

Audit Committee, 26 November 2015

Procurement policy

Executive summary and recommendations

Introduction

The Procurement Policy was approved by Council in December 2013.

A draft revision of the policy was brought to Audit Committee at its meeting on 8 September 2015. The points raised by the Committee in September have been addressed in this further draft, which tracks changes from the 8 September version.

The main changes from the December 2013 policy are

- to increase the value thresholds to levels more appropriate to the scale of HCPC's business. The proposed increase in the Chief Executive's sole authority to approve contracts to £100,000 is subject to a change in the Scheme of Delegation, point 7.4, to increase the Chief Executive's authority in the Scheme of Delegation from £50,000 to £100,000. That change will be proposed to Council in December;
- to reflect certain changes to the regulation of public procurement made in the Public Contracts Regulations 2015; and
- to formalise the approach, which we have been following for around a year, of using framework agreements as the preferred route to market.

The revised policy is supported by a procurement procedures manual which will be published on the intranet. The procedures manual does not require Audit Committee or Council approval and will be developed by the Executive in response to users' feedback.

The revised policy and the first version of the procedures manual have been reviewed by our legal advisors and their comments have been incorporated.

Decision

Audit Committee is asked to review the revised Procurement Policy and recommend it for presentation to Council in December.

Resource implications

None directly.

Financial implications

None directly.

Appendices

Appendix 1: Revised procurement policy, tracking changes from the version presented to the Committee on 8 September 2015

Appendix 2: Current policy, approved by Council in December 2013. The number of changes means that a track changes version would be difficult to read

Date of paper

18 November 2015

Procurement policy

1. Introduction

- 1.1. The Procurement Policy is approved by the Council and is consistent with the Financial Regulations and the Scheme of Delegation.
- 1.2. The policy applies to the purchase of all goods, services and works by or on behalf of the HCPC.
- 1.3. The policy applies to all those involved in procurement activities for or on behalf of the HCPC (referred to as Persons), which may include Council and Committee members, Partners or other suppliers as well as HCPC employees.
- 1.4. The policy sets out the standards which Persons must adhere to in relation to procurement activities. Procedures setting out the application of the policy are included within the Procurement Manual on the Finance Department intranet site.
- 1.5. The policy aims to ensure that all procurement activities conducted by the HCPC:
 - achieve good value for money;
 - are conducted in a fair, objective and transparent manner;
 - are compliant with relevant law and regulation;
 - effectively manage commercial risk; and
 - meet the short and long-term objectives of the business.

2. Responsibilities

Budget holders

- 2.1. Budget holders must familiarise themselves with the policy and the related procedures. Where budget holders have delegated responsibility for procurement activities to members of their teams or other Persons, the budget holder must ensure all Persons involved in the procurement are also familiar with the policy and the procedures.
- 2.2. Budget holders are responsible for ensuring that all procurement funded from their budgets complies with the policy and achieves good value for money.

Relationship owner

- 2.3. The relationship owner is normally the main HCPC contact with the supplier. The relationship owner can be the budget holder or the role can be delegated by the budget holder. The role of the relationship owner is to manage the supplier's performance. In particular, in accordance with HCPC's Information

Security Management System manual, the relationship manager is responsible for the ensuring that the supplier has appropriate data security controls in place and that the supplier's responsibilities in relation to data security are documented within the contract¹.

Tender panel members

2.4. Members of a tender panel are responsible for familiarising themselves with the policy and the related procedures, and evaluating bids in accordance with the policy. Guidance on the composition of the tender panel is included in the Procurement Manual.

Commented [AG1]: Addresses Julie Parker query at Sept Audit Committee

Purchase Order authoriser or contract signatory

2.5. The act of authorising a Purchase Order in the HCPC purchasing system or signing a paper contract binds HCPC to the contract. The person who authorises the PO or signs the contract is responsible for obtaining prior assurance that this policy and the associated procedures have been followed. If the PO authoriser/contract signatory has not been involved in the procurement he/she should ask for briefing before signing in enough detail (relative to the value of the procurement) to understand the purpose of the procurement and the rationale for the selection of the supplier.

