

**PROCUREMENT
OF
GOODS / SERVICES**

Trim 68588

January 2008

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1. PURPOSE OF THE PROCUREMENT POLICY

The purpose of this policy is to ensure that:-

- The procurement activities undertaken by the NI Policing Board are based on value for money, propriety, transparency and integrity; and
- Staff and Board Members are aware of their roles and responsibilities in relation to the procurement of goods / services undertaken by them on the Board's behalf.

In order to fulfil its statutory requirements the Board will be required to procure a range of goods and services. It is essential that in doing so the Board is able to demonstrate that it has achieved value for money and has procured goods / services impartially and objectively.

When buying goods / services on behalf of the Board the "Conditions Attached to the Grant to the NI Policing Board to Defray its Expenses" should be taken into account in relation to the Board's delegated financial limits for goods / services.

1.1 Value For Money

Government Accounting defines value for money as "the optimum combination of whole cost and quality (or fitness of purpose) to meet the users requirements."

In procuring goods / services the Board will take into account not only the financial costs involved but also the other important considerations that underpin VFM including quality, durability, environmental issues, running costs, recycle-ability and disposal costs.

1.2 Legal Obligations

When undertaking procurement the Board will comply with its legal obligations. Legislation impacting on procurement includes -

- EC and international obligations;
- Specific domestic legislation;
- Contract and commercial law in general;
- Domestic case law; and
- Government and Treasury guidelines.

More detailed advice and guidance on the Board's legal obligations in relation to procurement activity is available from the Northern Ireland Office (NIO) Central Procurement Unit.

1.3 Procurement Policy Principles

Accountability

Effective mechanisms must be in place in order to enable Departmental Accounting Officers (DAO) and their equivalents in other public bodies to discharge their personal responsibility on issues of procurement risk and expenditure.

Competitive Supply

Procurement should be carried out by competition unless there are convincing reasons to the contrary.

Consistency

Suppliers should be able to expect the same general procurement policy across the board.

Effectiveness

The board should meet the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement.

Efficiency

Procurement processes should be carried out as cost effectively as possible.

Fair-Dealing

Suppliers should be treated fairly and without unfair discrimination, including protection of commercial confidentiality where required. The Board should not impose unnecessary burdens or constraints on suppliers or potential suppliers.

Integrity

There should be no corruption or collusion with suppliers or others.

Informed Decision Making

The Board will base decisions on accurate information and monitor requirements to ensure they are being met.

Legality

The Board must conform to European Community and other legal requirements

Responsiveness

The Board should endeavour to meet the aspirations, expectations and needs of the community served by the procurement.

Transparency

The Board should ensure that there is openness and clarity on procurement policy and its delivery.

2. ROLE OF NIO PROCUREMENT UNIT

The NIO Procurement Unit, located within the NIO, is responsible for establishing on behalf of the Board effective contracts for the procurement of goods / services and for providing advice and support to enable the Board to achieve value for money in procurement.

The Procurement Unit should be used as an initial point of contact for anyone requiring advice and support on the procurement of goods and services.

Specifically the Procurement Unit provides the Board with the following services:

- establishing contracts in compliance with procurement legislation;
- purchasing contract management;
- advice on procurement matters; and
- facilitating access to other procurement services and expertise as required.

The Unit, previously part of the Department of Finance and Personnel's Government Purchasing Agency (GPA), employs professionally qualified procurement staff. The unit continues to maintain links with GPA and has direct links with the Office of Government

Commerce. In carrying out procurement activities it complies with HM Treasury, the Office of Government Commerce and GPA guidelines.

Any procurement of goods / services where the value of the contract over its lifespan is over £10,000 should be done formally through the NIO Central Procurement Unit. The NIO retains accountability for the legal aspects of all contracts arranged by the Central Procurement Unit on the Board's behalf.

The Unit is also available to provide advice and guidance on procuring goods/services under the £10,000 threshold limit if required.

NIPB contact for NIO Procurement Unit is:-

julie.colville@nio.x.gsi.gov.uk

3. ROLE OF THE BOARD STAFF AND MEMBERS

When dealing with procurement, irrespective of the value of the goods / services being procured, Board staff and Members involved in the process should ensure that the highest standards of honesty, integrity, impartiality, transparency and objectivity are preserved at all times.

This is particularly important when individuals are involved in identifying the procurement requirements, determining the evaluation criteria and evaluating received bids. It is important that both the Board and the individuals concerned are protected from claims of favouritism or bias at all stages of the process.

