

PROCUREMENT POLICY STATEMENT

Purpose

This policy is designed to ensure that the procurement of goods and services meet the objectives of the Procurement and Value for Money Strategies and are delivered in a structured way to meet legislative requirements and the Group's Financial Regulations.

Scope

The scope of this policy covers the procurement of all good and services including:

- Good and materials
- Advice and consultancy
- Development
- Construction and maintenance works

Related documents

This procurement strategy should be read in conjunction with the following documents:

- Procurement Strategy 2014-2017
- Procurement procedure
- Strategic Plan 2014-2017
- Asset Management Strategy 2012-2016
- Financial Regulations
- Value for Money Strategy
- Risk Management Strategy
- Probity Policy
- Equality and Diversity Strategy
- Safeguarding Policy and Procedure

Definition

Procurement is defined as:-

“The process of acquiring goods, works and services, covering both acquisitions from external third party suppliers and in-house providers. The process spans the whole cycle from identification of a need through to the end of a contract, or the end of the useful life an asset.

It involves option appraisals and the critical ‘make or buy’ decision which may result in the provision of services in-house in appropriate circumstances.”

“Procurement is a key means of improving VFM when it is done well”.

Key Objectives

<i>Value for Money:</i>	To achieve optimal value for money through effective procurement.
<i>Customer Focus:</i>	To ensure that procurement is aligned with the needs of our customers and that our customers are appropriately involved in procurement activity.
<i>Delivering Excellence:</i>	To ensure that staff have sufficient skills and training to able to undertake effective procurement activity.
<i>Consistency:</i>	To ensure good practice examples are identified and procurement applied consistently across the group.
<i>Review:</i>	To ensure that current and future procurement activities are planned, monitored and reviewed effectively.
<i>Opportunities:</i>	To identify opportunities for delivering work ‘in-house’ and work through partnerships, in order to widen the scope for maximising purchasing power and identifying innovation.
<i>Internal Compliance:</i>	Ensure that the Financial Regulations and all procurement process are fit for purpose and that they provide a framework for ethical procurement, which ensures probity and protects the interests of the organisation and individuals involved in procurement.
<i>External Compliance:</i>	Ensure that relevant legislation appertaining to procurement is adhered to.

Financial requirements

The Group’s Authority Level Tables contained within the Financial Regulations are to be observed during all procurement activities.

Link to - [Financial Regulations](#) (including tables)

The following table sets out the correct approach by estimated value of works or service contract:

Value of work / contract excluding VAT	Value of work / contract including VAT	Procurement approach
Under £2,000	Under £2,400	One reasonable quote
£2,001 – £10,000	£2,401 – £12,000	Best value for money from two quotes
£10,001 – £40,000	£12,001 - £48,000	Best value for money from three quotes
£40,001 - £173,934	£48,001 – £208,720	Minimum of 3 tenders or procurement club
Over £173,934	Over £208,720	See table overleaf.

Where contracts for works or services exceed certain limits the European public contracts directive (2004/18/EC) applies. The directives set out detailed procedures for the award of contracts whose value equals or exceeds specific thresholds. This requires the contract to be published through OJEU (Official Journal of the European Union) and applies to all tenders from the public sector which are valued above a certain level.

Details of the thresholds, applying from 1st January 2012 are given below. Thresholds are net of VAT.

Type	Example items	Financial thresholds
Supplies	Purchase, hire lease or hire purchase of goods including equipment, commodities and manufactured products.	£173,934 (excluding VAT)
Services	Procurement of a wide range of services including maintenance and repair, computer services, management consultancy, building cleaning and property management.	£173,934 (excluding VAT)
Works	Procurement of civil engineering and building works including major refurbishment projects.	£4,348,350 (excluding VAT)

Responsibilities

Approval of Policy – Board

Implementation of Policy – Directors / Head of Service

Delivery – Head of Service / Departmental Managers / Officers with Procurement responsibility.

Date Reviewed	Oct 2014	Next Review Date:	Oct 2017
Reviewed by:	Head of Property Services	Approval By:	To be reviewed by Board
Consultation:	Leadership Team	Responsible Officer:	Director of Finance and Corporate Services
Distribution:	Intranet/Team/Schemes	Version no.	01