

Trust Policy

Procurement Policy

Key Points

- Procurement of goods and services (non-pay spend) is regulated by EU and UK legislation and by the Trust's Standing Financial Instructions
- The Trust, as a spender of public money, has a duty to ensure value for money and compliance with the EU principles of Procurement
- The Procurement Department manage the transactional and contractual relationship with Suppliers of goods and services and must be involved at an early stage.
- Commitment to purchase goods and/or services is only entered into by the raising of an official Trust Purchase Order

Version:	2.0
Role of Policy Lead(s):	Associate Director of Procurement
Role of Executive Lead:	Director of Finance
Date Approved by Executive Lead:	November 2020
Name of Professional Approving Group:	Finance Investment Committee
Date Approved by Professional Approving Group:	November 2020
Date Approved by Policy Review Group:	N/A
Date Ratified by Senior Leadership Committee:	December 2020
Date Issued:	December 2020
Review Date:	December 2023
Target Audience:	All Trust Staff
Key Words & Phrases:	Procurement Policy, Tendering, Contracting, Buying

Version Control Sheet

Version	Date	Policy Lead(s)	Status	Comment
1.0	December 2017	Policy Officer	Final	Approved at Finance Assurance Committee
1.1	November 2020	Associate Director of Procurement	Draft	Updates following SFI amendment and EU threshold change and Internal Audit recommendations. Text added at 5.9.6 “Waivers for goods and services not initiated by the Trust (such as rentals for NHS Property Services, CNST payments) will not be recorded as a waiver”
2.0	December 2020	Policy & Guidelines Manager	Final	Approved at SLC

Document Location

Document Type	Location
Electronic	Intranet – Procurement folder on https://ourplace.xfph-tr.nhs.uk/our-trust/trust-policies
Paper	Procurement Office, FPH

Related Documents

Document Type	Document Name
Trust Policy	Standards of Business Conduct
Trust Policy	Management of Medical Equipment and Devices Policy
Trust Policy	Standing Financial Instructions
Trust Policy	Frimley Health Constitution
Trust Policy	Anti-Fraud Policy
Trust Policy	Environmental and Sustainability Policy
Finance Register	Budget Holders Info eFin and FPM (Authorised Signatory List)
Trust Policy	Company Representative Policy
Departmental Document	Procurement Transformation Plan
Departmental Document	Procurement Manual

Contents

	Page No
1. Introduction	4
2. Scope of the Policy	5
3. Definitions	6
4. Purpose of the Policy	7
5. The Policy	7
6. Duties / Organisational Structure	16
7. Raising Awareness / Implementation / Training	18
8. Monitoring Compliance of Policy	18
9. References	19
Annex A: Trust Waiver Form	20

1. INTRODUCTION

- 1.1 This policy seeks to provide clear guidance for all Trust employees in relation to procurement activity to be followed to comply with Trust Standing Financial Instructions, UK and EU Procurement Regulations
- 1.2 The Policy incorporates procurement ‘best practice’ regarding the way the Trust will manage its activities, business relationships with suppliers, and our corporate social responsibilities together with the engagement, utilisation, and authority of the key stakeholders at all stages in the procurement cycle.
- 1.3 The Policy shall ensure the consistent, transparent and robust application of Appendix 1 (Purchasing and Tendering) to the Trust’s Standing Financial Instructions (SFIs).
- 1.4 Further information about the processes for Procurement is contained in the Procurement Manual available on the Trust intranet.
- 1.4 Procurement is governed by a set of EU and UK principles that set out to ensure a ‘level playing field’ for buyers and suppliers in which to conduct business. These principles legally apply to procurement activity above the EU Public Procurement Thresholds but should equally be applied proportionately to all procurement activity regardless of spend.

