

CONTROLLED DOCUMENT

Procurement Policy

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PURPOSE	This policy sets out the legal framework within which all Trust Procurements must be conducted in.
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Information for:	All Staff

¹ If this Controlled Document will have an impact on any contracts held by the Trust, once approved, this will need to be sent to the Procurement Team requesting that it be added to the Procurement Policy Portal.

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1. Policy Statement

- 1.1. The Procurement Policy lays out University Hospitals Birmingham NHS Foundation Trust's (the 'Trust') procurement principles and the framework for all procurement activity to ensure regulatory and legislative compliance. It underpins the Trust's Procurement Plan and supports key recommendations from the latest NHS Guidance documents.
- 1.2. The objectives of this policy are to:
 - 1.2.1. Comply with the Regulatory and Legal framework in conducting procurement and ensure that Trust practices stand up to Audit scrutiny;
 - 1.2.2. Mandate a consistent approach to all commercial dealings and set out best practices which must be followed at all stages of the procurement cycle; and
 - 1.2.3. Ensure procurement is in line with the Trust Strategy, delivers best value for the Trust, and supports the Cost Improvement Programme.
 - 1.2.4. Ensure that sustainability principles are given due consideration at each stage of the procurement process.

2. Scope

- 2.1. This policy applies to all areas and services of the Trust and all individuals employed by the Trust, including contractors, volunteers, students, locum, bank and agency staff and staff employed on honorary contracts who are involved in the purchase and supply of goods, services and works required by the Trust, whatever the source of funding, on and off the premises.
- 2.2. The requirements set out in this policy must be followed by all members of staff involved in the procurement process, including:
 - 2.2.1. All budget holders;
 - 2.2.2. Anyone who has contact with external suppliers;
 - 2.2.3. Anyone involved in raising requisitions;
 - 2.2.4. Anyone involved in evaluating equipment, goods, services or works for potential purchase; and
 - 2.2.5. Anyone with operational responsibility for an outsourced service provision.
- 2.3. Procurement processes apply to purchases of low risk generic items (e.g. stationery through to high value complex requirements). They encompass the full gamut of activities from identification of the business need, through the selection of suppliers and signing of the contract, to post-contract award management.

3. Interpretation and Abbreviations

- 3.1. **Full life contract value:** means the total value of the contract over its term, including any extension provided for in the contract terms (e.g. a contract that

is valued at £10,000 per year for 3 years would have a full life contract value of £30,000).

3.2. **Procurement:** Procurement is the process by which organisations purchase goods, services and works from third parties.

3.3. **Abbreviations**

Abbreviation	Meaning
CCS	Crown Commercial Service
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMU	Commercial Medicines Unit
COO	Chief Operating Officer
CPEG	Clinical Product Evaluation Group
DCFO	Deputy Chief Financial Officer
SFM	Site Finance Manager
DHSC	Department of Health
DoP	Director of Procurement
HTE	HealthTrust Europe
ITT	Invitation to Tender
NHS SC	NHS Supply Chain
NOE CPC	North of England Commercial Procurement Collaborative
PO	Purchase Order
PPQ	Pre-Purchase Questionnaire
PQQ	Pre-Qualification Questionnaire
PSED	Public Sector Equality Duty
PPR	Public Procurement Rules
SME	Small Medium sized Enterprises
STA	Single Tender Action
VCSE	Voluntary, Community and Social Enterprise
VFM	Value for Money

3.4. All thresholds in this policy exclude VAT.

4. Framework

4.1. This section describes the broad framework for procurement of goods and services by or on behalf of the Trust.

4.2. Document Approval and Review

The Chief Financial Officer shall approve all procedural documents associated with this policy, and any amendments to such documents, and is responsible for ensuring that such documents are compliant with this policy. This policy will be reviewed at least every three years and will be updated from time to time in accordance with developments in the Regulatory and Legal framework (see Legislation and References sections). In the event of a change in the Regulatory and Legal framework, the new law and/or any mandated guidance will prevail over this policy until such time as the policy can be updated.

4.3. Main Areas covered in the Framework

4.3.1. Procurement Regulations (4.4)

4.3.2. Good Procurement Practice (4.5)

4.3.3. Risk Management (4.6)

4.3.4. Procurement Process (4.7-4.9)

4.3.5. National Frameworks and NHSI (4.10 and 4.11)

4.3.6. Contracts (4.12)

4.3.7. Payment (4.13)

4.3.8. Declarations of Interest and Personal Gain (4.15)

4.3.9. Procurement Training (4.16)

4.3.10. Information Requests and Uses (4.17-4.19)

4.3.11. Contractors/Suppliers visiting Trust Sites (4.20)

4.3.12. Other Procurement Related areas (4.21)

4.4. Procurement Regulations

4.4.1. As a buyer or commissioner of supplies, services and works for the public sector you need to understand and be able to readily access the regulations and policies relating to procurement.

