

The Careers & Enterprise Company's Procurement Policy

Each procurement should involve the Head of Finance, Procurement Manager, SLT Lead (Contract Manager), Head of Compliance, and Internal Operations Senior Manager or HR Senior Manager where needed. They should have the knowledge of the product or deliverable being purchased, the market of potential providers and their procurement should provide value for money and comply with legal requirements and best practice.

Section 1: Policy Overview

Purpose

1. The purpose of the procurement policy is to ensure:
 - CEC buys our services in line with Government best practice
 - CEC demonstrates "What Works" for Third Party spend
 - CEC demonstrates VFM for every pound it invests
 - CEC demonstrates absolute transparency through all procurement activity.

Scope

2. This policy applies to all third-party supplier spend, unless this involves the provision of personnel, in which case the Recruitment and Selection process must also be followed.

Policy Statement

3. Ensuring the Company receives value for money and procures with transparency and in line with best practice is of paramount importance. It enables us to deliver to the best of our ability and mitigates the risks to the company associated with poor purchase decisions.

Context, Authority Levels, Delegations & Governance

4. Company delegation arrangements must be followed. Delegation of Authority are generally set at the following limits:

Position	Contract Approval Limit (£)
Board Chair	Above 300,000
CEO/ Deputy CEO	300,000
COO/Director of Operations	50,000
SLT/ Directors	20,000
Head of Department	5,000
Senior Managers (where required)	2,000
Managers	500

- All purchases above £100,000 must be reported to the Board at the next meeting.
 - All purchases above £300,000 must be signed off by the Board (the Chair and one other member of the Board have delegated authority).
5. In addition, the Company must be able to demonstrate the separation between budgetary (or financial) authority, and procurement authority, i.e., the authority to commit expenditure to third parties. Procurement authority relates to tendering and negotiations with suppliers, agreeing contracts, and commercial contract management, including commercial variations.

Each 'authority' is documented by the Company's Authorisation Limits and delegates responsibility to individuals that are approved by the CEO and Board.

Section 2: Setting up the Procurement

Tender Documents

6. A Request for Information, Quote, or Proposal containing a timetable, bidding instructions, specification, price, evaluation criteria, draft contract terms and conditions and proposed schedules will need to be devised. A draft RFX pack will be available to draw upon by the Company.

Requirements for Competition

7. Where goods, services or works are to be procured and no pre-negotiated contract exists, the below routes to market must be used:

Routes to Market		
Under £5,000	1-3 quotes	Evidence retained to show that Value for Money has been obtained (e.g., through a price comparison).
£5,000-£20,000	RFQ 3+ quotes	Quotes obtained from at least 3 different suppliers. Requirements must be clearly defined, and the requirement given to suppliers must be the same in all cases. Quotes should be received in writing and the supplier meeting the requirement and the Most Economically Advantageous offering selected. If considered to be high risk, a full tender procedure may be more appropriate.
£20,000-£100,000	Lite RFP on Delta (Contract Finder)	A more formal quote process with basic due diligence and scoring. Suppliers should be given a reasonable length of time to respond to tenders. Rules relating to tender opening procedures apply in order to maintain fair and equitable treatment amongst suppliers. Criteria used to evaluate tenders should be relevant to the deliverables of the requirement and they should be assessed in a clear and quantifiable way. Contracts should be awarded to the supplier offering the lowest price or delivering best overall value (Most Economically Advantageous Tender). Advertised on Delta (Contract Finder) Mandatory.

£100,000-£181,301 (below OJEU) Threshold	Full RFP on Delta (Contract Finder)	As above but a more developed proposal will be required, more comprehensive scoring and due diligence required including credit scoring Advertised on Delta (Contract Finder) Mandatory. Available government frameworks will be identified and used as primary route to market when appropriate.
Above £181,302 (OJEU threshold)	Use Government Framework and/ or Full RFP on Delta (Contract Finder)	As above, available government frameworks will be identified and used as primary route to market when appropriate. If no government framework identified, complete full tendering procedure will be followed. Advertised on Delta (Contract Finder) Mandatory.

8. This will be the normal process, unless the Company is approached with:
- the offer of pro bono or a low-cost service i.e., if the supplier can show a reduction in cost to the Company of 40% or more; this may be less for SMEs (to be decided on a case by case basis), in which case a tender may not need to take place.
 - only a single supplier is capable of supplying a particular asset or undertaking a particular service.