The Procurement function within the Finance Department

2.6. Procurement is responsible for advising Council, the Executive Management Team and budget holders on the policy, and for supporting HCPC's procurement activities.

3. Compliance with the policy

3.1. Our procurement is subject to audit by both our internal and external auditors. The Procurement function within Finance will also periodically check compliance with the policy. The policy will be covered within the induction process for budget holders. Breaches of the policy may be regarded as misconduct or gross misconduct.

4. Legislation

4.1. As a public body, the HCPC is subject to the Public Contracts Regulations 2015 (the Regulations) as updated or amended from time to time. Procurements with a total value greater than the thresholds which apply to the Regulations must be carried out in compliance with the Regulations and applicable case law.

4.2. The 2015 Regulations incorporate UK-specific requirements designed to improve the access of small businesses to public sector contracts, known as the "Young Reforms". Other legislation also applies; see section 9 below.

¹ See HCPC ISMS Document A15

5. Value thresholds

5.1. Under the Regulations and this policy, requirements vary according to the value of the contract. The thresholds in this policy are stated including VAT, because HCPC is not VAT-registered so cannot recover any VAT. The thresholds in the Regulations are stated excluding VAT, but the approximate VAT-inclusive value is shown in table 2.

5.2. The value of a contract must be measured as the aggregate amount HCPC expects to pay the supplier over the lifetime of the contract. Contracts must not be artificially disaggregated or shortened in order to avoid the application of the Regulations or this policy. If there is any doubt in respect of the value of the contract, Procurement must be consulted.

Table 1 Procurement routes and value thresholds

Total estimated contract value including VAT	Method of selection	Internal authorisation level – who can approve the selection of the supplier	Method of acceptance
£0 - £1,000	Budget holder's discretion	Budget holder or Director	Approved purchase order (PO)
£1,001 - £10,000	Competition with evidence of comparison of at least two suppliers, or use of a framework agreement	Budget holder or Director	Approved PO
£10,001 - £25,000	Competition with minimum of three written quotations, or use of a framework agreement	Director	Contract signed by Director
£25,001 ² - £50,000	Use of a framework agreement, or formal written tender	Tender panel and Director <u>Chief Executive</u>	Contract signed by Director <u>Chief Executive</u>
£50,001 - £100,000	Use of a framework agreement, or formal written tender	Tender panel and <u>Chief Executive</u>	Contract signed by <u>Chief Executive</u>
£100,001 £50,001 but less than relevant EU threshold	Use of a framework agreement, or formal written tender	Tender panel and Chief Executive	Contract signed by Chief Executive with the approval of <u>the Chair of Council</u>

Commented [AG2]: Change in thresholds was tabled at Audit Committee in Sept. If Chief Exec's authority is to be raised to £100k, a change is needed in the Scheme of Delegation point 7.4 to avoid a conflict

Commented [AG3]: At Audit Committee in Sept, members queried the capacity in which the Chair signs contracts.

Intention of this change is that Chair would no longer sign contracts. Above the Chief Exec's threshold for his sole authority, Chief Exec would seek Chair's approval to enter the contract. Approval could take the form of an email: Chair does not have to sign the contract.

Wording "with the approval of" mirrors Scheme of Delegation para 7.4.

Policy does not address whether/how Chair reports back to Council on contracts that she has approved the Chief Exec to sign in this way. That qu applies to other similar delegated powers eg signing cheques > £50k

² Note that the 2015 Regulations introduce new requirements that apply when a procurement opportunity with a value above £25k is advertised. If a budget holder intends to advertise a procurement opportunity through any channel, he/she must first check with Procurement

Total estimated contract value including VAT	Method of selection	Internal authorisation level – who can approve the selection of the supplier	Method of acceptance
Above relevant EU threshold	Use of an EU compliant framework agreement unless, exceptionally, no appropriate framework exists in which case a regulated tender is required following advertisement in the OJEU pursuant to the Regulations (unless specifically exempted).	Budget holder must involve Procurement at the outset and throughout the process. Legal advice required if a framework agreement is not used Tender Panel makes final selection.	Contract signed by <u>Chief Executive with the approval of the Chair of Council</u>

5.3. EU thresholds are modified from time to time by the European Commission. The current thresholds are available from <http://www.ojec.com/threshholds.aspx>. HCPC is an “Other public sector contracting authority”.

