

Policy: Procurement Policy

Effective procurement of goods and services is crucial to achieving value for money and essential to providing a high quality service to our supporters and beneficiaries. This Policy outlines our procurement process including strategy, rules for tendering and ordering items and services for employees.

This policy applies to:

- All staff, including permanent and temporary colleagues, as well as colleagues on fixed term contracts.

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Document	Procurement Policy
Date	January 2020
Author (responsible for updates)	Procurement Manager
Approver	Chief Financial Officer
Date for review	January 2021
Equality impact assessment	

1. Introduction

This policy covers all aspects of the procurement process including the procurement strategy, the rules relating to tendering and the ordering of items and services for employees of Stroke Association.

2. Who does this policy apply to?

This policy applies to:

- **All staff**, including permanent and temporary colleagues, as well as colleagues on fixed term contracts.

3. Procurement Strategy

Stroke Association currently spends around a 30% of its total annual budget on the procurement of goods, services and works. The effective procurement of goods and service requirements is crucial to the achievement of best value and essential to providing high quality service to our customers and delivering Stroke Association aims and objectives.

We will:

- Maximise the use of our own procurement resource to lead, manage and support related activity across the Stroke Association organisation. The Procurement Team will also provide the central point of professional and procedural reference for all procurement and associated contractual activity. The Procurement Team will offer expert guidance on best practice to staff prior to submitting purchase order requests and contract management.
- Where appropriate follow a partnering approach in which both the Stroke Association and the supplier seek to gain maximum mutual advantage through longer-term relationships and continuous improvement. For contracts greater than £50,000 in value, it will be normal practice to measure outcomes rather than inputs using agreed key performance indicators and contract management techniques.
- To ease the ordering process for the end user Procurement will set up contracts and/or frameworks for the Stroke Association, and publish a list of preferred suppliers for the end user to utilise. Where no such arrangements are available then any procurement should be undertaken via competition unless there are compelling reasons to the contrary.

4. Principles

Every purchase placed with a supplier or contractor will have an official purchase order accompanied by Terms and Conditions relating to the Supply of Goods or Services. Invoices received will only be paid against valid purchase orders.

- All purchases of goods and services that are in common use will have a framework/contract in place. The end user will pull off their requirement from this existing framework/contract. Where a supplier is obtained under a third party framework the provisions of the framework including the Terms and Conditions of Contract take precedent over the requirements of this Policy and Procedures document since they will have formed part of the tender evaluation carried out by the Procurement Team or framework owner.
- If no framework/contract exists, end user is to use the Preferred Suppliers list at all times, which will be published on the intranet.
- If neither of the above exists, end users are to purchase locally, ensuring that best value for money is obtained at all times and the expenditure thresholds are adhered to as per 7.2.
- Ensure that in the purchasing of equipment, goods or services, Health and Safety obligations are incorporated and fully detailed in the Specification of Requirements. (Applies to all contracts.)
- Incorporate sustainability, equality and diversity, quality and safety as important criteria in the provision of all services procured. (Applies to all contracts.)
- Expect that all purchases take full account of ethical considerations and embrace equality and fairness requirements appropriate for a diverse workforce and community.
- Where appropriate consult with its staff in accordance with its established methods and ensure that the views of staff are considered when making procurement decisions that affect them.

5. Process Management

In managing the procurement process it is required that:

- Records and procedures are properly maintained, decisions are recorded and clear audit trails exist in order to ensure openness, propriety and probity.
- Resources relating to procurement will be kept under review as part of the Best Value cycle. The use of electronic and other means to reduce acquisition and transaction costs will be encouraged.
- The Procurement Team must retain all quotations or tenders for seven years.

6. Procurement Procedures

Each contract/purchase order will be authorised in accordance with the Stroke Association's delegated authority limits and shall comply with requirements of this Policy and Procedures document.

A purchase order will be raised through the finance system - please see finance process for further details.

Before placing an order with a contractor for the execution of works or the supply of goods and services, the procurement team or authorised employee shall obtain an estimate of the probable cost of executing the work in a suitable manner and of any probable associated annual cost.

No exception from any of the requirements of this Policy and Procedures document shall be allowed unless exceptional circumstances prevail.

7. Tendering and Framework Agreements

Where a framework agreement or preferred supplier does not exist the following expenditure thresholds and subsequent actions apply to aggregated expenditure. Where there is an on-going requirement for goods or services aggregate expenditure should be calculated over the life of the contract or four years whichever is the shortest:

7.1 Limits

- 7.1.1 £0 up to £2,000 – local purchasing delegated to the end user (the principles of Best Value apply. In addition, you must seek the best deal for the Stroke Association, and where practical obtain two competitive quotations.
- 7.1.2 £2,000 to £50,000 – Pass to Procurement Team who will obtain a minimum of three written quotations and/or market evidence of Best Value, in consultation with the end user. A mini-competition may be considered.
- 7.1.3 £50,000 to £500,000 – Pass to Procurement Team, who will conduct a full tender process, working with the end user. Procurement Team will obtain at least three tender responses.
- 7.1.4 Above £500,000 – Pass to Procurement Team, who will conduct a full tender process, working with the end user. Procurement Team will obtain at least five tender responses.
- 7.1.5 If deemed appropriate by Procurement Team a tender process or a mini-competition may be conducted under the value of £50,000.