Contract Extensions or Expansion

9. Many contracts will change in nature over their term. Similarly, the total contract value may not be precisely what is originally planned. In accordance with the Public Contracts Regulations (PCR) 2015, there are permissible grounds for contract amendments without the need to retender, subject to 50% maximum increase in initial contract value. In line with the regulation:
- Contract extensions or expansions will be considered where there is a need for additional supplies or services and where a change of supplier is not feasible, would incur substantial costs and would cause significant inconvenience (See Regulation 72).
 - SLT Leads will be notified as soon as 80% of the total contract value is exhausted, and only 20% value is left on the PO.
 - If the value, duration or scope of a contract appears likely to increase, the Procurement Manager and the Head of Finance need to be informed by the SLT Lead and will provide advice to the CEO and or Board as necessary.
 - All contract amendment must be captured in writing via contract variation process.

Section 3: Running the Procurement

Procurement Steps

10. All procurement processes will follow these steps:

- a) Send the relevant tender documents to potential bidders. The bids as a minimum should include:
 - The full service description including staffing levels and how it will be managed.
 - The amount put at risk against KPIs or targets by bidders
 - A description of the KPIs to be used, how the risk is spread across them and how under performance will be handled, e.g. service credit use and change controls,
 - The Management Information that the supplier will provide and its layout (e.g. traffic light format) and frequency of use;
 - The Risk Register (another vital document that is a good test about the level of bidder understanding),
 - The Exit Plan with related costs explained and how this fits to the overall cost table.
- b) Clarify questions from bidders about the tender. These should be logged and, whilst keeping the source of each question anonymous, your answer must be shared with all bidders unless there is strong reason to believe that this would breach information about a bidder's potentially unique solution;
- c) Assess financial information, e.g. audited business accounts;
- d) Evaluate the bid; scoring and fully justifying the scores against the evaluation criteria.
- e) Feedback to all the bidders
- f) Notify successful bidder
- g) Register your contract and get a unique contract number from the Commercial Lead. This will ensure that the contract can be tracked.
- h) Develop a contingency plan if the procurement is not successful in choosing a supplier, e.g. identifying why organisations did not bid and what needs to change in the requirement of the procurement process to encourage a successful re-procurement, extending contracts with any incumbent suppliers, and breaking the procurement into lots.

Exit Arrangements, Continuity & Contingency

11. It is essential to consider the contract exit arrangements, as early as possible to ensure continuity of service and plan for contract expiry.

Section 4: Compliance and Risk Management

Intellectual Property in the Deliverables & in the Company Brand

12. Intellectual Property Rights (IPR), including copyright, registered and unregistered design rights and patents are key aspects of the products the Company will sell and buy. The appropriate contractual position for such rights can ensure the Company achieves value for money, has the rights to determine how products are used and is not prevented from running subsequent procurements openly.

13. The Company brand is one of its most important assets; proper use and protection are vital to retaining its value and validity.
14. The lead purchaser and contract manager must ensure that ownership of IPR sits with the right party to the contract and such ownership does not prevent the Company from running future procurements.

Corporate Social Responsibility

15. Better procurement and the delivery of better services is an essential feature of achieving efficiency gains in economic, environmental and social terms. Wherever possible goods and works will be purchased that can be manufactured, used and disposed of in an environmentally responsible way.
16. Decisions by the lead purchaser and contract manager will help the Company take account of environmental and sustainability factors and demonstrates our commitment to sustainability.

Confidentiality

17. The Company respects the confidentiality of technical and commercial information given by suppliers. All suppliers and potential suppliers are expected to reciprocate in respect of commercially sensitive information given to them. To protect against disclosure and unauthorised use of confidential information, suppliers should be asked to sign a non-disclosure agreement, where appropriate (see the Company's non-disclosure agreement wording). In particular:
 - employees must comply with their requirements of confidentiality which necessitate that any confidential information, including individuals' personal records or information shall not be divulged to any unauthorised person or persons; and
 - satisfactory systems should exist to ensure that unauthorised persons do not obtain such confidential information.

Record Keeping

18. The method of supplier selection must be fully documented to allow full and open review of the decision making process at any time. This will include the selection process used and the selection criteria (financial status, price, expertise, uniqueness, etc) weighted according to the authorised purchaser's needs. This record should be logged and kept on file and be made available to the Company's auditors.
19. The Company is required to maintain sufficiently robust and effective information handling procedures. In practice this means that all colleagues have a responsibility to maintain accurately named and numbered files, using up-to-date, clear and systematic cross-reference.