



PROCUREMENT POLICY

NOVEMBER 2020



DOCUMENT CONTROL – PROCUREMENT POLICY

Document Status: Draft

Version: 2.1

Review Date of Approved Document: 03/12/2020

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Change Log			
Date	Author	Description	Version
12 March 2019	Sarah Cooke	First Draft	0.1
25 July 2019	Procurement team	Review of content	0.2
25 October 2019	Procurement team	Final	0.3
11 November 2020	Stephanie Hurrell	Major Update	2
3 rd December 2020	Damean Miller	Minor updates	2.1
28 th July 2021	Stephanie Hurrell	Modern Slavery addition	2.2

Delt Shared Services has made every effort to ensure that this policy does not have the effect of discriminating, directly or indirectly against employees, on grounds of race, age, nationality, ethnic (or national) origin, gender, sexual orientation, marital status, religious belief or disability. This policy will apply equally to full or part time employees. This policy is available in large print or braille format if required and in other languages.

If you require any support or help in understanding or interpreting this policy please speak to our HR department, face to face or via email at deltHR@deltservices.co.uk

PROCUREMENT POLICY

Purpose

The purpose of this policy is to outline the responsibilities of Delt employees when they expect to spend money or secure goods, services or works.

Organisational Context

Delt is proud of our beliefs and core values. In all things we are focussed on the experience of our end customer and are conscious of the impact of our services and actions on those parties. Our procurement activities will share these values and build a network of likeminded suppliers who can contribute and collaborate in the spirit of shared values in the mutual pursuit of best value, performance and innovation on behalf of our customers.

Delt Shared Services Ltd. is continuing to grow and develop the services it provides to its partners and customers.

Definition of Procurement

Procurement can be defined as the full range of commercial activities undertaken throughout the purchasing lifecycle, including market analysis, setting commercial strategy, tendering, deal negotiation, contract management and supplier management which enables an organisation to operate in a profitable and ethical manner.

Role of Procurement

The Procurement Manager reports to the Head of Business Services who operates under the Chief Financial Officer. The Procurement Manager holds responsibility for directly line managing the Procurement team and acting as professional reference to all others within Delt. The Procurement Manager is responsible for developing, implementing and annually reviewing Delt's Commercial Strategy and Procurement Policy. The scope of procurement includes all third party spend for goods, services, consultancy and licences

The Procurement team provides strategic advice and tactical support to internal departments and Delt's customers. The team will work with the wider business to provide support throughout the procurement process by offering commercial expertise and leadership at the appropriate stages in the purchasing lifecycle to ensure the effective delivery of associated commercial activity. The Procurement team will lead on supplier engagement, negotiation and commercial agreements. Where contractual matters are particularly complex or novel the Procurement team will be responsible for obtaining any professional legal advice.

Using Category Management tools and techniques the Procurement Team will deliver category strategies that provide strategic direction to sourcing activities including (but not limited to) supplier relationship management, supplier selection, market positioning, accessing new technologies and innovation. Category strategies will be owned by the category manager and periodically reviewed and presented to maintain their accuracy and relevance. These will be created in collaboration with the business lead.

Purchasing Governance

This policy is subject to and supports all current UK Procurement Legislation, Government Policy and Guidelines and business best practice.

Procurement activities will be carried out in line with the Delt Scheme of Delegation.

Financial Delegations and Approvals

Budget holders and Category managers must comply with the Delt Share Services Scheme of Delegation, when entering into contractual agreements and authorising purchase orders within their area of responsibility. Financial delegations will be based on the entire contract value incorporating the aggregated value of previous financial commitments with a Supplier and any similar foreseeable future requirements.

The full value of a contract must be budgeted, approved and entered on the financial system. Retrospective PO's should not be issued

Invoices not quoting a valid PO will be returned to suppliers

All requirements for the same service, to be delivered within a similar defined time span must be aggregated into a single contract to facilitate best practice and demonstrate best value. Requirements should not be falsely broken down to avoid the rigors of approval or appropriate sourcing routes. Budget holders/Category leads must ensure that all necessary approvals have been obtained and adequate time must be allowed for this before moving into the Procurement Phase.

Procurement Timescales

The Procurement team will adhere to specific timelines required by legislation in order to deliver a procurement exercise. The following timescales should be used as guidance and factored into delivery plans. These estimated timescales assume the availability of a complete requirements document.