These principles are outlined in Tables 1.0 and 1.1 below

Table 1.0 – EU Principles of Procurement

EU Derived Principles

Transparency	Procurement activity shall be advertised appropriately to ensure market visibility and provide clear information with regards to the process, contractual requirements, performance and the method/s of evaluation being used in the determination of a successful bid.
Proportionality	The approach taken in any given procurement activity will be proportionate to the level of complexity, impact, risk and value of the activity as to not prevent or discourage bidders.
Equality	Ensuring that all providers and sectors have equal opportunity to compete where appropriate, that financial and due diligence checks apply equally and are proportionate, and that pricing and payment regimes are transparent and fair.
Non-Discriminatory	The consistent application of the Regulations and Trust rules to all procurement activity to ensure that no member state supplier is prevented from participating in an EU Tender on the grounds of nationality, or subject matter of the contract.
Mutual Recognition	Member states will recognise equivalent measures of qualifications, standards etc.

Table 1.1 – UK Principles of Procurement

UK Principles

<i>Favour Competition</i>	Procurement activity should be undertaken in a competitive environment to aid in demonstrating the EU and UK principles as well as VFM.
<i>Robust</i>	Procurement activity should be legally robust to ensure compliance and account of decisions made and/or actions taken. The specification of the services and the terms and conditions shall ensure the Trust and its patients are safeguarded appropriately.
<i>Accountability</i>	All procurement activity will have an accountable officer of the Trust to sign off on the compliance of the procurement process/es used.
<i>Value for Money</i>	All procurement activity will seek and demonstrate the balance between quality and cost reflecting in a VFM decision.
<i>Quality</i>	Procurement activity will set out the minimum quality of goods, works or services / outcomes to be achieved through the specification of the contract.

1.5 Frimley Health NHS Foundation Trust is committed to the provision of a service that is fair, accessible and meets the needs of all individuals.

2. SCOPE OF THE POLICY

2.1 This policy will apply to all Trust staff involved in the requisitioning, evaluation or procurement of non-pay spend including equipment, goods and services from any of the following sources of funds:

- Revenue budgets
- Capital budgets
- Charitable funds

2.2 Excluded from this policy are management of items ordered through the Pharmacy Procurement Team (including drugs and fluids).

3. DEFINITIONS

EROS	Electronic Requisitioning and Ordering System – the Trust’s e-procurement system.
EU Threshold	The value above which all public bodies subject to EU/UK Regulations must seek competitive tenders. This level is currently £189,330 for supplies and services and £4,733,252 for works set on 1 st Jan 2020. The thresholds are usually reviewed every 2 years.
GRN	Goods Received Note. The Note details the goods or services that were received.
MEAT	Most economically advantageous tender – This is a tender that has been judged as offering the best value for money bid based on a balance between the quality/technical offer and the financial offer
MIA	Master Indemnity Agreement. The Department of Health hold a register of suppliers who have demonstrated that they hold indemnity to cover NHS bodies for equipment and consumables not covered by a Purchase Order. The Trust therefore has a requirement to ensure that goods that are loaned or gifted (rather than purchased) are covered by an Indemnity Agreement.
OJEU	Official Journal of the European Union – the official publication that all public bodies bound by EU and UK Regulation must use to publish their notices for procurement activity above the EU threshold
PAQ	Pre-Acquisition Questionnaire. An NHS document that all suppliers of medical equipment are responsible for completing. The PAQ provides detail about the product including CE marking, decontamination information, Training and Servicing information. This form must be approved by the EME department before the product is approved for purchase.
Public Contracts Regulations 2015 (PCR2015)	The Public Contracts Regulations implement, in England and Wales, the EU Directive on public procurement. The EU directive governs how all EU member states carry out procurement within the public sector and provides a set of requirements that must be followed to ensure compliance with the legislation. The requirements encompass the principles of the EU Treaty in particular the free movement of goods and the freedom to provide services (see also Table 1.0 above)
Requisitioner / Requisitioning Department	The end user / Department raising the requirement for goods or services
SFIs	Standing Financial Instructions, the Trust policy that provides the business and financial framework within which all officers of the Trust are expected to work.