4.4.2. The Crown Commercial Service (CCS) is responsible for the legal framework for public sector procurement and leads on the development and implementation of procurement policies for government. Where total contract values for the supply of goods and services to the Trust will or are likely to exceed the relevant Threshold, the Trust must comply with the Utilities Contracts Regulations 2016, the Concession Contracts Regulations 2016, or the Public Contracts Regulations 2015 (the 'Regulations') as applicable..

4.4.3. There are a range of procurement routes under the Regulations. The procedure to be followed in each case will largely depend on the type of goods, services or works being procured and the complexity of the procurement. Staff must also bear in mind that the Regulations set out

stringent timescales which differ depending on the route being followed. Budget holders should seek the advice of the Procurement Department who can advise on the most appropriate procedure to be followed in each case.

4.5. **Good Procurement Practice**

Good procurement practice is critical to minimising risk and providing high quality services to patients. Procurement decisions must be made following due consideration of:

- Value for Money and Whole life costs;
- Risk Management;
- Clinical Effectiveness;
- Total Supply Chain Costs/Routes
- Product Rationalisation and Standardisation;
- Competition;
- Transparency;
- Stock Holdings and Management;
- Environmental Impact/Sustainable Procurement; and
- Equality and Diversity.

4.5.1. **Value for Money (VFM) and Whole Life Costs (WLC)**

- a) The prime objective of public procurement is to achieve VFM. Best overall VFM is the optimum combination of whole life costs and quality to meet the requirement, not just the lowest short-term price. Trust policy is that best overall VFM in terms of whole life costs and quality be achieved in the purchase of all goods, services and works.
- b) Through working with clinical leads, budget managers and the supply market to achieve cash releasing savings to support the Trust's Cost Improvement Programme (CIP), whilst maintaining or improving the quality of goods and services for the benefit of patients. Through compliant purchasing techniques and procedures, the Department aims to achieve its contribution towards the NHS savings targets, as determined by the DHSC and/or NHS Improvement.
- c) Meeting an internal customer's requirements in order to benefit patient care and organisational efficiency is fundamental. However, the Procurement Department must ensure that end-user needs are tested critically for cost effectiveness. This is done by ensuring the Trust only goes out to the supplier market once a robust specification for the goods, services and works has been developed and a clear,

documented agreement has been reached on how suppliers' offers are to be evaluated.

- d) Whole life cost evaluations take into account all aspects of cost over the life span of the contract. For example, the cost of a purchase of equipment will need to include any annual maintenance, disposal costs and running costs including the cost of consumables. All members of staff involved in the procurement process are responsible for ensuring that best VFM is achieved through the procurement process and throughout the whole procured lifecycle of goods, services and works.

4.5.2. Risk Management

- a) Risks are managed through the Trust's Risk Management process as laid down in the Risk Management Policy. When procuring goods and services the following should be mitigated (without limitation), to avoid unnecessary risk

- (i) Conflict of Interest
- (ii) Competitive Markets
- (iii) Value for Money
- (iv) Sustainability

b) Specific Risk Considerations

- (i) Information Governance and Security
 - For contracts where the third party supplier will either have access to the Trust network, information systems or data or where Trust data will be hosted on external systems (including cloud); appropriate due diligence must be carried out and relevant contractual clauses included in the contract. The precise requirements will vary depending on the risk rating arising from completion of a Privacy Impact Assessment which will be completed by the Information Governance team in conjunction with the Budget Holder and/or end user. Contracts with a high risk rating may require the supplier to submit an Information Security Plan with their tender.
 - Further guidance can be found in the Information Governance Policy which can be found on the Trust intranet and procurement website.
 - Advice from the Procurement Department and/or Information Governance Team must be sought

in relation to any contract that will involve access to or handling of personal or sensitive data.

(ii) Medical Devices/Equipment Procurement

- All medical device/equipment procurements will be undertaken in line with the financial thresholds for competitive sourcing and the process outlined in the Trust's medical devices policies and procedures. Medical device/equipment contracts with a value above the tender threshold will be subject to open competition and advertised to the supplier market.
- A specification will be developed by the Lead Trial Coordinator and agreed with the procurement department, to allow for suppliers' offers to be clearly evaluated. It is the responsibility of the Lead Trial Coordinator to confirm to their satisfaction that the Trust has available the necessary level of expertise in-house to identify the requirement and to develop the specification. When this is not the case, the use of outside agencies/consultants to provide this expertise must be considered.
- Trials of medical devices/equipment will only be undertaken within a clear framework for the evaluation process and identification of costs involved, and included in the Trial evaluation form completed by the Trial Group. A clear distinction will be agreed between 'qualitative' and 'financial' aspects. This will enable the whole-life costs to the Trust of owning the equipment to be assessed in conjunction with the suitability of the equipment for its intended purpose.
- Contracts will only be awarded once relevant budget holders have confirmed their acceptance of all revenue consequences for the procurement, including those for maintenance and consumables.
- Consideration must be given to software which might be classified as a 'medical device' under current legislation (through the [Medical Devices Regulations 2002](#) (SI 2002 No 618, as amended))

(UK MDR 2002)² to ensure the product has the correct CE marking. Such devices will also bring additional challenges around cyber security (e.g. unsupported versions of software).