Threshold	Average Timescale
Cabinet Office and Above	4-9 months (negotiation dependent)
50k – Cabinet Office Threshold	4-8 weeks
£50k and Under	2-4 weeks

Full detailed timelines will be calculated using the Procurement Cost Calculator, given a unique reference, signed and recorded in the tender register. This will be carried out for each opportunity needing more than 2 hours of procurement resource. Please see the Procurement Policy Diagram as Appendix 1 for information on all procurement thresholds or contact the Procurement Team

Value for Money and Use of Competition

To demonstrate that value for money has been achieved this policy assumes that the supply of goods and services will be the subject of competition unless there are compelling and exceptional reasons

to the contrary. As above, Appendix One – Procurement Policy on a Page, details the action required when purchasing goods and services, according to the estimated value of the contract or purchase and must be followed by all staff. The utilisation of an approved category strategy is an acceptable demonstration of value in the sourcing solution below the Cabinet Office threshold

- Competition may be achieved via the following routes;
 - Use of the e Procurement Portal (Supplying the South West)
 - Use of a pre competed Framework arrangements such as Crown Commercial Services (CCS) or other purchasing entity
 - Use of full Cabinet Office (Find a Tender) procedures for procurements above Thresholds
 - Category strategy
 - Delt tendering process
 - Advertised via [Contracts Finder](#)

At the identification of a requirement the procurement team will complete an options appraisal and create a draft sourcing strategy which will be presented for approval as per the Table of Responsibilities as Appendix 2. As part of this framework utilisation will be assessed within the context of the requirement and the commercial arrangements required to ensure value and ongoing supplier performance. Where necessary consideration will be given to whether a legal referral will be necessary. Any such concerns will be escalated to the Purchasing Manager who will determine the course of action.

Purchasing Model – Local v Centralised, SMEs

In line with Delt's objectives, the Procurement team will seek to utilise local suppliers and where economically viable to support the platform for local sustainable economic growth. Delt will seek to support SMEs in their procurement activities by including such organisation in tendering activities and active engagement with industry.

Delt will collaborate with its supply base and the wider market to develop a sustainable supply chain appropriately motivated to deliver value and innovation today and in the future. It will operate with fairness and transparency and will behave in accordance with our company values in all or our interactions.

Exemptions

Public procurement regulations permit this only in defined and exceptional circumstances;

- Extreme urgency following unforeseen circumstances
- No alternative supplier in due to technical, artistic or exclusive rights

Where an exemption is deemed necessary regardless of value, a robust business case is required to justify and record the action with appropriate approvals sought in line with the scheme of delegation. The Procurement team can assist with the review of requirements falling into this area of spend to ensure the appropriate action is undertaken.

In circumstances where you anticipate the procurement policy and process will not be followed, approvals will need to be sought in line with the Exemptions actions above and in line with the scheme of delegation.

Terms and Conditions

Delt's standard terms and conditions should be used for all contractual agreements. In circumstances where variations are required from the standard terms or a supplier wishes to utilise their own terms and conditions advice must be sought from the Procurement team. Changes to the Delt terms and conditions must be authorised prior to a commitment being issued, this is to be in line with the Scheme of Delegation

Change Control Notices (CCN) and CCN Signature

Variations or changes to contracts including where extension options are available must be made under the change control procedure and utilise the process and templates outlined within a contract.

All contract change control notices (CCN) must be submitted to the relevant Category manager within the Procurement team for review before any commitment is made to the supplier.

Once agreed and approved in line with Financial Delegations, a copy will be retained against the contract record.

The requirements for amending the terms of the contract must as a minimum align with the following justifications:

- the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
- the modification does not alter the overall nature of the contract;
- any increase in price does not exceed 50% of the value of the original contract or framework agreement.

Where a CCN amends the terms of the original contract outside of the above justifications, procurement advice will be sought.

Where formal contract documentation is drawn up for new contracts or contract variations this should be signed in line with Delt Financial Delegation limits located at Appendix Two.

Contract Management

Contracts are legally binding agreements that longevity or complexity that demands more rigor than a simple purchase order. Although the purchase will be the mechanism for payment and commitment to spend.

All contracts will have an allocated Category manager within the Procurement team and will be managed in line with Appendix Four – Supplier Relationship Management Policy.

Contracts must be managed throughout the life of the requirement; contract management routines will be defined within the contract documents and be led by the Category Manager. The nature and frequency of management will be in accordance with Appendix 4 Supplier Relationship Management Policy

Supplier performance must be managed to realise the intended benefits of the contract to Delt and its Customers. Supplier performance shall be managed in accordance with the contract and where this is unresolved, or issues are persistent assistance will be sought from the Procurement Team.