Table 2 EU threshold values as at July 2015

Type of Contract	Threshold excluding VAT	Approx equivalent incl VAT
Services & Supply (includes supply, lease, rental or hire purchase of goods, excluding employment contracts)	£172,514	£207,000
Works (building & engineering, including capital works)	£4,322,012	£5,186,000

5.4. Procedures including flowcharts and templates are included within the Procurement Manual on the Finance Department intranet site.

5.5. In the case of any uncertainty the application of this policy or which procurement route should be followed, advice should be sought from Procurement.

6. Framework agreements

6.1. Framework agreements are contracts that have been let in compliance with the Public Contracts Regulations and EU procurement rules. The UK government’s procurement service, Crown Commercial Services (formerly the Government Procurement Service), has established a wide range of framework agreements covering almost all the goods and services bought by the public sector.

6.2. Typically, a framework agreement consists of a menu of goods or services or pre-agreed specifications and prices, provided via a standard set of terms

and conditions. There may be a number of different suppliers providing the goods and services, but sometimes there is only one supplier.

6.3. HCPC policy is to use framework agreements for all procurements above the relevant EU threshold values. Use of framework agreements is also strongly encouraged for procurements below the thresholds. The reasons for using framework agreements are

- We benefit from prices that have been negotiated using the buying power of all central government. We are unlikely to be able to negotiate better prices acting alone
- Terms and conditions have similarly been negotiated using central government buying power and are therefore favourable to the customer, eg reasonable notice periods, reasonable supplier warranties, full data protection and FOI commitments by the supplier, appropriate intellectual property rights. It is therefore normally not necessary to engage our own legal advice on framework contracts
- We can have confidence that suppliers will have the capacity and the systems and processes to deliver good quality services consistently
- The framework procurement process is much quicker than conducting our own tender process and, because we do not need to take our own legal advice, it is much cheaper
- The framework procurement process is compliant with public sector procurement legislation, and is recognized as good practice in terms of value for money, and is therefore low risk.

6.4. Procedures within the Procurement Manual on the Finance Department intranet site set out the steps to be followed to enter a contract using a framework agreement.

7. Value for money

7.1. Value for money is the optimum combination of whole life costs and quality, on appropriate contractual terms and with appropriate allocation of risk, to meet the HCPC's business needs and requirements.

7.2. HCPC's procurement must achieve good value for money. This is partly about getting the right price, but it is more important to buy the right product. See [also](#) section 11 below.

7.3. The extent of competition required depends on the value of the procurement, as set out in Table 1. For procurement of goods or services costing less than £1,000, the potential cost saving achieved from a competitive procurement process is unlikely to be significant and may be outweighed by the extra staff time involved in arranging a competitive process, so competition is not required below the £1,000 threshold.

7.4. To ensure value for money, contracts need to be retendered at appropriate intervals. For goods and services, contract terms should normally not exceed 4 years, but contracts may have an option to extend the term by one year.

7.5. Prices under framework agreements (see section 6 above) are normally fixed but they meet our requirement for competition because the framework prices have been established through a competitive process.

8. Fairness, objectivity and transparency

Ethics

8.1. All Persons involved in procurement activities are expected to behave ethically at all times. All Persons shall be open, honest, fair and impartial in their dealings with suppliers. In particular Persons must familiarise themselves with and comply with the Anti-Bribery, Gifts and Hospitality Policy and the requirements of the Bribery Act 2010.

8.2. Anyone involved in a procurement who has **current or past** business or close personal relationships with, or close friends or relatives employed by, potential bidders for HCPC contracts must disclose their interest to Procurement at the outset and may be excluded from the procurement process completely or restricted to a limited role.