- Unmonitored medical device/equipment trials may compromise patient safety and constitute a breach to existing contracts if not notified to the Procurement Department. All trials must be recorded on the trial register held by Procurement Team.
- The supplier must be listed on the National Master Indemnity Agreement prior to the commencement of a trial for medical equipment. Further information can be found on the Procedure for the Trials and Evaluation of Medical Devices and/or the Medical Engineering team.
- The Trust must not accept donated equipment for use but instead ask for financial donations to be made to the Trust's charitable funds. This is to ensure the Trust is the contracting party with the equipment supplier and not a third party. If a third party contracts on the Trust's behalf the Trust will not have the necessary rights of redress in contractual law. It is therefore more beneficial to the Trust to purchase the equipment directly from the supplier concerned to ensure a direct contractual relationship is established. When equipment is purchased from donated funds, it is the responsibility of the budget holder(s) in the areas the equipment will be utilised to ensure that any on-going revenue consequences of using the equipment, e.g. consumables, maintenance are affordable, offer VFM and can be funded from existing revenue streams.

4.5.3. Clinical Effectiveness

- a) Maintaining high clinical standards in the delivery of patient care, using medical equipment/devices that are for purpose and represent value for money.

² This will not cover software which merely collates or transfers information, but which operates as a decision support tool. For further information, please refer to; MHRA guidance :- Medical device stand-alone software including apps (including IVDMDs)

- b) All procurement activity should ensure it is assessed by the Clinical Procurement Evaluation Group (CPEG) prior to approval, including Information Governance requirements (section 4.6.2.a).

4.5.4. Total Supply Chain Costs/Routes

- a) The DoP should ensure all procurement activities comply with a compliant route to market, that ensures the best Value for Money option available to the Trust; such as:
 - (i) Public Commercial Frameworks
 - (ii) Competitive Tendering
 - (iii) Value Based Procurement

4.5.5. Product Rationalisation and Standardisation

- a) The Trust undertakes a product rationalisation programme and where appropriate, standardisation, overseen by CPEG. This helps to maximise the VFM the Trust can obtain through the consolidation of products. Product standardisation can also reduce clinical risk through elimination of unnecessary variation in the ranges of clinical products used for the same procedures as well as reducing training and maintenance costs.

4.5.6. Competition

- a) Competitive tenders must be sought for the supply of all goods and services and for disposals through open competition in accordance with, and subject to the exceptions set out in, this policy. Competition should also apply for disposals of Trust assets.
- b) Competition avoids any suggestion of favouritism and discourages supplier monopoly. It also contributes towards achieving best VFM. The form of competition must be appropriate to the value and complexity of the requirement. The only exception to this is for low value procurements, where the resource costs involved in obtaining competitive quotes may exceed any VFM that may be secured by competition. Nonetheless, where improved VFM can be achieved by competition, taking into account the resource costs involved, then competitive quotes may be obtained.

4.5.7. Transparency

- a) As part of the Trust's obligations to meet the Government's transparency agenda as required by the Public Contracts Regulations 2015 and the DHSC "Procurement Transparency" guidance, the Trust is committed to publishing:
 - (i) On Contracts Finder: future opportunities (sometimes known as 'procurement pipelines') and invitations for suppliers to provide feedback on early procurement

- ideas (sometimes known as 'early engagement' or 'pre-procurement dialogue');
- (ii) On Contracts Finder: all opportunities over £25,000 unless the procurement is undertaken using an existing Framework Agreement or Dynamic Purchasing System or is to be awarded on a single tender basis;
 - (iii) On Contracts Finder: all contracts awarded over £25,000 and an indication if the contractor is an SME or VCSE.
- b) The above ensures that small enterprises are sighted on public sector business opportunities, both future procurement plans and current opportunities to tender for new contracts; and there is transparency about how public money is being spent.
- c) In addition, the Trust is committed to the sharing of procurement expenditure data with other NHS Providers to enable for the comparison of prices and identification of savings opportunities. The Trust understands the importance of commercial benchmarking and is committed to completing regular benchmarking exercises for Procurement and participates in a number of groups which allow the Trust to frequently, and cost-effectively, compare prices across a wide range of goods and services. The list below provides examples of typical benchmarking groups in which the Trust participates along with other NHS Providers:
- (i) Shelford Group (cohort of 10);
 - (ii) ATAMIS benchmarking group (cohort of 124);
 - (iii) Carter review (cohort of 32);
 - (iv) NHS SC benchmarking opportunities;
 - (v) Heads of Procurement Group (benchmarking with Midlands & East of England ICS Leads).