Contract Documentation

Complete and accurate documentation is vital in commercial dealings. It is imperative that a clear understanding is held of the rights and obligations of the parties to a contract and that understanding is agreed.

The Procurement team is responsible for creation and maintenance of appropriate records. All relevant contract documentation will be recorded electronically on Delt's contract management system and appropriate electronic file location.

Supplier Selection

Selecting the appropriate suppliers that operate to the same values, behaviours and standards to Delt is critical to the performance of the Company and its Customers.

Below the Cabinet Office threshold Delt will utilise the supplier database held in its business management system to identify potential suppliers. If a more appropriate supply source is identified through market research or by recommendation, the supplier due diligence process will be used to establish the suitability of the supplier organisation and its stability. This will be carried out in accordance with the Appendix 3 Supplier Approval Process

Modern Slavery Act

Please see the Delt Modern Slavery Statement as published on our website for full detail. All suppliers, regardless of size, will be subject to scrutiny in this area and will either confirm in entirety with the legislation or will be subject to a risk assessment. The governance and escalation for suppliers who do not conform but are considered business critical is defined in the statement.

Supplier Management

The supplier relationship management policy will outline the roles and responsibilities of relevant personnel within Delt and will create and maintain documentation that covers; governance, meeting structure, relationship plan, risk registers, improvement plans and all entries on the contract database. Any contractual disputes will be referred to the Procurement team for consideration.

On an annual basis, Delt will conduct a review of its existing supplier base. The categorisation of these suppliers will be determined, the appropriate contract management strategy developed, and associated activity outlined. Suppliers will be assessed and categorised to determine their criticality based on the following factors;

- Business importance
- Spend
- Risk

Sustainability, Diversity and Inclusion

Delt recognises and is committed to carrying out its procurement activity incorporating environmental and sustainable principles. All activity will be conducted in line with the following Delt policies:

- Sustainable Procurement Policy (Greening Government Commitments 2016 – 2020)
- Environmental Policy

Cyber Security

For the relevant procurement exercises that fall within the scope of cyber security, evidence will be sought from Suppliers of their certification to the cyber essentials scheme. Such evidence will be required at the selection stage of any procurement exercise.

Counterfeit Avoidance

To ensure all purchases are to specification and not at risk of counterfeit fraud all goods and licences will be purchased from the original equipment/software manufacturer/ proprietor or their immediate representative as listed by the propriety source.

Any incidences of counterfeit must be reported to the Purchasing Manager who will carry out the legal obligation of reporting to Trading Standards.

Assurance

The Procurement Manager shall provide such information and returns as required on the commercial activity within Delt.

The Procurement Manager will ensure that the Procurement team SharePoint page and all other reference and training material is up to date and can be relied upon by all relevant stakeholders within Delt to enable compliant procurement and provide annual assurance that commercial activities undertaken are conducted in line with the policies and procedures laid down on the Procurement team SharePoint page.

Conflicts of Interest

A conflict of interest situation is defined as one where, a person is able to derive personal benefit from actions or decisions made in their official capacity. It is the responsibility of each individual employee to declare instances where a conflict of interest may occur to the Procurement team.

Gifts and Hospitality

As a general rule employee's must not accept gifts, service or hospitality on a scale that might be considered to affect judgement.

If you have any concerns about a gift you have received or will be receiving please contact your line manager or HR to discuss whether it could create a conflict of interest or refer to the Delt Share Services policy

Fraud and Bribery

The Procurement Manager is responsible for ensuring the proper conduct of commercial activity, in line with best practice.

All staff have responsibility to prevent, detect and report suspected fraud and bribery.

Delt Whistleblowing Policy

Whistleblowing is where an employee raises concerns or makes Delt aware of any of the following that have or are about to happen within the company:

- A criminal offence
- A failure to comply with legal obligations
- A miscarriage of justice
- Endangering the health and safety of individuals
- Damaging the environment
- Concealing any information relating to any part of the above.

Delt encourages employees to raise any serious concerns regarding any of the above issues to their line manager, a member of the senior leadership team or HR.

Records Management

Tender and contractual documentation will be retained in line with Delt's retention policy.

The Procurement team will work with Delt's information group to ensure all records are kept, maintained and destroyed in line with data protection regulations.