Commented [AG4]: Addresses Julie Parker point at Sept Audit Committee

Freedom of Information

8.3. The HCPC is subject to the Freedom of Information Act 2000. This means that anyone who makes a valid request for information held by the HCPC will be entitled to receive it - unless all or part of that information can and should justifiably be withheld under the exemptions contained within the Act. All tenderers should be made aware at the beginning of the process that this is the case.

8.4. Suppliers may seek to prevent HCPC from disclosing information relating to their goods or services or pricing under the exemptions in the Act for confidential or commercially prejudicial information (sections 41 and 43 of the Act). In those cases, advice should be sought from the Information Governance Manager.

Equality and Inclusion

8.5. The HCPC conducts business in accordance with the Equality Act 2010, which requires the HCPC to ensure that it does not discriminate on the grounds of age, disability, gender reassignment, marriage & civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

8.6. The HCPC will require suppliers, where appropriate, to be aligned with HCPC's corporate objectives for equality and inclusion as outlined in HCPC's Equality & Diversity Policy.

8.7. The HCPC will require suppliers and third party contractors, where appropriate, to adhere to any specific obligations or commitments as outlined in the HCPC's [Welsh Language Scheme](#).

Regularity and propriety

8.8. Regularity and propriety are standards for the management of public money, which HCPC as a public body must meet. Regularity is defined as: compliant

with the relevant legislation (including EU legislation), delegated authorities and following the guidance in *Managing Public Money* published by HM Treasury. Propriety is defined as: meeting high standards of public conduct, including robust governance and the relevant parliamentary expectations, especially transparency³.

8.9. Regularity is therefore a largely objective standard which will normally be met by application of this policy and the associated procedures.

8.10. Propriety is a subjective measure. Although HCPC does not normally receive funds voted by parliament, we are accountable to parliament and must manage our finances to the same standards as other public bodies. To assess whether a given procurement meets the propriety standard, budget holders should ask themselves “could I confidently and openly explain this to registrants, the media and parliament as a good use of registrants’ money?” On the other hand, if budget holders find themselves thinking more negatively, eg how they could *justify* or *defend* the expenditure as a valid use of registrants’ money, then it indicates that the procurement may not meet the propriety test.

9. Compliance with law and regulation

Public Contracts Regulations

9.1. As noted above, the HCPC is subject to the Public Contracts Regulations 2015 (the Regulations) as updated or amended from time to time. The 2015 Regulations transpose the 2014 EU Public Contracts Directive into English law. Procurements with a total value greater than the thresholds which apply to the Regulations must be carried out in compliance with the Regulations and applicable case law.

9.2. The Regulations also incorporate UK-specific requirements designed to improve the access of small businesses to public sector contracts, known as the “Young Reforms”. The main impact of the Young Reforms on the HCPC is where we advertise a contract with an expected value greater than £25,000. The steps to follow in that case are addressed in procurement procedures.

9.3. HCPC can have reasonable assurance of compliance through the use of an appropriate framework agreement.

Data Protection Act

9.4. In the course of its business, HCPC processes or holds personal data about registrants, employees and others. Under the Data Protection Act, HCPC is the Data Controller in relation to this personal data, and must ensure that it is held and processed in accordance with the eight principles in the Act, which are that personal data must be:

- used fairly and lawfully;

³ Definitions taken from *Managing Public Money*
<https://www.gov.uk/government/publications/managing-public-money>

- used for limited, specifically stated purposes;
- used in a way that is adequate, relevant and not excessive;
- accurate;
- kept for no longer than is absolutely necessary;
- handled according to people's data protection rights;
- kept safe and secure; and
- not transferred outside the European Economic Area without adequate protection.

