass, committing to improve capability over a defined period as to not exclude any supplier who wishes to add value at Heathrow and who holds the appropriate intent. In return Heathrow will support the supplier as they seek to improve and target "better"

On completion of the QVC process your answers will become commitments between us which we contract upon. Those commitments will be tracked through our work together and remain a standard to be monitored and upheld.

**The QVC question proportions shown on the right are that of the entire QVC questions set. Suppliers will only be asked to answer those applicable to your goods, works or services and segmentation*

QVC QUESTION PROPORTIONS

- Sustainability
- Health and Safety
- Responsible Business
- Cyber Security
- Data Protection
- Reputation
- Airside
- Business Continuity
- Insurance
- Policy
- Construction



3.2 QVC Questions

The QVC questions set out the key principles and standards at Heathrow. You will encounter the QVC questions at the Proposal Stage, you will see they are designed as simple yes/no responses to give a clear picture of how each potential supplier matches against our vital requirements.

The purpose of the yes/no questions are to identify which suppliers currently comply with our QVC - and who is willing to work towards the required characteristics. Only those who pass these entry-level requirements can be considered for further evaluation. This streamlined approach helps maintain efficiency for both Heathrow and interested suppliers throughout the procurement process.

Whilst the initial set of questions serves to identify if a supplier operates or can achieve the minimum acceptable criteria, more comprehensive and detailed questions are posed at later stages of the procurement process, such as the Pre-Qualification Questionnaire (PQQ) and/or Request for Proposal (RfP) phases.

These later stages involve a more in-depth evaluation of your business, alignment with Heathrow's Values and ability to deliver on scope specific requirements.

A large passenger aircraft is parked on a tarmac. In the foreground, there is a white ground support vehicle (GSV) with yellow and black hazard stripes. The GSV has "AT1002" and "MENZIES AVIATION SCHODE" written on it. A person in a high-visibility vest is walking to the left. The aircraft has "St Pappin" written on its side. The background shows other aircraft and airport buildings.

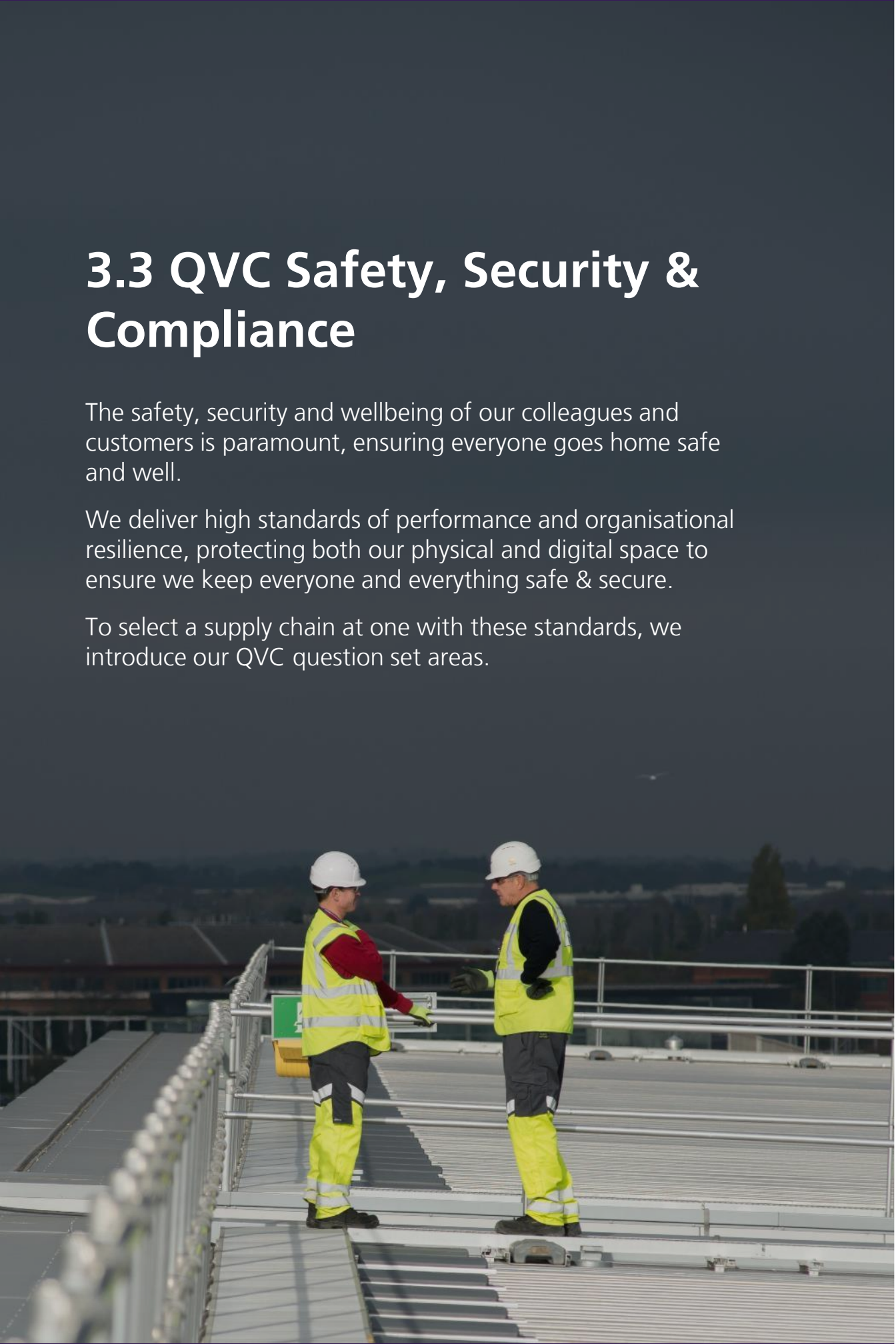
“A key aim of the QVC is to safeguard the airport while building supply chain capability. Those continuing on our procurement process can do so with the confidence they have the entry level quality characteristics to be successful”

3.3 QVC Safety, Security & Compliance

The safety, security and wellbeing of our colleagues and customers is paramount, ensuring everyone goes home safe and well.