Procurement Team SharePoint

The Procurement team SharePoint site will be utilised to store and maintain checklists, document templates, guidance and policies which must be used throughout the procurement process

Contacts

All queries should be sent to DeltProcure@deltservices.co.uk.

Appendix One – Procurement Policy Diagram

Procurement Policy on a Page

11/11/20 S Hurrell

Opportunity value is full foreseeable spend for the scope of work now and in the future and must not be broken into smaller bundles as this will result in a breach of Public Procurement Legislation

Below Procurement Thresholds (public Contracts Regulations 2015)					Subject to Procurement Thresholds (Public Contracts Regulations 2015)			Compliant Frameworks	
Under £500 (no professional services)	£501-£2500 (no professional services)	£2501-£25000	£25001-£100000 Goods & Services, Works and Consultancy	£100000 - Threshold (£189k currently)	Threshold +			Specific Rules Apply to Each Framework	
Quotation Self Service		Procurement Department - EARLY ENGAGEMENT IS CRITICAL							
Email, verbal	Requisitioner Standard RFQ	Requisitioner Standard RFQ	Procurement/ Technical Standard RFQ/ITN/ITT	Procurement/ Technical Standard RFQ/ITN/ITT	Open Procedure	Restricted Process	Negotiation	Competitive Dialogue	Compliant Frameworks
	Not Advertised	Not advertised	PQQ/RFI Supplier Selection	Advertised	Advertised	Advertised	Seek Guidance - To be used where scope of supply cannot be defined or innovation in technology or commercial agreements is required (open/restricted tender times + 10 days)	Seek Guidance	Frameworks are a legitimate option to open or closed tendering. Frameworks will either by DIRECT award or MINI COMPETITION. Each framework is used on a case by case basis. There may be a cost in accessing the framework. Frameworks have a life. The pros and cons of use must be considered during the early options appraisal.
	Request for quotation 1 quote (7 days)	Request Quotation 3 quotes (14 days)	Request for Quotation 3 Quotes (minimum 14-21 days)	Request for Quotation/ITT/ITN No of suppliers determined by Category Strategy (21 days)	Combined PQQ and Invitation to Tender (30 days)	PQQ (30 days) Invitation to Tender (25 days)			
	No Standstill	No Standstill	No standstill	Optional Standstill (5 days) published at time of tender	Mandatory Standstill (10 days)				
On approved supplier list or new supplier due diligence	On approved supplier list or new supplier due diligence	On approved supplier list or new supplier due diligence	Category strategy	Category Strategy	PQQ results				
	Framework option								
	Delt Terms and Conditions	Delt Terms and Conditions	Contract Terms and Conditions	Contract Terms And Conditions	Contract Terms and Conditions				
		Sourcing Strategy Lite	Sourcing Strategy full (includes Hof approval)	Sourcing Strategy Full (includes SLT approval)	Sourcing Strategy Full (includes SLT approval and Board approval £1m+)				
PO or P Card	Delt PO or exceptionally by P Card	Delt PO	Delt PO	Delt PO	Delt PO				
			Contract Agreement (as applicable)	Contract Agreement (as applicable)	Contract Agreement (as applicable)				
	Supplier Performance Management								
	Order Book Management or contract management								
	R2P (warranty, terms, payment, remedy)								
	Supplier Relationship Management								

Delt Values and Principles of Procurement - Non-discriminatory - Transparent - Ethical

Appendix Two – Table of Responsibilities

	Shareholder	Board	Chief Executive and Chief Financial Officer	SLT	Budget Holder	Project / Technical Team	Financial Controller	Purchasing Manager	Category Manager	Assistant Buyer
Procurement Policy										
Sourcing Strategy Creation										
Sourcing Strategy Approval £25,001-£100,000 (*required)			Yes*	No	Yes*		No	Yes*	No	No
Sourcing Strategy Approval £100,001-£189,000 (*required)			Yes*	Yes*	No		No	Yes*	No	No
Sourcing Strategy Approval £189000-£1M+ (*required)		Yes*	Yes*	Yes*	No		No	Yes*	No	No
Obtaining quotations from suppliers less than £0-2500 (using RFQ Template)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Obtaining quotations from suppliers over £2501		No	No	No	No	No	No	Yes	Yes	Yes
Exemption from Public Procurement Regulations	No	No	Yes	No	No	No	No	No	No	No

* required

Appendix Three – Supplier Approval Process

To follow shortly.

Appendix Four – Supplier Relationship Management Policy

To follow shortly.