9.5. HCPC's responsibilities under the Act apply equally to services we perform in house and those we outsource to suppliers. HCPC requires suppliers to have information security policies and procedures appropriate to the nature of the HCPC information the suppliers handle. Procurement procedures set out the process for determining the standard of information security we require from the supplier of a given service, and the method of determining whether bidders and existing suppliers meet that standard. Where it is determined following the procedures that a supplier is a Data Processor on behalf of HCPC, then the supplier's responsibilities will be documented within the contract⁴.

Freedom of Information Act

9.6. See paragraph 8.3 above

Bribery Act

9.7. See paragraphs 8.1 and 8.2 above.

10. Managing commercial risk

Terms and conditions

~~10.1.~~ Framework agreement terms and conditions have been negotiated using central government buying power and are favourable to the customer. Some tailoring of the standard terms is normally required; consult Procurement for advice.

~~10.1-10.2.~~ HCPC's standard terms and conditions should normally be used in contracts for ongoing services that are not placed via framework agreements. Invitations to tender should include our terms and conditions so as to pre-empt any discussion over terms and conditions at the contract award stage.

~~10.2-10.3.~~ Our standard terms and conditions ensure a reasonable transfer of risk to the supplier, for example through the clauses on price changes, termination, intellectual property, and supplier's liability.

~~10.3-10.4.~~ Procurement procedures set out the steps to follow if a supplier seeks to impose their own terms and conditions.

Commented [AG5]: Addressing Omer Tauqir point at September Audit Committee

⁴ See also HCPC Information Security Management System manual document A15

Legal advice

~~10.4-10.5.~~ It may be appropriate to seek legal advice on a procurement issue, but only if the risk on which the advice is taken has a greater potential cost than the cost of the advice itself. Disagreements with suppliers over terms and conditions should be seen in the context of the contract value and the worst case impact of the disputed terms.

~~10.5-10.6.~~ Budget holders should note that the correct use of Framework Agreements substantially reduces the legal risk, and so legal advice will normally not be required on any procurement via a Framework Agreement.

Business continuity

~~10.6-10.7.~~ The financial failure or lack of capacity of a key supplier could have a significant impact on the delivery of HCPC's functions, and therefore HCPC requires suppliers to have financial and economic standing, and technical capacity and ability appropriate to the nature of the service they will provide to HCPC. Procurement procedures set out the process for determining the level of financial health and capacity we require from the supplier of a given service, and for evaluating the financial health and capacity of bidders for that service. Procurement will also periodically re-evaluate the financial health and capacity of existing suppliers of key services in order to identify business continuity risks.

11. Meeting the objectives of the business

Planning and specification

- 11.1. Retendering of existing contracts is planned on the basis of the expiry dates recorded in the suppliers database. Procurement and Relationship Owners are jointly responsible for identifying expiry dates and planning the retender process.
- 11.2. Tendering for new goods and services is planned primarily on the basis of the major projects portfolio, which will capture most new procurement by value. Project managers are responsible for discussing requirements and routes to market with Procurement.
- 11.3. Budget holders who intend to purchase new goods or services ~~with a value greater than £50,000~~ are responsible for advising Procurement in advance so that Procurement can support the tender process from the outset.
- 11.4. To achieve value for money it is essential to buy the right product. ~~The specification is therefore a key part of any invitation to tender, and it must be accurately and completely incorporated into the contract. For new goods or services (ie not the retender of an existing contract) with an expected value greater than £50,000, a business case is required to demonstrate with reference to HCPC's objectives and risks why the proposed procurement is necessary and that reasonable alternatives have been properly considered. Where the procurement is part of a major project, this requirement is met by the major projects business case and project initiation documents. If the~~

~~proposed procurement is not part of a major project, a business case based on the major projects business case template must be prepared and approved by EMT.~~

Commented [AG6]: Previous draft included a requirement for a business case approved by EMT where the procurement was new goods or services > £50k that are not part of a major project. On reflection, I think would be unnecessary, so have deleted. Departmental work planning and budget setting process would flag up any significant planned new activities and is the appropriate place to challenge those, ensure vfm.