We deliver high standards of performance and organisational resilience, protecting both our physical and digital space to ensure we keep everyone and everything safe & secure.

To select a supply chain at one with these standards, we introduce our QVC question set areas.



Safety, Security and Compliance
Health and Safety
Measure health & safety culture and systems
Documented health and safety policy
Incident / near miss / close call reporting
Cyber Security
Agree to collaborate with Heathrow in the event of an incident
Data Protection
Adherence to data protection legislation
Agree to follow Heathrow instruction
Agree to not cause Heathrow to breach data protection legislation
Airside
Acceptance and adherence to airside operations license
Acceptance and adherence to ground operations license

**Not all the questions above will be applicable to every supplier. You will only be asked to answer those that are applicable to your goods, works or services and segmentation – this is the full list*

3.4 QVC Governance & Financial Resilience

As the UK's gateway to the world, it is important for our countries growth that Heathrow is investable and affordable. Commercial leadership, and our reputation must be at the forefront of effective risk management with any partnership.

We need our suppliers to have the same level of commitment to these principles in their practices. By focusing on comprehensive insurance coverage, you help us mitigate risks that could impact our shared business continuity. Your adherence to our policies ensures alignment with our high standards, which is crucial for protecting the reputation of Heathrow.

Moreover, maintaining a resilient supply chain is vital for our mutual success. We rely on you to have strong business continuity plans in place, so that operations can continue smoothly even in the face of disruption. This partnership in managing risks and upholding our shared foundations is essential for our long-term growth.

Governance and Financial Resilience
Insurance
Adherence to Heathrow's requested insurance requirements
Business Continuity
Hold and update a business continuity management policy
Reputational
Tax disputes
Employment disputes
Prosecutorial/ police probes
National media scrutiny
Policy
Adherence to Heathrow's policies

**Not all the questions above will be applicable to every supplier. You will only be asked to answer those that are applicable to your goods, works or services and segmentation – this is the full list*

3.5 QVC Service & Ops

Service and operational excellence are essentials to create an extraordinary airport fit for the future, importantly encompassing sustainability and responsible business foundations. Our commitment to these vital themes will be relentless so setting a solid baseline expectation of requirements helps future suppliers understand our ambition.

In the day-to-day running of our airport, we must ensure that our operations are not only efficient but also sustainable and ethically grounded. This means integrating sustainable practices into significant aspects of our business, from construction to operations to our technology, ensuring that we are building a responsible resilient future.

As a supplier it is important to us that you to share our commitment to operational excellence, sustainability and responsible business foundations. Only through this alignment can we deliver exceptional value to our customers, progress sustainability and achieve long-term success.

Service and Operations
Sustainability
Adherence to Heathrow's balanced scorecard
Waste Management Capabilities
Korn Ferry self-assessment
Initiate work experience opportunities
Ability to calculate and report of SMEs within your supply chain
Report on ZEV requirements
Report of ZEV requirements for plant vehicles
ZEV operational commitments
Carbon reporting capability
Construction
Pas 2080 compliance
Removal of diesel from site
Carbon intensity for building materials
Use of equipment with EPDs
Responsible Business Foundations
Modern Slavery Statement
Sedex sign up
Prompt Payment Code (PPC)
Zero hour contracts
London Living Wage / Living Wage (LLW/LW)
iSupplier

**Not all the questions above will be applicable to every supplier. You will only be asked to answer those that are applicable to your goods, works or services and segmentation – this is the full list*

3.6 Question Formats

Pass / Fail Answer

Pass / fail answers are the core of the QVC question sets and are designed to assess whether a supplier meets the minimum value criteria expected for working at Heathrow. Additionally, the pass / fail questions serve as commitments, confirming that you either currently adhere to or will adhere to certain standards, as detailed in each question. The QVC commitments are explained further on the following page.

Discretionary Pass Answer

Discretionary pass answers offer flexibility within our pass/fail criteria, recognising the diverse nature of our supply chain. We understand that not all suppliers will meet our criteria right away. The discretionary pass provides an opportunity for a supplier to work towards meeting these standards while still being able to proceed through an RFP. Much like the pass / fail questions, these discretionary pass answers serve as QVC commitments, confirming that you look to adhere to certain standards within a certain time frame.

Indicators

Indicator questions and answers are not scored in the QVC but are used to understand how well a supplier might align with our standards and values. Unlike pass / fail criteria, indicator questions offer insights into broader trends and tendencies that may not be immediately measurable but are valuable for Heathrow in anticipating and planning for the future performance and compatibility within our supply chain.



4. Contract Levers

Each response you provide to our QVC questions is recorded on our Oracle system (Theo) and used to establish your QVC commitments. All responses given at the Proposal Stage represent commitments you are making to either achieve or maintain specific standards across key business areas including health and safety, security, cyber and sustainability to name a few.

These commitments will be documented in the QVC Commitments and Tender Commitments schedule, which will be found in the contract terms. By doing so, you are making a contracted commitment to do what you have said you will.

This process not only formalises your obligations but also supports a transparent and accountable relationship, reinforcing our mutual dedication to excellence and compliance.

Heathrow reserves the right following QVC to make decisions on whether to progress or remove suppliers from a process.

If you would like to get in touch, whether it is to discuss upcoming opportunities to tender at Heathrow or to bring to our attention your service of offering please email:

procurement@heathrow.com