In this respect it is essential that individuals should declare any personal or business interest which the public might reasonably think could influence an individual's judgment in the awarding of contracts or work.

Relationships With Suppliers

Individuals involved in the procurement process should ensure they comply with commercial confidentiality requirements and do not disclose information which may be advantageous or favourable to a particular supplier who is bidding for work, or information that has been provided by competitors.

Where a supplier with which the Board is dealing, or may in the future be dealing, makes an offer of hospitality, gifts or entertainment which a Board member or employee decides to accept the individual must notify Finance for it to be recorded in the Gifts and Hospitality register (see policy on Gifts and Hospitality).

This is in line with the Board’s “Code of Conduct for Board Members” but applies equally to employees of the Board. This disclosure requirement also relates to gifts / hospitality which are presented to Board Members’ and employees’ immediate family and persons living in the same house.

Disclosing Information

Information which may be beneficial, advantageous or favourable should not be disclosed to a potential supplier who is bidding for work. Where further information is supplied to a potential supplier, this information must be supplied in writing to all potential suppliers.

Disclosure of Interest form (Trim 38605)

Individuals involved in procurement should declare any personal or business interests. Any interests should be recorded on the Disclosure of Interest form and retained with the rest of the contract information.

4. FAIR AND OPEN COMPETITION

Government Accounting states that goods / services should be acquired by competition unless there are convincing reasons to the contrary.

Depending on the value of the goods / services being procured the following procedures should be applied:

Value Of Goods / Services	Action Required
£500 or less	Preferable to obtain minimum of 2 oral quotations
£501 – £2,500	Minimum of 2 written quotations required
£2,501 – £10,000	Minimum of 3 written quotations required
£10,001 - £20,000 over the lifetime of the contract	Minimum of 4 written tenders required – through Central Procurement Unit
Over £20,000 over the lifetime of the contract	Formal tender by public advertisement – through Central Procurement Unit
Over £100,000 over the lifetime of the contract	Formal tender by public advertisement including publication in the European Journal –through Central Procurement Unit

When arranging to procure specific goods or services consideration should be given to the number of years over which such items will be bought and their total cost over this period. The total value over the period determines the action required to be taken by the Board.

For example, where it is expected that a particular service will be required for a three year period at a cost of £10,000 per year (total value of £30,000) then a formal tender by public advertisement would be required. This is known as the “Aggregation Rule” and should be applied to determine what action to take when procuring good / services.

It should also be noted that invoice splitting should not be used to negate the need to seek formal quotations.

It is the Accounting Officer’s responsibility to determine the circumstances in which contracts can be awarded without competition. The reasons for awarding a contract without competition should be fully documented.

5. THE PROCUREMENT PROCESS

The following stages of the procurement process are applicable where the Board is required to undertake a formal procurement competition to obtain goods / services. They should be taken forward in conjunction with the assistance and guidance provided by the Procurement Unit.

5.1 Identifying Procurement Requirements

Staff and Members, assisted by the Procurement Unit, must accurately identify their requirements. The quality, standard and required output of the goods or services being procured should be agreed and recorded in a specification document.

5.2 Tendering Invitation

The Procurement Unit, on behalf of the Board, will source the market for suitable suppliers and will issue the tender document based on the Board’s specification.

It is policy that goods / services over the value of £20,000 will be subject to advertising. However, the cost of public advertising will be weighed up against the value of the contract to be awarded.

5.3 Tender Evaluation

The Board, supported by the Procurement Unit, will agree formal criteria against which tenders will be evaluated. In agreeing tender evaluation criteria the Board will not rely

solely on cost, but will take into account other VFM factors such as whole life cost, quality and delivery against price.

5.4 Roles Of Those Evaluating A Tender

When evaluating a tender the board will have at least two people carrying out the evaluation process alongside an observer from PU.

Any individuals who are involved in the evaluation process must declare any links or relationships that could perceive to be a conflict of interest in relation to their evaluation of particular tenders prior to undertaking any evaluation.

Canvassing by prospective bidders will disqualify a bidder from that particular tendering process. Those evaluating the tender should report all canvassing attempts to the Monitoring Officer.

5.5 Award Of Contract

The Procurement Unit, on behalf of the Board, will arrange for a contract to be drawn up between the Board and the successful supplier. The contract will be signed by the responsible officer on behalf of the Board.