Managing contracts

- 11.5. The Relationship Owner is responsible for managing the supplier's performance under the contract, and ensuring that the supplier delivers to the agreed specification, so that HCPC achieves value for money.
- 11.6. Contracts that are above £50,000 in value and/or have been assessed as high risk in terms of our requirements for information security or supplier financial health should be subject to a documented review at least annually.

Recording

- 11.7. All contracts made by or on behalf of the HCPC must be documented in writing. For contracts below £10,000 in value that do not involve the supplier in handling HCPC information, an HCPC purchase order (PO) will normally be sufficient documentation. By sending the PO to the supplier, we offer to purchase the goods or services under the terms and conditions referenced on the PO. By delivering the goods or services, the supplier accepts our offer.
- 11.8. Contracts above £10,000 should be signed by both parties to ensure clarity over the terms and conditions. If the supplier will handle HCPC information, a signed contract including appropriate obligations on the supplier is required regardless of the value: see paragraph 9.5.
- 11.9. All contracts above £10,000 must be recorded in the suppliers database. Contracts above £25,000 are disclosed proactively under our Freedom of Information publication scheme.
- 11.10. The process to set up a new supplier (which is essential before a new supplier can be paid) includes confirmations that the contract has been recorded, that the appropriate selection process was followed, and that the data security and business continuity requirements have been met.
- 11.11. Contracts will be retained on the suppliers database in accordance with the HCPC's Document Retention Policy. Procurement will retain copies of all tender documents and relevant correspondence for procurements over the relevant EU threshold.
- 11.12. Budget holders are responsible for retaining documents for procurements under the EU threshold. Documents retained must include the invitation to tender, all tenders submitted, the evaluation of bids and correspondence with successful and unsuccessful bidders. Documents must be retained until the end of the financial year following the award of the contract.

12. Exceptions

- 12.1. If a budget holder considers that an exception to this policy needs to be made in relation to a procurement with a value greater than £10,000, he/she must consult Procurement before any commitment is made to a supplier.
- 12.2. An exception form must be completed by the budget holder and approved by Procurement to document the reason for the exception.
- 12.3. Legal advice will be required on any proposed exception to policy in relation to a procurement above the relevant EU threshold.

13. Further information

- 13.1. Advice on any aspect of this policy can be obtained from Procurement and the Director of Finance. Further guidance is available on the Finance Department section of the HCPC intranet.

Council, 3 December 2013

Procurement Policy

Executive summary

Introduction

This paper is a response to recommendations made by the National Audit Office (NAO) in 2012/13 following a review of the HCPC's procurement process.

The recommendations made by the NAO were that;

- HCPC reviews its procurement policies and procedures and ensures that they meet current legal and good practice requirements; and,
- HCPC ensures that all staff in procurement are adequately familiar with the relevant policies and procedures, understand their importance and comply with them

In response to these recommendations HCPC recruited a procurement manager in April 2013 who is currently responsible for clearly defining and implementing the organisation's procurement policy and procedures.

This document sets out the organisation's proposed Procurement Policy and has been approved by the HCPC's lawyers. The Procurement Policy was considered by the Finance and Resources Committee at its meeting on 21 November 2013 and was recommended to the Council for approval.

Decision

The Council is asked to discuss and approve the policy.

Background information

Outlined above.

Resource implications

None.

Financial implications

None anticipated.

Appendices

None.

Date of paper

22 November 2013.

Procurement Policy

November 2013

Wangari Farrelly, Procurement Manager

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1. Introduction

- 1.1 This policy sets down the standards to which the Health and Care Professions Council (HCPC) employees need to adhere in relation to procurement activities i.e. the purchase of goods, services and works.
- 1.2 This policy applies to all those persons involved in procurement activities for or on behalf of the HCPC. In addition to all HCPC employees it also applies to:
 - 1.2.1 council and committee members;
 - 1.2.2 contractors; and
 - 1.2.3 Partners.
- 1.3 In this policy the term 'Persons' collectively refers to those mentioned in paragraph 1.2.
- 1.4 This policy applies to the purchase of all goods and services all of which should be purchased via competition unless they are of low value.