4. PURPOSE OF THE POLICY

- 4.1 The purpose of the policy is to reduce organisational risk by ensuring that the Trust complies with the requirements of the Trust's Standing Financial Instructions, European Union and UK regulations with regard to fairness, transparency and so as to secure value for money procurement as a public body.
- 4.2 In addition the Policy will ensure that:
- Value for money is achieved and can be demonstrated, whilst maintaining appropriate quality,
 - All purchases are in line with the Trust's strategic and business plans,
 - Goods are obtained with the minimum of delay subject to adherence to Trust SFIs,
 - Medical equipment is purchased in line with the Management of Medical Equipment and Devices Policy and NHS Pre-Acquisition Questionnaire (PAQ) recommended standards,
 - The Procurement Department are involved at the earliest opportunity in the procurement of goods and services.
 - Purchases are made in line with Equality and Diversity Legislation

5. THE POLICY

- 5.1 The level of procurement activity is determined by the cost of the requirement. Note that recurring regular requirements must be considered based on a consolidation of expected annual spend as a minimum. The requirements for each band of spend are detailed in **Sections A-C** below.

Purchases must not be split to bring the spend below the thresholds detailed below in order to avoid procurement activity.

- 5.2 All requests for goods or services must be made through the Trust's e-procurement system (EROS).
- 5.3 All non-pay spend must be covered by a Trust purchase order raised via the Trust's e-procurement system.

5.4 Summary

Whole life costs	£0 £10,000	£10,001 £50,000	£50,001 £189,329	£189,330* and above
	(Sect A)	(Sect B)		(Sect C)
Minimum Three Written Quotations		Yes		
Full Tendering Process			Yes	
EU Tendering Process or Framework				Yes

**Current 2020-2022 EU threshold for Supplies and Services. The threshold for Works is currently £4,733,252. Note that these values are set every 2 years on 1st January.*

Section A

Procurement of Goods or Services with a value of less than £10k or procured under an existing contract.

- 5.4.A.1 The requisitioning department must identify exactly what is required. If the goods or services are less than £10k or a current contract for the items exists then it is sufficient to raise a requisition on the Trust's procurement system, EROS.
- 5.4.A.2 Appropriate authorisation must be obtained from either the budget holder or their nominated deputy. Note that an authoriser or buyer **may not** be involved in the receipt of goods.
- 5.4.A.3 The Procurement department will then raise and despatch the purchase order.

Section B

Procurement of Goods or Services in excess of £10k (whole life time costs) *not* covered by existing contract but under the prevailing EU Threshold.

The following procedure details in full the steps required to purchase goods and services in excess of £10k but below the EU Threshold.

5.4.B.1 **Identify Requirement**

The requisitioning department must contact the Procurement department detailing the specification of the goods or services required. In many cases the supply of equipment and consumables has been standardised. The Department must therefore check with the Procurement department if they are unsure.

Account must be taken of whole lifetime costs and this could include:

- Cost of actual goods.
- Accessories associated with the product.
- Any maintenance, licensing or service contract costs.
- Training Costs
- Delivery and miscellaneous charges.
- Cost of disposal of items within Environmental procedures.

If there is no standardisation in the Trust, then the user is required to produce a specification. The specification must be generic and not show bias to a particular manufacturer.

If the user is unsure whether a contract currently exists, they must contact the Procurement department for advice. Where a contract exists, all departments are obliged to use it unless they can give valid reasons why it may not be appropriate.

5.4.B.2 **Quotes or Tenders Received**

In accordance with Trust SFI's the Procurement department will obtain quotes as follows (values include VAT):

- a) Between £10,000 and £50,000 – Three written quotations required. Requests to waive the requirement for three quotes must be made on the waiver form (see Annex A) stating a valid reason. The waiver is then logged and will be sent for approval by the Associate Director of Procurement and by the Director of Finance.
- b) Between £50,000 and £189,330 (or prevailing EU threshold) – Formal competitive tender required. Requests to waive the requirement for a tender process must be made on the waiver form as above.

5.4.B.3 **Medical Equipment**

5.4.B.3.1 **Funding**

Requirements for Medical equipment with a cost in excess of £5k must be approved by the Trust's Hospital Equipment Group before an order can be placed. The requisitioner must complete a Capital Expenditure Bid Form and submit to the Group. Once approved this form must be attached to the EROS requisition.

5.4.B.3.2 **Pre-Acquisition Questionnaire (PAQ)**

A PAQ must be provided by the supplier, reviewed and approved by the relevant Trust department as appropriate (EME, CSSD, Infection Control, IG, Digital Services) for all medical equipment prior to purchase. The Procurement Department will obtain the PAQ.

