

Responsible Procurement Charter





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Introduction and Purpose

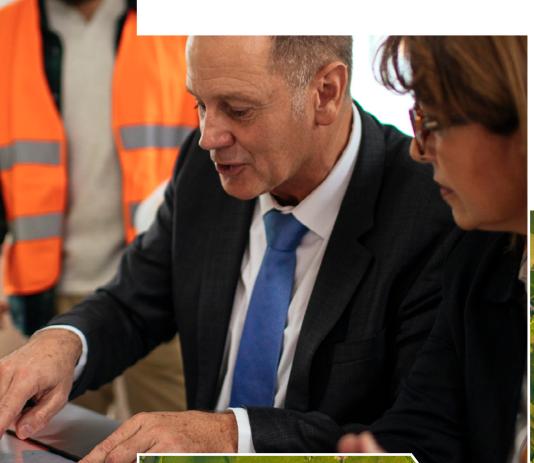
The purpose of this Charter is to capture and communicate UKRI's strategic values, legislative obligations, policy direction and guiding principles across a number of themes which constitute Responsible Procurement. Importantly the Charter articulates how both UKRI and UK government strategy/policy direction align with, and inform UKRI procurement strategies within the scope of Responsible Procurement. The use of the term 'Responsible Procurement' is intended to broaden the scope from using a term such as Sustainable Procurement, to align more with a Corporate Social Responsibility (CSR) approach, which often is referred to as including the following three elements:-

- 1) Ethical Responsibility
- 2) Environmental Responsibility
- 3) Economic Responsibility

The use of the word 'responsible' demonstrates that UKRI takes seriously its obligations, its adherence to standards and commitments, acting as a steward across the following six themes:-

- 1) Environmental Sustainability
- 2) Health and Safety in Supply Chains
- 3) Equality, Diversity and Inclusion (EDI)
- 4) Communities
- 5) Supply Chain Resilience
- 6) Business Ethics

UKRI's position as the UK's steward of research and innovation enables the organisation to be at the forefront of driving changes towards being more responsible in how it manages its people, suppliers and resources employed within its supply chains, for example, noting UKRI's commitment to Net Zero by 2040.





The six themes listed above are intentionally generic to ensure that as strategic direction changes, legislation and specific detailed policy changes, either from within UKRI or directed from Government, that this document can sufficiently evolve without deviating materially from its form and structure. This ensures the Charter is a living document for UKRI, its partners and its suppliers.

The following sections set out the strategy and policy context with appropriate links to the relevant documents which should be considered under each of the Responsible Procurement themes, and what it means to UKRI and its suppliers, listing guiding principles to abide by when developing procurement strategies. 'Lead responsibility' noted within each theme identifies the individual role or team who should be consulted and have input to the development of procurement strategies, specifications, evaluation of tenders and contracting input depending on the Responsible Procurement Impact Assessment (see RPIA Tool).

Support for staff

A cross Council working group has been established to develop tools, guidance and training for staff to support with the implementation of this charter. We recognise that change takes time and will take a phased approach to internal implementation. The working group will further develop the Responsible Procurement Impact Assessment tool and pilot it ahead of wider dissemination to all UKRI staff and to UKSBS.

Support for Suppliers & Assurance

In addition to guidance for staff the Charter also sets out new UKRI expectations on suppliers. UKRI will take a phased approach to implementation of these new requirements. Supplier assurance against these new requirements will be undertaken by auditors using an agreed methodology which ensures sampling cuts across procurement categories and supplier tiers. A detailed approach to this assurance will be agreed over the course of 2023 and communicated to suppliers alongside advance notification of the Charter.

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Theme 1: Environmental Sustainability

What it means to UKRI:

Environmental sustainability relates to UKRI's responsibility to make a positive environmental contribution, while minimising environmental harm. It is UKRI's ambition to 'embed sustainability in everything we do'. Our six priorities are:

- decision making and engagement;
- carbon reduction;
- sustainable procurement;
- efficient use of resources;
- fostering a healthy living environment;
- interacting with the physical environment

Government Policy to adhere to:

Procurement Policy Notice 06/21: Taking Account of Carbon Reduction Plans

<u>Public sector annual reports: sustainability reporting quidance</u>

Social Value Act guidance and resources

UKRI Strategy & Values:

<u>UKRI Environmental Sustainability Strategy</u> <u>UKRI strategy 2022 to 2027 – UKRI</u>