2. Scope

- 2.1 The policy aims to ensure that all procurement activities conducted by the HCPC:
 - achieve best possible value for money;
 - are conducted in a fair, objective and transparent manner;
 - are compliant with all relevant regulation;
 - effectively manage commercial risk; and
 - encompass the short and long-term objectives of the business.

Responsibilities

- 2.2 The responsibility for ensuring good procurement practice rests with all Persons involved in the procuring of goods and services.
- 2.3 All Persons have a responsibility to ensure that the HCPC's resources are used to the maximum benefit of the HCPC in the provision of its services. This means that the procurement mechanism must be effective and efficient so as not to waste valuable employee time unnecessarily whilst achieving best value.
- 2.4 It is essential that all Persons responsible for procuring goods and services within the HCPC familiarise themselves with the HCPC's Procurement Policy and Guidelines.

Legislation

- 2.5 As a public body, the HCPC is subject to the Public Contracts Regulations 2006 (the Regulations). Procurements with a total value equal to or greater

than the thresholds which apply to the Regulations must be carried out in compliance with all prevailing legislation including but not limited to EU and UK Procurement Law. The Procurement Manager will provide guidance and seek legal assistance where appropriate.

3. Value Thresholds

- 3.1 The value of a contract is measured as the aggregate amount HCPC expects to pay the contractor over the duration of the contract, whether to be supplied or executed one time or over a specific period. If there is any doubt in respect of such a valuation the Procurement Manager must be consulted.
- 3.2 A Supplier Relationship Manager (SRM) will be identified at the outset of the procurement process. This person will be responsible for ensuring the contract delivers as intended. This person may be managing a supplier on behalf of several HCPC departments. In most cases, the Supplier Relationship Manager will hold the largest value contract with the supplier.
- 3.3 The HCPC will provide and maintain clear guidelines for minimum spend competition thresholds. These will be dependent on the size and complexity of the proposed procurement activity and will comply with procurement regulations. For procurements under £100, procedures are at the budget holder's discretion bearing in mind the policy aims set out in paragraph 2.1. All other requirements will be subject to the following procedures:

Table 1 Procurement routes and value thresholds

Total Estimated Contract Value incl VAT	Method	Method of acceptance	Approval
£101 - £1,000	Budget holder's discretion	Approved purchase order(PO)	Budget holder or Director
Exceeding £1,000 - £8,000	Evidence of comparison of two or more suppliers	Approved PO	Budget holder or Director
Exceeding £8,000 - £30,000	Minimum of three written quotations	Written acceptance of contract and approved PO. Chief Executive to sign contract.	Chief Executive. Values over £25,000 must also be approved in advance by the Chair of Council.
Exceeding £30,000 but less than OJEU threshold	Formal written tender with a minimum of three written responses	Written acceptance of contract and approved PO. Chair of Council to sign contract.	Chief Executive and Chair of Council
Above relevant OJEU threshold	Formal OJEU process. Seek legal advice throughout as appropriate	Written acceptance of contract and approved PO. Chair of Council to sign contract.	Chief Executive and Chair of Council.

- 3.4 EU thresholds are modified from time to time by the European Commission. When considering which route to follow, the latest Official Journal of the European Union (OJEU) thresholds should be verified prior to commencing the procurement.
- 3.5 OJEU thresholds valid for the period 1 January 2012 to 1 January 2014 are as follows:

Table 2 EU threshold values 2012-2013 inclusive.

Type of Contract	Threshold
Service & Supply (includes supply, lease, rental or hire purchase of goods, excluding employment contracts)	£173,934
Works (building & engineering, including capital works)	£4,348,350

*Values exclude VAT

- 3.6 In the case of any uncertainty the application of this policy or which procurement route should be followed, advice should be sought from the Procurement Manager.

