



## Procurement Policy

### Policy statement

Procurement means the way that we buy the goods, services and work needed to support the work of the charity. At all stages of procurement, the charity uses procedures that are **fair, competitive and auditable** and that meet the relevant legislation.

This policy covers:

- appointment of (non-staff) personnel, such as consultants and contractors.
- purchase of all services, goods and equipment.

This policy is based on:

- principles of non-discrimination, fairness and transparency,
- the promotion of efficiency and effectiveness, and
- minimising risk to the charity and our beneficiaries.

### Policy

**Purchases estimated to cost £10,000.00 or more** will normally follow a **competitive procedure** based on invited proposals from a short list of qualified firms. The selection process for suppliers will normally involve the following steps:

- defining the scope, objectives and estimated budget, timescales, including any anticipated follow-on services and determining the selection procedure to be followed (the brief or specification)
- identifying suppliers that are qualified to deliver the required services and preparing a short list of qualified firms / people
- inviting proposals from the short-list
- evaluating and comparing capabilities and proposals and selecting the preferred consultant / supplier
- negotiating a contract with the selected consultant / supplier
- managing the process properly

Some of these steps may be simplified, depending on the value of the contract or services to be performed, for example:

**For contracts or purchases estimated to cost less than £3k**, a supplier may be selected directly, without the requirement to prepare a shortlist, and a contract negotiated with the selected consultant.

**For contracts or purchases estimated to cost £3-10k**, selection may be made on the basis of an evaluation of short-listed, qualified candidates / suppliers and the rationale for the choice must be recorded.

**Short lists** shall normally include no less than three and no more than six qualified and experienced consultants (individuals or firms, as the case may be). Ideally the list shall normally comprise at least one qualified consultant from the local area.

## Evaluation and Selection

When formal proposals are requested from a short list of suppliers, the invitation for proposals must clearly state the criteria for evaluating them. The evaluation of consultants should normally be based only on technical considerations including, but not limited to, experience in similar assignments, local experience and presence, qualifications of key personnel proposed for the assignment, and suitability and quality of the work plan.

For some assignments of a straightforward technical nature, the price of the services must be a consideration but **quality and value for money** should remain the principal factor in selection. When formal proposals have been requested, the supplier that submits the highest rated proposal should be selected.

In some circumstances it may be necessary or advantageous to engage or continue with a specific consultant where:

- the consultant has unique expertise or experience; or
- the consultant has been or is involved in the early phases of the project such as feasibility or design and it has been determined that continuity is necessary and no advantage would be gained from following competitive procedures; or
- additional services not included in the original contract have, through unforeseen circumstances, become necessary for the performance of the contracted services, on condition that those additional services cannot be technically or economically separated from the original contract without major inconvenience to the contracting authorities or when such services, although separable from the performance of the original contract, are strictly necessary for its completion.

## Governance and organisational capability

In the planning and development of major (capital) projects, it may be necessary to review the organisation's capacity skills and experience in procurement. The Charity should assess the strengths and weaknesses of the Board of Trustees, as well as of staff and volunteers, in this respect.

In some circumstances it may be necessary to set up a **dedicated procurement group** that has collective responsibility for overseeing the procurement and monitoring its progress and to take into consideration the following:

- being clear about the roles and skills required to oversee a complex procurement
- being confident you have these skills on the group
- establishing a process for ensures this.