Guiding Principles (we are committed to):

- 1. Identifying where through procurement, UKRI can have a positive contribution to the natural environment; including through influencing our supply chain to work towards a net-zero carbon target and wider sustainability ambitions.
- 2. Undertaking selection and evaluation so that suppliers who can demonstrate an understanding of; and commitment to reducing their operational and supply chain's environmental footprint are recognised. To include but not limited to:
 - a. Conservation of resources
 - b. Waste minimisation
 - c. Reduction in carbon footprint
 - d. Pollution prevention to the natural environment



- 3 Drafting contracts to encourage sustainable supplier selection and monitoring, whereby the material environmental impacts of a requisition are considered, evaluated and measured at the outset and reported on during the contract, as appropriate.
- 4. Setting contractual arrangements so suppliers are obliged to provide improvement plans to understand and help reduce the carbon footprint and wider environmental impacts of their supply chain.
- **5.** Partnering with key suppliers, where mutually beneficial, to co-develop and deliver environmental improvements to products, services and works. Such opportunities should align with the ongoing environmental sustainability objectives of UKRI.
- 6. Ensuring that 'value for money' assessments look beyond the upfront financial cost of procuring a product or service. Assessments will consider social, economic and environmental benefits and costs of a product or service over its whole life, in line with Green Book guidelines. Assessment will also consider the strategic benefit of the procurement to UKRI, for example, helping UKRI to meet its net zero commitment.
- 7. Working towards whole life costing as standard in UKRI for when comparing the costs of buying, renting or leasing a contract for products, services or works in line with <u>Green Book</u> guidelines.

What this means for suppliers:

 As a supplier to UKRI you can evidence that you share UKRI's ambitions to work towards a net-zero target, and have in place an environment policy which reflects your material environmental impacts, agreed by senior management.

- organisation's carbon reduction targets (for your own operations). Including evidence that your targets have been approved by senior management within your organisation to demonstrate a clear commitment to emissions' reduction at the highest level, and there are arrangements in place for target tracking.
- 3. You will be able to demonstrate that your organisation has a plan to address sustainability of your supply chain, including how and when you include sustainability criteria in the assessment and selection of suppliers.
- **4.** You can demonstrate how you obtain evidence that the products and services you provide to UKRI are responsibly and ethically sourced, and be able to demonstrate continuous improvement in this area.

UKRI's Responsible Procurement Charter applies to all values of procurement, not just those over £5m. Appropriate evidence gathered to meet PPN 06/21 can be used as evidence of meeting this Charter. We expect the quantity of evidence to be proportionate to the scale and nature of procurement.

Good Practice:

Sustainable procurement:

the Government Buying Standards (GBS) - GOV.UK (www.gov.uk)

Lead (UKRI Responsibility):

UKRI Environmental Sustainability Team

Theme 2: Health and Safety in Supply Chains

What it means to UKRI:

Health and Safety in Supply Chains relates to UKRI's responsibility for the health, safety and welfare of all those who support the delivery of UKRI's activities and outputs, be they contractors, or others to whom we owe a duty of care, and those who may be affected by our activities. We are committed to always conducting our business in a manner that prevents the injury and ill health of our employees and those working in our supply chain.

Government Policy:

Health and Safety Legislations

UKRI Strategy & Values:

<u>UKRI Health and Safety Policy Statement</u> <u>Health and safety policy – UKRI</u>

Guiding Principles (we are committed to):

- So far as reasonably practicable not compromising on health and safety in the procurement of products and services employed by UKRI.
- 2. Complying with applicable health and safety legislation within the United Kingdom for the procurement of products and services employed by UKRI in the UK.
- 3. Where procurement relates to overseas operations, as a minimum, UK health and safety standards will be applied where reasonably practicable, or the host nation's standards where they at least meet or exceed those adhered to in the UK.
- **4.** Collaborating with our supply chain to ensure UKRI is provided with products services that support the health and safety of our operations.



- 5. Making clear through our procurement processes, documentation and contracts, the mandatory requirements with regards to health and safety in procuring products and services.
- **6.** Operating evaluation and selection processes that assess the effective health and safety management systems of suppliers and a commitment to improving the health and safety of products, services and works supplied to UKRI operations.
- 7. Ensuring relevant UKRI employees engaging in procurement processes have the appropriate competence to ensure products, services and works are provided safely to UKRI.