5.4.B.3.3 **Evaluation and Trial of Equipment if appropriate**

If the requirement is for medical equipment, then this must be trialed and evaluated in accordance with the Management of Medical Equipment and Devices Policy. A Pre-acquisition questionnaire (PAQ) for the Equipment must be obtained by Procurement and passed to the appropriate department(s) for approval as appropriate.

5.4.B.3.4 The PAQ will then need a supporting contract to ensure the obligations described are agreed and contracted.

5.4.B.4 **Evaluation of Quotes and Tenders**

Quotes and Tenders are evaluated in accordance with the following system outlined in Trust SFI's:

- a) Between £10,000 and £25,000 – The Procurement department and the end user will evaluate the quotes and must accept the cheapest unless there is a compelling reason not to do so. This reason must be documented to the satisfaction of the Associate Director of Procurement and approved in line with SFIs (**Appendix 1, Section 4, Table 4.01**). Any proposal to waive this requirement would need the approval of the Director of Finance
- b) Between £25,000 and £100,000 – The tenders and/or quotes will be received and evaluated by the requisitioning and Procurement department. The most economically advantageous tender and/or quote must be accepted, and the

outcome of evaluation will be documented to the satisfaction of the approver as detailed in SFIS (**Appendix 1, Section 4, Table 4.01**). Any proposal to waive the most economically advantageous tender would need the approval of the Director of Finance.

- c) Over £100,000 - A paper, summarising the process and rationale for award to a supplier, must be submitted by the stakeholder to the highest approver (**see SFIs Appendix 1, section 4.2**) in the relevant format.
- d) In all cases if less than 3 quotes or tenders are received, justification not to re-tender and proceed with award of the procurement shall be documented to the satisfaction of the approver as detailed in SFIs (**Appendix 1, Section 4, Table 4.01**)

5.4.B.5 **EROS Approvals process**

For goods and services over £10,000 the requisition must be raised on EROS and electronically authorised by an authoriser and the budget holder (although these may be the same person). The requisition is then routed to Procurement to confirm that SFIs have been correctly followed. Any request to waive the requirement for three quotes is detailed on the waiver form by the requisitioning department. Following Procurement assessment, the requisition is passed electronically to the Business Support team in Finance to indicate available funding and then to final approval from the Associate Director for the Service, the Director of Finance and CEO as appropriate.

5.4.B.6 **Purchase Order Raised**

Following notification of the requisition approval, the Procurement department will then raise the official order and any other appropriate paperwork such as contract schedules etc.

Section C

Procurement of Goods or Services in excess of the current EU Threshold *not* covered by an existing contract.

- 5.4.C.1 For procurements with a whole life time cost in excess of £189,330 (current level as at 1/1/2020) for goods or services (the level for Works is £4,733,252), the Trust is required by European law to carry out a full tender within the regulations and principles laid down in the Public Contracts Regulations 2015.
- 5.4.C.2 For any requirements falling into this category of spend, the Procurement department must be involved at the earliest opportunity. The Trust will follow the OJEU process as described in the Public Contracts Regulations 2015 and Procurement will guide the requisitioner through this process.

5.5 Contracts

5.5.1 A contract following a procurement must be drawn up and signed by those with the appropriate authority (in accordance with SFIs). In some circumstances it is sufficient for just a purchase order referencing the NHS Terms and Conditions to be raised. These circumstances are detailed below:

- a) Where the requirement is for routine delivery of goods where payment is made following receipt and which have no service element.
- b) Where the requirement is for services with minimal service elements and where the detail of the services are stipulated on the supplier's quote attached to the purchase order.
- c) Where the requirement is covered under a national framework which does not require Trust commitment (e.g. purchases of medical equipment under the NHS Supply Chain framework)

5.5.2 The Procurement Department shall be responsible for drawing up the Contract or Memorandum of Agreement and Schedules with the successful supplier(s) except where specialist subject matter is required. In this case, an expert may be required to assist with the drawing up of Contracts. For high value and strategically important contracts, the Trust may wish for contracts to be reviewed by the Trust's solicitors.