4 Policy Requirements

- 4.1 The primary objective of the HCPC's procurement policy is to obtain value for money and comply with requirement of regularity and propriety. Value for money is the optimum combination of whole life costs and quality on the best available contractual terms to meet the HCPC's business needs and requirements.
- 4.2 Persons involved in procurement activities must provide appropriate notice to the Procurement Manager and others who will be involved in the procurement process. For details of notice periods refer to HCPC's Procurement Guidelines.
- 4.3 Where applicable the use of existing Government Procurement Service (GPS) framework agreements should be considered. Competitive tenders and quotations can be sought from suppliers on existing frameworks as set up by the GPS (<http://gps.cabinetoffice.gov.uk>).
- 4.4 During a procurement exercise the correct specification is key to achieving value for money. Requirements should be specified in appropriate detail and provide suppliers with a clear indication of what is required to enable cost estimates to be accurately produced.
- 4.5 The re-letting of contracts will be required at appropriate intervals and will not normally exceed four years. Where a framework Agreement is proposed, the term of four years should be treated as a maximum.
- 4.6 All contracts made by or on behalf of the HCPC must be documented in writing

and, where appropriate, based on the HCPC's terms and conditions. Where this is not possible, approval must be sought from the Procurement Manager, with legal advice being sought where relevant.

- 4.7 Where a contract requires a supplier to apply data processing activities to the HCPC's data the supplier must sign the HCPC's Data Processing Agreement prior to the commencement of the contract.
- 4.8 All contracts must be deposited on the suppliers database which is overseen by the Finance Department.
- 4.9 The Procurement Manager will review and approve requests for set up of new suppliers' in conjunction with the Chief Executive onto the Purchase Requisition System (PRS) supplier file after carrying out an analysis of requirements and other supplier checklist items.

Ethics

- 4.10 All employees involved in procurement activities are expected to behave ethically at all times. All employees shall be open, honest, fair and impartial in their dealings with suppliers. In particular staff must familiarise themselves with and comply with the Anti-Bribery, Gifts and Hospitality Policy.
- 4.11 Anyone involved in a procurement who has business or personal relationships with, or friends/relatives employed by, potential bidders for the HCPC contracts must disclose to the SRM and the Procurement Manager at the outset and may be excluded from the procurement process completely or restricted to a limited role.

Freedom of Information

- 4.12 The HCPC is subject to the Freedom of Information Act 2000. This means that any person who makes a valid request for information held by the HCPC will be entitled to receive it - unless all or part of that information can justifiably be withheld under the exemptions contained within the Act. In so far as is practicable all tenderers should be made aware at the beginning of the process that this is the case.

Equality and Inclusion

- 4.13 The HCPC conducts business taking into account the Equality Act 2010, which requires the HCPC to ensure that it does not discriminate on the grounds of on age, disability, gender reassignment, marriage & civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 4.14 The HCPC will require suppliers, where appropriate, to be aligned with HCPC's corporate objectives for equality and inclusion as outlined in HCPC's Equality & Diversity Policy.

5 Waiving of the Requirements

- 5.1 There may be circumstances where the waiving of this Procurement Policy may be necessary.
- 5.2 Before a waiver is granted an explanation using a Single Source Request form must be submitted to the Procurement Manager and approved by the Chief Executive clearly stating which of the grounds set out below is relied upon:
- the work constitutes follow up work, which is directly related to a recently completed contract;
 - the expertise required is only available from one source;
 - technical necessity due to compatibility with existing HCPC systems and processes;
 - where the goods, services or works to be procured are of a specialist or proprietary nature and it can be demonstrated that no satisfactory alternative supplier is available; or
 - in an emergency, i.e. a threat to life, health, property or the reputation of the HCPC.

6 Monitoring & Recording

- 6.1 At least once a year the Procurement Manager will randomly select approved purchase orders from PRS to ensure compliance with the HCPC Procurement Policy.
- 6.2 Proper records of all procurement activity must be retained in accordance with the HCPC's Document Retention Policy in either electronic or hard-copy format as appropriate.

7 Further information

- 7.1 Advice on any aspect of this policy can be obtained from the Procurement Manager and the Director of Finance. Further guidance is available on the procurement section of the HCPC intranet.