Supplier Charter (what this means for suppliers):

1. As a supplier to UKRI, you will comply with applicable safety legislation within the United Kingdom. Where procurement relates to overseas activities, as a minimum, you will adopt UK standards where reasonably practicable or the host nation's standards where they at least meet or exceed those adhered to in the UK.

- 2. You will provide all health and safety documentation, safety data sheets, risk assessments, method statements, etc. where relevant, to the products, services and works being supplied to UKRI.
- 3. You will ensure that all of your employees and your subcontractors who are involved in the delivery of products, services and works to UKRI are competent to undertake their work safely and that they receive a safety induction to the UKRI sites where they undertake work.
- **4.** You will advise UKRI where products services and works require UKRI to be licensed and/ or authorised prior to their delivery or commencement.

Minimum Standards:

Health and Safety Checklist

Lead (UKRI Responsibility):



Theme 3: Equality, Diversity and Inclusion

What it means to UKRI:

Equality, diversity and inclusion relates to UKRI's responsibility to ensure equality of opportunity, the diversity of our workforce and that individuals reach their full potential and feel valued. We work with suppliers that share our commitments to equality, diversity and inclusion.

Government Policy:

Equality Act 2010
Public Sector Equality Duty
Section 75 of the Northern Ireland Act, and related legislation
R&D People and Culture

UKRI Strategy & Values:

EDI strategy and action plans - UKRI
UKRI workforce equality, diversity and
inclusion plan 2022 to 2026 - UKRI
Equality Diversity Inclusion Policy UKRI
strategy 2022 to 2027 – UKRI
Bullying and Harassment Position Statement
Workforce EDI Plan (DRAFT)

Guiding Principles (we are committed to):

- **1.** Treating suppliers (and potential suppliers) fairly, and with respect.
- **2.** Ensuring equality and fairness in our procurement processes and practices.
- **3.** Ensuring our processes and procedures do not allow bullying, harassment or unlawful discrimination of any kind, and encouraged good relations between those with protected characteristics, and those without.
- **4.** Seeking to work with suppliers that can demonstrate a commitment to equality, diversity and inclusion of their employees, supply chains and customers.

Supplier Charter (what this means for suppliers):

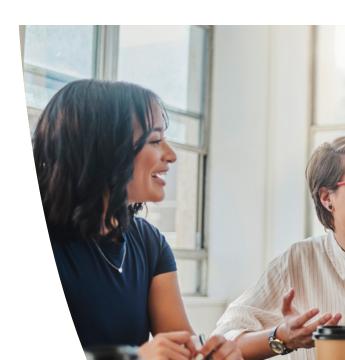
- As a supplier to UKRI, you will ensure and demonstrate that you do not unlawfully discriminate in your employment practices or the provision of goods, services and works against those with protected characteristics under UK law.
- **2.** You will demonstrate a commitment to equality, diversity and inclusion in your respective workplaces and supply chains.
- **3.** You will demonstrate commitment to good relations between people with protected characteristics in UK law, and those without.
- **4.** Your procurement activities reflect UKRI's approach to equality, diversity and inclusion.

Minimum Standards:

See EDI Policy (insert)

Lead (UKRI Responsibility):

UKRI Workforce EDI Team



Theme 4: Communities

What it means to UKRI:

'Communities' relates to UKRI's responsibility to positively address the challenges the communities we work with face. Our approach correlates to the key themes of the Social Value Model, where additional social and environmental value is sought within the contracts we place. We prioritise working with our suppliers on (UKRI's Key Themes).

- Tackling Economic Inequality;
- Fighting Climate Change;
- Equal Opportunity; and
- Wellbeing

Government Policy:

Procurement Policy Notice 06/20: Taking
Account of Social Value in the Award of
Central Government Contracts Procurement
Policy Note 05/15: Prompt payment and
performance reporting Procurement Policy
Note 14/15: supporting apprenticeships and
skills through public procurement
Procurement Policy Note 01/18: Supply
Chain Visibility

UKRI Strategy & Values:

UKRI Strategy 2022 to 2027 - UKRI



Guiding Principles (we are committed to):

- 1. Promoting training and awareness of social value and actively seeking additional environmental and social and benefits in the contracts we place, focusing on UKRI's Key Themes.
- 2. Supporting Micro and Small Medium-sized Enterprises (SMEs) as well as Voluntary, Community & Social Enterprises (VCSEs) to participate in delivery of our contracts.
- **3.** The prompt payment of our suppliers in line with the government prompt payment code, ensuring full compliance on payment terms for our Micro and SME suppliers.