5.5.3 The Contract will be drawn up in accordance with UK, European legal requirements and Trust Policies and in accordance with best practice not limited to the legal guidelines and advice found in the following:

Public Contracts Regulations 2015

http://www.legislation.gov.uk/ukxi/2015/102/pdfs/ukxi_20150102_en.pdf

5.6 Contract Review

5.6.1 For contracts that have an ongoing input from the contracted supplier(s) either in the form of a service provided or for requirements such as maintenance then a Contract Review and Monitoring process will be put in place at the time of contract award.

5.6.2 The Review and Monitoring process periods will be determined at the time of contract award but should ideally be:

5.6.2.1 Quarterly for services that are deemed critical to the Trust and whose reduction or absence will seriously affect all areas (or the area to which the service is being provided).

5.6.2.2 Bi-annually for services that are of higher (though lesser) importance to the Trust but whose reduction or absence will cause delays or minor interruptions to the running of that area.

5.6.2.3 Annually for services that are of low importance to the Trust whose reduction or absence will cause inconvenience to the running of that area.

5.7 IM&T Contracts

5.7.1 The process for drawing up contractual documents for large (over £50k) IT Contracts will follow the procedure set out by the Digital Services Operational Group

5.8 Diligence (New and Incumbent Suppliers)

5.8.1 Diligence checks for suppliers shall be completed by the Procurement Department as follows:

a) New Suppliers

Where a contract is identified as being of critical or high importance (as per 5.6.2.1 and 5.6.2.2), financial checks must be completed prior to contract signature. This may be carried out as part of a tender. Financial checks shall be in the form of a Company's House / Dunn and Bradstreet report or review of financial accounts to confirm the Supplier's financial ability to fulfil the contract.

In addition, quality checks shall be completed prior to contract signature for contracts for medical goods. This may include review of CE, ISO or other relevant quality standards.

Where contracts are of low financial risk to the Trust (e.g. payment for supply of goods only following receipt) and, in the opinion of the Associate Director of Procurement, the goods are not unique or critical, then financial checks do not need to be completed.

b) Incumbent suppliers

Where a contract is identified as being of critical or high importance (as per 5.6.2.1 and 5.6.2.2) and is longer than 2 years, a refreshed financial check shall be carried out midway through the contract.

5.9 Waivers

5.9.1 Waivers apply where there are genuine reasons why it would not be appropriate or advantageous to seek competitive tenders.

5.9.2 **Orders over £10,000 not procured under an existing contract may be waived under the following circumstances (SFls, Appendix 1 section 2.4.2):**

- a) Where there is only one supplier and no reasonably satisfactory alternative product or service;
- b) Competition would be impractical, impossible or not beneficial;
- c) The work for practical reasons must be of the same manufacture, for instance repairs / spare parts for existing equipment;
- d) Where it is known that a marked financial advantage will accrue to the Trust from making a spot purchase of products subject to quickly changing market conditions.

- 5.9.3 These circumstances and opinion must be documented and the reasons recorded in the Waiver log held by Procurement. The waiver must be uploaded against the requisition in EROS and assessed by Procurement. The waiver can only be approved by the Director of Finance or CEO through the EROS approval process.
- 5.9.4 Orders greater than £189,330 (or prevailing EU Threshold) may not be waived under any circumstances and are subject to European law.
- 5.9.5 Waivers must not be used to avoid the tendering process even where there is no apparent competition. Suppliers have the right to challenge Trusts where they believe Public Procurement Rules are not being adhered too and feel that the Trust is not seeking fair and open competition. In any case waivers do not exempt the Trust from following EU Procurement rules.
- 5.9.6 Waivers for goods and services not initiated by the Trust (such as rentals for NHS Property Services, CNST payments) will not be recorded as a waiver
- 5.10 **Spend review**
- 5.10.1 The Procurement Department shall monitor aggregate spend with suppliers on a regular (at least quarterly) basis. If aggregated spend with a non-contracted supplier over 12 months exceeds the SFI thresholds for procurement activity then this shall be flagged on the Procurement workplan for such activity to start as soon as possible.
- 5.11 **Emergency Orders**
- 5.11.1 Emergency orders are those orders, which, due to a pressing operational need, must be placed with the supplier with the utmost speed. There are two types of emergency order:
- a) Orders needing to be raised out of normal office hours (i.e. when there is no representative from the Procurement Department on site).
 - b) Orders urgently required during office hours
- 5.11.2 **Emergency Orders for goods or services required out of normal office hours.**
- If goods or services, of an operational nature, are required which cannot be 'borrowed' from another area of the hospital then an emergency order may be raised by the requisitioning department. The following process must be used:
- a) Identification of need
 - b) Efforts made to source the item or service from existing resources within the Trust. If unsuccessful proceed to:
 - c) Authority for procurement of the goods must be given by an authorised signatory for the requisitioning budget whose name appears in the Authorised Signatory List. If no-one is present with this authority, then approval must be obtained by **one** of the following:

For goods or services less than £10k

- A budget holder
- Site Manager

For goods or services in excess of £10k but less than £50k

- On-call Manager (reached through Switchboard)
- Procurement Manager (reached through Switchboard)
- On-call Director

For goods or services in excess of £50k

- Director of the Trust

- d) The authority must be given in writing via email. The email must state the items and the value being authorised.
- e) Place the order with the supplier quoting the order number “EPO[today’s date dd/mm]” e.g. an order placed on the 27 April would have order number EPO2704. Supplier’s phone numbers can be found on EROS using the Search function or by the usual means (Internet, directory enquiries)
- f) For goods: when placing the order ensure that the supplier is aware that goods are to be delivered directly to the Department since the hospital loading bay is locked out of hours.
- g) On the next working day ensure that the Procurement Department have a copy of the emailed approval and any delivery notes. Procurement staff will then input the requisition onto EROS using the order number as the requisition number. Retrospective approvals will be obtained as required.

5.11.3 **Orders urgently required during office hours.**

These orders are placed in the same way as non-urgent orders.

- a) Contact any member of the Clinical or Non-Clinical Procurement Teams within the Procurement department stating that you have an urgent requirement;
- b) The requisition must be input on EROS and a buyer can do this with appropriate email authorisation (see 5.9.2 c)) above.

5.12 **Ethics and Fraud**

5.12.1 **Acceptance of Gifts and Hospitality**

5.12.1.1 The acceptance of gifts, hospitality or consideration of any kind from contractors and other suppliers of goods or services as an inducement or reward is not permitted. Staff must comply with the Trust’s ‘Standards of Business Conduct’ and any guidance and directions issued by the Independent Regulator.

5.12.1.2 Where offers of goods and services do not involve inducement or reward Officers must not accept gifts from commercial sources other than inexpensive articles not exceeding

£50.00 such as calendars or diaries. If such gifts arrive unsolicited, the advice of a Director must be sought.

5.12.1.3 In all cases staff should refer to the Trust's Anti-Fraud Policy

5.12.2 **Declaration of Interest**

5.12.2.1 It is the responsibility of all employees to inform the Trust if they, or a close relative or associate has a controlling interest and/or significant financial interest in a business of any other activity or pursuit which may compete for an NHS contract to supply goods or services to the Trust.

5.12.2.2 For all tenders with an expected value of over £50,000, a conflict of interest form shall be issued by Procurement and completed by all stakeholders involved in the specification writing or evaluation of the tender. The forms shall be reviewed by Procurement prior to stakeholder activity on the tender. Stakeholders may be asked to recuse themselves from the tender if a conflict is noted.

5.13 **Trust's Code of Business Conduct**

5.13.1 In all cases staff and suppliers must comply with the Trust's Standards of Business Conduct.

5.14 **Medical Consumables and Trials**

5.14.1 All equipment and consumable trials (with the exception of those falling under the remit of the Research and Development department) shall be conducted through the Trust's Product Selection Group and Theatre Product Selection Group and in line with the current Trials Policy.

5.14.2 All consumable samples or trial stock must be CE marked (Conformite European).

5.14.3 All medical equipment loaned for purposes of a trial must be covered under a Trust purchase order or otherwise be provided under a Master Indemnity Agreement (see 5.12)

5.15 **Master Indemnity Agreements**

5.15.1 If a requisitioning department wishes to use a piece of equipment that is either on loan to the Trust or has been gifted (in other words any equipment in use that has not received consideration or payment) then the appropriate Indemnity approvals must be sought.