7.2 Key Suppliers

7.2.1 Key Suppliers are those suppliers whose performance materially affects the ability of the Stroke Association to deliver its Vision, Aims and Objectives and whose failure as an organisation could prevent the delivery of important services to the public. The contracts register will identify key suppliers and the Finance Department will undertake annual financial assessments.

7.2.2 Procurement Team is responsible for:

- Producing a Mitigation Plan for each key supplier identifying what actions would be taken to ensure service continuity in the event of the failure of that supplier;
- Where we represent 33% of suppliers income, we are to Obtain a copy of the key supplier's Business Continuity Plan
- Holding an annual review meeting (or more frequently if appropriate) to review contractual performance (including Service Level Agreements), the market position of the supplier, future developments of both parties etc.
- This document should be reviewed and updated annually or more frequently if required and held centrally in Procurement.

7.3 Invitation to Tender (ITT)

7.3.1 Each ITT will incorporate a pre-qualification questionnaire, to determine all potential supplier's financial standing over the last 2 years. If the supplier is not able to produce such statements, management accounts will be requested. Finance Department will obtain a financial credit check.

7.3.2 Where the Stroke Association is tendering under a government compliant framework the supplier will not be asked to provide statement of accounts since their financial viability will have been assessed by the organisation setting up the framework.

7.4 Receipt and Opening of Tenders

7.4.1 Instructions for the receipt of quotations and tenders shall be contained in the invitation documents.

7.4.2 Hard copy of tenders are requested they should be submitted in a plain sealed envelope bearing no identifying marks or information other than the words 'Tender for -----' followed by the subject to which it relates and

properly addressed to the designated person, namely Procurement Team. All hard copy tenders shall be endorsed with the date and time of receipt and shall be opened at one time in the presence of the Procurement Team who will complete and sign the relevant form.

7.4.3 Please see thresholds below relating to who opens tenders:

- £50,000 to £500,000 - Procurement Team and SME (subject matter expert)
- £500,000 and above - Procurement Team, SME (subject matter expert) and Director/Corporate Governance or Trustee.
- High impact on organisation – Procurement Team, Corporate Governance, EDT and/or Trustee

7.4.4 The schedule of tenders shall be made available to any employee of the Stroke Association on request to the Procurement Team.

7.5 Acceptance of Tenders

All tenders above £50,000 and over the contract life will be assessed based on the Most Economically Advantageous Tender (MEAT) where factors other than or in addition to price, such as quality, technical merit and running costs are taken into account. It may still be appropriate to use MEAT criteria to evaluate tenders under £50,000 and the Procurement Team will advise.

7.6 Contracts Requiring Stage Payments

Where stage payments are required the tender specification, contract and purchase order should explicitly state the timing of each stage payment and the deliverables related to each payment.

7.7 Contract Renewal or Extension

Where a contract is renewed or extended and the value exceeds £50,000 over the contract life the Finance Team will be asked to obtain a financial credit check to validate the procurement continuing. This applies to awards under frameworks. Contract renewals are to only take place once without going through competitive process and will only be for a period of 12 months, unless advised by Procurement Team.

7.8 E-Tendering

Not currently implemented.

7.9 Rules and Best Practice

In respect of the rules and best practice, the following apply:

- 7.9.1 The Stroke Association has set and published standards for the conduct of employees and will require adherence to these at all times. In all dealings, those concerned with suppliers will ensure the highest standards of honesty, integrity, impartiality and objectivity. Refer to Bribery and Corruption Act 2010. Any person who does not comply will subject to disciplinary action. Employees are encouraged to complete Bribery Act module on STAR.
- 7.9.2 In dealing with suppliers and providers the Stroke Association will ensure that there is an equal opportunity, for all who meet the stated criteria, to participate in the bidding for requirements. Whenever requested unsuccessful applicants will be provided with the reasons why, and unsuccessful bidders will be given feedback.
- 7.9.3 In appointing contractors, the Procurement Team will appraise offers received on the basis of whole life costing and will seek an appropriate balance between cost and quality in the evaluation.

7.10 Prevention of Bribery and Corruption

- 7.10.1 The Stroke Association complies with all aspects of the Bribery and Corruption Act 2010. Any person who does not comply will subject to disciplinary action. Employees are encouraged to complete Bribery Act module on STAR.
- 7.10.2 Use of the Procurement Card
- 7.10.3 The use of the Procurement card will be governed by Purchasing Card Policy (to be reviewed)

The procurement team will review this Policy and Procedures document at least once every two years to ensure that it remains relevant.