Supplier Charter (what this means for suppliers):

- 1. As a supplier to UKRI, you will demonstrate additional environmental and social benefits of the goods and services you provide to UKRI, in line with UKRI's Key Themes.
- 2. You will ensure that fair and transparent contracts are in place with all members of your supply chain in the delivery of products and services to UKRI.
- **3.** You will comply with the government prompt payment code where the goods and services you provide to UKRI are subcontracted.

Minimum Standards:

Social Value – UKRI's Key Themes Prompt Payment Code

Lead (UKRI Responsibility):

UKRI Operational Governance

Theme 5: Supply Chain Resilience

What it means to UKRI:

Supply chain resilience relates to UKRI's responsibility to minimise the risk to UKRI and its stakeholders of supply chain disruption.

This is about adaptive capability and ability to protect UKRI activities and assets, through preparation, prevention, response to and recovery from disruption at any point in the supply chain. This is achieved through the effective management of risks that could prevent the timely delivery of the products and services in question. These risks include operational, technical, or financial failures of the supplier or extended supply chain; security and/or reputational compromises; and economic or political trading restrictions.

UKRI has a responsibility to minimise the risk of supply chain implications and the impact of loss of services, especially those considered important to business.

The process to achieve this includes:

- identifying supply chain elements that support or underpin business sensitive and critical activities
- adopting appropriate procurement strategies that ensure adequate protections or suitable alternatives are in place for these elements to reduce the impact of supply chain compromise or disruption.
- ensuring that the consequences of failing to deliver within tolerances specified within the contracts are clear to all parties.

Government Policy:

Procurement Policy Note 8/16: Standard Selection Questionnaire (SQ) template

UKRI Strategy & Values:

UKRI Strategy 2022 to 2027, UKRI Security and Resilience Strategy 2023 to 2026

UKRI Security Framework

UKRI Business Continuity Management Framework

Guiding Principles (we are committed to):

- Mapping out UKRI's critical activities' supply chain requirements and dependencies in a way that takes full account of their impacts on UKRI.
- 2. Identifying and managing the risks associated with UKRI's key contracts in keeping with UKRI's risk appetite.
- **3.** Managing expectations of suppliers regarding UKRI's service availability requirements and tolerance to disruption from the point of tender invitation through to clear commitments in contractual obligations.
- **4.** Requiring suppliers to demonstrate their capability to meet UKRI's security and resilience requirements and practices, where relevant, as part of supplier selection, supplier audits and ongoing supplier management.



- **5.** Ensuring suppliers are clear on their legal responsibilities in handling and securely protecting UKRI information (send, receive or store) now and in the future.
- **6.** Conducting ongoing assessments, due diligence, and monitoring of key suppliers to ensure resilience in our supply chain.

Supplier Charter (what this means for suppliers):

- As a supplier to UKRI you will provide assurance of your security and business continuity management arrangements and their ability to meet UKRI requirements with regards to the goods, services or works provided to UKRI.
- 2. You will ensure that UKRI information is protected at all times and securely handled (send, receive or store) now and in the future.
- **3.** You will work with UKRI to provide accurate and up to date information regarding changes to the risk landscape that could affect your ongoing business operations.
- **4.** You will work with UKRI to implement controls to reduce risks to within UKRI risk appetite levels.

- 5. You will commit to providing UKRI with the earliest advance warning of any risks and disruptions.6 You will work with UKRI to remain resilient
- **6** You will work with UKRI to remain resilient in periods of heightened risk or disruption, in line with the requirements of the specification and contract.

Minimum Standards:

Alignment to:

Government supplier assurance framework

Government Functional Standard GovS 007: Security

Best Practice:

National Protective Security Authority - <u>Supply</u> <u>Chain Guidance</u>

National Cyber Security Centre - <u>Supply Chain</u> <u>Security Guidance</u>

Defence Cyber Protection Partnership

ISO 22301:2019 (the International Standard on requirements for business continuity management systems)

ISO/TS 22318:2021 - Security and resilience

- Business continuity management systems
- Guidelines for supply chain continuity management

Government (Department for International Trade) Supply Chain Resilience Framework

Business Continuity Institute (BCI) Good Practice Guidelines (2018 edition)

UKRI Business Continuity Management Framework (relevant details to be outlined in contract schedules)

Lead (UKRI Responsibility):

UKRI Operations Directorate



Theme 6: Business Ethics

What it means to UKRI:

Business ethics relates to UKRI's responsibility to expect the highest standards and ethical conduct in all our work and supply chains. This includes complying with all relevant laws and actively managing the potential for corruption, bribery, conflicts of interest, unfair advantage, anti-competition, modern slavery and child labour to arise anywhere in our supply chain.