5.6 Contract Register

The board currently hold a contracts register which is held in Finance. This register includes all contracts the board has awarded. Any new contracts should be included on the contracts register when the contract has been awarded.

5.7 Use Of Existing Government Contracts (Add On Contracts)

When making use of an add on contract the board will monitor the optional year dates and end date of any contract and ensure inclusion in the new tender process when an existing contract is about to expire.

An evaluation should take place on a regular basis to evaluate the performance of goods and services that are procured through an add on contract.

5.8 Supporting Documentation

The board must retain all relevant documentation in relation to the tender. Any information received from CPU on advice of any tender process should be in writing and retained. All information that forms part of the decision making process will be retained.

Documentation on unsuccessful tenders should be retained for seven years from the date the tender evaluation is completed.

Documentation on successful tenders should be retained for seven years from the date the last piece of information in relation to the contract is filed. This includes all information such as payments, memos letters, any correspondence whatsoever.

It is important to retain all evidence in a clear and comprehensive manner in order for an audit trail to be completed on the procurement process.

5.9 Contracts Awarded Without Competition (Single Tender Actions)

Goods and services should be purchased through competition and to permit suppliers the opportunity to compete for public sector business. As a consequence single tender actions (STA) should only be considered in exceptional circumstances where there are substantive and wholly defensible reasons for doing so. A shortage of time is not in itself justification for STA. Occasions when such action may be appropriate would normally include one or more of the following:

- The absence of alternative sources of supply (there must be evidence to substantiate this claim.

- The existence of propriety or specialist equipment

- Technical reasons

In all cases the decision to take single tender actions should be documented and put on file for audit purposes. All approvals to commence a STA should be approved by the Chief Executive.

5.10 Procurement Of Personnel

Procurement of temporary staff and short-term consultancy appointments should follow the same principles and procedures which govern the procurement of goods and services.

The terms of all appointments should be for a stipulated period with a possible extension clause. All appointments should be review on a quarterly basis to ensure the post meets the requirements of the board. Any extension periods should be fully documented and authorised by the Chief Executive.

5.11 Procurement Of Low Value Goods / Services

Where the value of goods is below £20,000 it is not necessary to undertake a formal competitive tender exercise. However in line with procedures it is necessary to obtain competitive written quotes / tenders from alternative suppliers for goods / services valued

over £500. Such quotes / tenders should be fairly evaluated and the reason for selecting a particular supplier should be documented. Quotes / tenders obtained should be retained for audit purposes.

While there is no mandatory requirement to obtain written quotations for goods / services under £500 reasonable efforts should be made to ensure goods below this threshold represent value for money. Records of any verbal quotations obtained should be maintained.

5.12 Financial Delegation Limits

Chief Executive (Grade 3)	up to	£100,000
Deputy Chief Executive	up to	£100,000
Principal Officer (Grade 7)	up to	£50,000
Deputy Principal (DP)	up to	£25,000
Staff Officer (SO)	up to	£25,000
Executive Officer I	up to	£10,000
Executive Officer II	up to	£10,000

5.13 Receipt Of Goods / Services

When goods are received the branch ordering the goods should confirm that the items received are in line with the terms of the contract or quote in terms of quantity and cost. A branch representative should sign and date the Goods Received Note or invoice to confirm that they have checked and are satisfied with the order. Any discrepancies in the order received should be addressed with the supplier.

Where the Board is paying for a service it is necessary for an appropriately authorised officer to ensure that the services billed having been provided to the required quality and are being charged at the agreed rates.

5.14 Payment of Goods / Services

To arrange payment of an invoice for goods / services the normal payments processing procedures should be followed. The invoice, Goods Received Note (if applicable), and completed Payment Voucher should be sent to Finance Section in order for payment to be made.

When arranging payment of invoices, staff should be aware of the need to comply with the Government's 30 day Prompt Payment Initiative.

6. REVIEW OF POLICY

This policy will be periodically reviewed to ensure that it continues to meet legislative requirements, best practice and the needs of Members and staff. However, suggestions for improvements are welcomed at any stage and should be made through the Corporate Services Director.

7. EQUALITY DECLARATION

The Procurement of Goods and Services policy is in line with the generic policy produced by the NIO Procurement Directorate and issued to all Northern Ireland Government Departments. This policy does not require an Equality Impact Assessment as this has already been carried out by NIO during the process of policy development.