5.15.2 The list of Master Indemnity Agreements (MIA) is held and updated by the Department of Health and the full register of companies can be found at the following link or from Procurement:

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_117175

5.15.3 On each occasion of equipment use the requisitioning department must complete the MIA Call off Agreement (please contact the Procurement department for a copy) and return the form to the Procurement department.

5.15.4 If the Supplier does not appear on the Department of Health registry then the above MIA Call Off Agreement must still be completed but in addition a copy of a valid insurance form must be requested from the supplier. The Supplier must be advised to contact the Department of Health to register on to the Overarching Master Indemnity Agreement Register for future use. Forms must be forwarded to the Procurement Department along with a copy of the Suppliers Indemnity certificate. The Procurement department will assist with completion of these forms if required.

5.16 **Environmental Impact**

All purchases shall be made with a view to the effect these purchases have on our environment and in accordance with the Trust's Environmental and Sustainability Policy. All staff should be aware of the need to consider environmental and sustainability issues in any procurement, but some key considerations include:

- Sourcing local goods and suppliers where appropriate
- Selecting goods with a low environmental impact e.g. purchasing of white goods with an energy rating of A or B
- Considering a supplier's environmental policy and practice when evaluating bids for goods and services
- Where appropriate, checking for availability of goods against the Trust's WARP-IT platform prior to purchase
- Wherever possible, purchasing fair trade goods

5.17 **Corporate Social Responsibility**

The Trust shall ensure that it will positively follow the principles set out in the Public Services (Social Value Act) 2012. The Act places a requirement on commissioners and providers to consider the economic, environmental and social benefits of their approaches to procurement for contracts to which the Public Contracts Regulations apply. Where relevant, Procurement shall take steps to include proportionate testing of a bidder's contribution to Social Value by including appropriate questioning and means of evaluating in the tender document.

5.18 **Modern Slavery**

The Trust shall ensure that it incorporates clauses within its terms and conditions to ensure that modern slavery, i.e. slavery and human trafficking, is not taking place in any part of our business or our supply chains.

6. DUTIES / ORGANISATIONAL STRUCTURE

6.1 Chief Executive Officer

6.1.1 The Chief Executive Officer has overall responsibility for the Procurement Policy within the Trust. The implementation of, and compliance with, this Policy is delegated to the Associate Director of Procurement.

6.2 Director of Finance

6.2.1 The Director of Finance has responsibility for the Trust's Standing Financial Instructions, Finance Policies, Procurement Policy and compliance to UK and EU Procurement law and act as an advocate for Procurement on the Board. The implementation of, and compliance of Procurement Policy is delegated to the Associate Director of Procurement.

6.3 Procurement Staff

6.3.1 The Associate Director of Procurement is the Trust's designated lead for the Procurement Policy and has responsibility to ensure that the policy is correctly followed.

6.3.2 The Associate Director of Procurement will respond accordingly to any complaints or issues arising from the Policy.

6.3.3 The Procurement Team will ensure adherence to this policy and the Standing Financial Instructions with respect to UK and EU Law.

6.3.4 The Procurement Team shall be responsible for raising and despatching purchase orders to Suppliers

6.3.5 The Procurement Team shall be responsible for the drawing up of contractual documents, drawing on subject matter experts as required and for arranging appropriate approval and signature of contracts in line with SFIs.

6.3.6 The Logistics Teams within Procurement shall be responsible for raising the Goods Receipt Note on EROS which will detail the actual goods or services delivered. This responsibility may be delegated to Trust staff working at off-site areas where no Logistics function is available so long as the member of staff receipting the goods or services did not raise or approve the original requisition.

6.3.7 The Systems Team within Procurement shall ensure that only staff who are recorded on the Authorised Signatory List shall be given approval of requisition rights on EROS.

6.3.8 The Systems Team within Procurement shall review the Leavers information issued monthly by HR and suspend any leavers from the EROS procurement system

6.3.9 The Systems Team within Procurement shall be responsible for setting up new Suppliers onto the EROS system. A request form (available from Procurement) for a new Supplier must be submitted to the Team who will confirm the contact details, carry out a Google search to confirm the existence of the company and link the supplier on EROS to the Finance system and the GHX Exchange.