Commercial Arrangements

We are committed to ensuring transparency within our business and supply chain. We endorse the implementation and promotion of ethical business practices to protect our employees from abuse and exploitation and expect the same high standards from all our contractors, suppliers and other business partners.

Our approach to tackling modern slavery and human trafficking is consistent with our disclosure obligations under the Modern Slavery Act 2015. As part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. We expect that our suppliers will hold their own suppliers to the same high standards. Modern Slavery is considered at all stages of the procurement and contracting lifecycle, and not just as pre-qualification criteria.

Relevant Policies

UKRI operates a series of policies to mitigate ethical risks and outline the steps taken across its operations.

UKRI's Whistleblowing Policy encourages all its employees, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organisation.

For circumstances that may give rise to an enhanced risk of slavery or human trafficking, employees, customers or other concerned parties can also refer to the UK National Helpline at www.modernslaveryhelpline.org or call 0800 012 1700.





Government Policy:

Procurement Policy Note 0421: Applying exclusions in public procurement managing conflicts of interest and whistleblowing

<u>Procurement Policy Note 0519: Tackling</u> <u>modern slavery in government supply chains</u>

UKRI Strategy & Values:

Modern slavery and human trafficking statement

Preventing Harm Policy

Conflicts of Interest Policy

Gifts and Hospitality Policy

Whistleblowing Policy - UKRI

UKRI strategy 2022 to 2027 - UKRI

Guiding Principles (we are committed to):

- **1.** Undertaking fair and transparent procurement processes.
- 2. Maintaining the highest level of ethical standards in the delivery of our contracts; including but not limited to adhering to our policies for modern slavery, human trafficking, preventing harm, and managing conflicts of interest.
- **3.** Not tolerating bribery, corruption, or anticompetitive activity of any kind.
- **4.** Declaring any gifts in line with our policies. Not accepting gifts, payments or hospitality to encourage or reward a business decision.

- **5.** Identifying and managing situations where there could be potential conflict of interest.
- **6.** Carrying out appropriate audits of our suppliers, as is necessary to verify compliance.

Supplier Charter (what this means for suppliers):

- As a supplier to UKRI you will follow relevant procedures and processes when working with UKRI.
- **2.** You will respond to any requests for supporting information, where requested.
- **3.** You will commit to not offering, giving or accepting anything of value that may be viewed as influencing business decisions.
- **4.** You will declare any potential conflicts of interest as soon as they are known.
- **5.** You will comply with all applicable laws relating to the prevention of bribery, corruption, fraud tax evasion or similar or related activities.
- **6.** You will comply with competition (antitrust) laws in the countries where we operate or sell product or services

Minimum Standards:

Modern Slavery Statement

Conflict of Interest Policy

Lead (UKRI Responsibility):

UKRI Operational Governance







- **9.** What is the ability of particular markets to deliver beyond the obligations and legislation?
- **10.** How much data is available across the respective supply chains?
- 11. Does the proposed contract delivery scope contribute to a longer-term plan to innovate within a particular market? Does UKRI have a strategy to develop a particular market to be more responsible?
- **12.** What influence and leverage does UKRI have within the respective markets and wider supply chains?
- **13.** Is there a projected cost of exceeding what is obligated and mandated? i.e. What is the "Responsibility Premium"?

The answers to the above questions in the context of each of the themes will enable a Responsible Procurement Impact Assessment (RPIA) to ascertain the level of responsibility UKRI will take towards respective procurement strategies. These assessments will be driven by the UKRI Commercial team in the preprocurement stage (directed to UK SBS for

specific Common Goods and Services).

A high scoring RPIA assessment for a particular theme will trigger the requirement for more involvement from the identified Lead in development of the procurement strategy, in particular towards the following:-

- a. Specification development
- b. Selection and Evaluation criteria
- c. Development of specific tender questions
- d. Key performance indicators
- e. Contract Management Plan
- f. Assisting with evaluation of tenders
- g. Business case contributions to the Commercial Case (and wider)

The example below illustrates comparable considerations for the procurement of a variety of goods and services:

	Responsible Procurement Themes					
	Env. Sus.	H&S	ED&I	Comm.	Sc. Res.	Bus. Ethics
Waste Collection	High	High	High	Medium	Medium	High
Super Computer	High	Low	Medium	Low	High	Medium
Building and maintaining a ship	High	High	Low	High	High	Medium
Managing Consultants	Low	Low	High	Low	Low	High
Pencils	Low	Low	Low	Low	Low	Medium
Construction of a new building	High	High	High	High	High	High



UKRI Responsible Procurement Glossary

Reference	Responsible Procurement Charter – page reference	Definition	
Anti-competition	14	To prevent or reduce competition in a market	
BCI	13	Business Continuity Institute	
Business Continuity Management	12	A holistic management process that identifies potential threats to a business/organisation and the impacts to operations those threats, if realised, might cause, and which provides a framework for supporting and building organisational resilience through preparation, prevention, response and recovery measures.	
Business Continuity		The capability of a business/organisation to continue its delivery of products or services to acceptable levels following a disruptive incident	
Business Continuity Arrangements		Strategies, plans, actions and capabilities that a business or organisation can implement to ensure operational performance is adequately protected and/or can be maintained to appropriate levels in times of crisis or disruptions.	
Carbon footprint	6	The amount of carbon dioxide released into the atmospher as a result of the activities of a particular individual, organisation, or community.	
Carbon reduction	6	Carbon reduction is the process where an organisation directly reduces greenhouse gas emissions through efficiencies	
Commercial Arrangements	14	A legally binding contract between two parties where they are required to do or refrain from doing something.	
Contract Management Plan	17	A document that outlines how a contract will be manged from the start to the finish. It includes roles, responsibilities, and expectations of all parties involved.	
CSR	4	Corporate Social Responsibility	
Economic Inequality	11	The unequal distribution of wealth and opportunity between different groups in society	
EDI	10	Equality, Diversity and Inclusion	
Environmental harm	7	Any disruption to the natural environment	
Environmental Sustainability	4	The responsibility to conserve natural resources and protect global ecosystems to support health and wellbeing, now and in the future	
ISO 22301:2019	13	The International Standard on requirements for business continuity management systems	

Reference	Responsible Procurement Charter – page reference	Definition			
Modern Slavery 14		The severe exploitation of other people for personal or commercial gain.			
MSAT	_	Modern Slavery Assessment Tool			
Net Zero	4	A target of completely negating the amount of greenhouse gases produced by human activity, to be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere			
Operational Resilience		The ability of an organisation/business to prevent, withstand adapt or react effectively to the risks that could cause unplanned disruptive events that adversely affect its people, property, operational performance and/or, reputation.			
PPN	7	Procurement Policy Note- a UK government policy			
Procurement lifecycle		The sequence of steps involved in the procurement process from the start to the end. It involves the steps required from your first interaction with the potential suppliers until the delivery of goods are put to use by the appropriate department within the organisation.			
Procurement strategies	16	The act of acquiring or purchasing services or goods on a large scale			
Responsible Procurement	4	The act of sourcing services, supplies, and/or works in line with our corporate values – maximising the benefits to society and the environment.			
RPIA	5	Responsible Procurement Impact Assessment			
SME	11	Small Medium Enterprise			
Specification development	17	A phase in which measurable criteria are developed to evaluate design concepts			
Supplier Assurance	5	The process of ensuring the quality of the materials and services provided by the suppliers.			
Supplier Selection	7	The process of selecting a supplier to meet the specifical and needs of an organisation based on the assessment of the supplier's capabilities			
Sustainable Procurement	6	The acquisition of goods and services in an environmentally friendly manner			
UKRI	4	UK Research and Innovation			
UKSBS	5	UK Shared Business Services			

Reference	Responsible Procurement Charter – page reference	Definition
Unfair advantage	14	An attempt to acquire an advantage or to impose a disadvantage in a manner which violates a standard of conduct
VCSE	11	Voluntary, Community & Social Enterprise
Waste minimisation	6	A waste management approach that focuses on reducing the amount and toxicity of hazardous waste generated.
Whistleblowing Policy	14	The reporting of information regarding wrongdoing
Whole life costing	7	A technique used to assess the total cost of an asset over its whole life, taking account of its initial cost and the costs of its operation, maintenance, repair, upgrade and disposal