6.4 General and Clinical Managers / Heads of Department / Budget Authorisers

6.4.1 Managers who are noted on the Financial Authorised Signatory List (document named 'Budget Holders Info eFin and FPM') shall have responsibility for approving spend on their allocated budget(s). This approval shall be electronically through the EROS system (or exceptionally by email, uploaded against the requisition on to the EROS system).

6.5 Finance Staff – Accounts Payable

6.5.1 Accounts Payable shall be responsible for ensuring that the appropriate three-way matching is carried out on all Purchase Orders before payment is made. Three way matching means the successful matching of the Purchase Order, Goods Received Note (GRN) and Invoice.

6.6 Members of staff

6.6.1 All employees of the Trust must ensure they comply with this policy. Procurement must be involved at the earliest opportunity for non-routine purchases.

6.6.2 Where delegated, members of staff with EROS receipting authority shall ensure that receipts of goods or services are made accurately and in a timely manner onto the EROS system.

7. RAISING AWARENESS / IMPLEMENTATION / TRAINING

7.1 The primary source of communication will be achieved through uploading information on the Procurement Team site on the Trust intranet and the Procurement Newsletter.

7.2 All staff with a requirement to use EROS shall be fully trained on their roles and responsibilities on the system by the Procurement team. Relevant areas of the policy are covered as part of this training and include the roles of authorisers and receipters. Staff profiles on EROS reflect their approval responsibilities detailed on the Authorised Signatory List.

7.3 Training on this policy is provided by Procurement through the Trust course "Nuts and Bolts – Procurement Essentials". This course is aimed at Budget Holders and refers to this Policy.

8. MONITORING COMPLIANCE OF POLICY

8.1 Monthly Key Performance Indicators are run by the Procurement department and reported to the Finance Investment Committee which show:

- a) % of Non-Pay spend placed under a Purchase Order
- b) % of in-scope Non-Pay spend raised under contract

In addition, an annual waiver report is prepared and submitted to the Audit Committee.

8.2 The Trust's Procurement Transformation Plan addresses how the department will make constant improvement against these metrics in line with Lord Carter's Report: Operational

Productivity and Performance in English NHS Acute Hospitals: Unwarranted Variations (2016).

- 8.3 Internal Audit carry out regular Audits of the Procurement service and adherence to this Policy shall be included in any review.

9. REFERENCES

- i. [Public Contracts Regulations 2015](#)
- ii. [Department of Health Master Indemnity Agreement \(2016\)](#)
- iii. [Lord Carter's Report: Operational Productivity and Performance in English NHS Acute Hospitals: Unwarranted Variations \(2016\)](#)
- iv. [Better Procurement, Better Value, Better Care – Review of NHS Procurement](#)
- v. [Public Services \(Social Value\) Act 2012](#)

ANNEX A – Trust Waiver Form

Waiver of Standing Financial Instructions

(Applicable to values between £10,000 and the prevailing OJEU threshold, currently £189,330)

Once complete please attach the waiver, quotation and any other supporting documentation against your requisition on EROS.

Name of Person making the Request:	
Job Title:	
Contact Number:	
Waiver No:	
Supplier:	
Details of Goods/Services Requested:	
Total Value of Order (inc VAT):	Contract Length if applicable:

<u>Reason for Waiver</u>	
<p>SFIs state that for non-contracted requirements with a value £10k - £50k, three competitive quotes must be obtained. For over £50k a full competitive tender must be carried out. Therefore please detail your reasons for waiving this requirement. Tick appropriate box(es) below.</p>	
<p>Note: The reason <i>MUST</i> be endorsed by the Associate Director of Procurement</p>	
<input type="checkbox"/>	Sole existing supplier of goods/services
<input type="checkbox"/>	Competition would be impractical, impossible or not beneficial
<input type="checkbox"/>	Same manufacturer required (e.g. replacement equipment parts)
<input type="checkbox"/>	Marked financial advantage through spot purchase

<u>Please provide more detail for the selected lines</u>