4.5.8. Stock Holdings and Management

Stock levels held within the Trust should reflect the operational requirements of the service and the individual supply chains and issues therein. The Trust has external warehouse capacity that can be quickly accessed. The Director of Procurement provides advice and oversight.

4.5.9. Environmental Impact/Sustainable Procurement

Procurement presents the Trust with many opportunities to adopt practices that promote sustainable action. This is achieved by building sustainability considerations into all aspects of the procurement process. The Trust has a Sustainable Procurement Plan which is set out in Appendix E.

4.5.10. Equality and Diversity

- a) In line with the Equality Act 2010 and the Human Rights Commission “Buying Better Outcomes”, the Trust has a Public Sector Equality Duty (PSED) to promote equality and diversity in the production of specifications in a proportionate way; the evaluation of tenders; and contractor performance management.
- b) The Trust will consider equality issues upfront before the procurement process starts. This will help identify the specific needs of different potential users and allow them to be appropriately reflected in the process. Properly done, this will help achieve better outcomes, ensure equality of treatment and achieve value for money, while helping meeting corporate objectives.
- c) The aim is to ensure that suppliers work to eliminate the potential for unlawful practices such as unfair discrimination to occur in relation to their employment processes and through the provision of goods, services and works to the Trust. Specifications and/or conditions of contract used by the Trust will make clear the contractors’ obligations and will include specific reference to the requirements of the Trust’s Equality and Diversity in Employment Policy.
- d) As the PSED is non-delegable in essence, the duty will always remain the responsibility of the Trust meaning that as part of the procurement process, the Trust will ask suppliers to take certain steps (such as monitoring service users), in order to meet their continuing legal obligation to comply with the PSED.

4.5.11. Non-Discrimination, Equal Treatment and Proportionality

- a) All suppliers must be treated fairly and equitably. Trust staff, purchasers, contractors and management consultants involved in the procurement process must always be honest, fair and impartial in their dealings with suppliers. Relationships with suppliers must always be conducted on a professional basis, with proper regard to ethics and propriety.
- b) Requirements and specifications of the procurement process will be made available to all potential suppliers/providers of services at the same time where possible, to ensure equal treatment and non-discrimination, and shall be limited to what is reasonably expected to satisfy the procurement process.
- c) All members of staff must comply with all relevant legislation, policies, rules and codes and observe the highest standards of ethical behaviour including the provisions of the Bribery Act 2010 and the Trust policy on Standards of Business Conduct as set out in the Trust’s Standing Orders. Additionally, the Procurement Department staff are expected to abide by the

4.5.12. Innovation

The Procurement Department will always be open to new and innovative ways of delivering a better service which will in turn provide better patient care and maximise cash releasing savings opportunities to the Trust. The Procurement Department will proactively work with Suppliers and NHS colleagues on future innovative projects, and will embrace new ideas and working practices.

4.5.13. Collaboration and Joint, Shared Working

- a) Working collaboratively with other NHS providers (where appropriate) is embedded into the core purchasing principles of the Procurement Department as illustrated by its membership of the Shelford Group. Where there is a benefit identified from a collaborative approach, such as reduced procurement costs and savings opportunities through aggregation of demand, this will be the favoured option.

4.6. Trust Procurement Process

4.6.1. Quotations and tenders are required where there is no established contract, framework or agreement in place. When such an agreement is in place the purchases can be made on a requisition through the Trust's electronic ordering system.

4.6.2. Quotations and Tendering

- a) All staff must liaise with the Procurement Department in order to ensure that purchasing activity within their area of responsibility is conducted in line with all relevant Policies, Procedures and Regulations.
- b) All staff must ensure they understand the terms and conditions that apply to a particular contract before the commencement of the procurement. For example:
 - (i) Contracts for supply and services;
 - (ii) Contracts for healthcare services;
 - (iii) Primary Care Contracts.

4.6.3. Requests to Purchase Goods and/or Services

All requests to purchase works, goods and/or services shall be made through the Procurement Department in the form of an internal electronic catalogue management requisition via the Trust's purchasing systems.

4.6.4. Responsibilities and Authority

- a) All requests to purchase goods, services and works must be appropriately authorised in accordance with the Trust's Scheme of Delegation.

- b) Irrespective of the form or value of a contract, no Trust member of staff is entitled to authorise it with his or her signature without written delegated authority as set out in Trust's Scheme of Delegation. Any member of Trust staff making contractual commitments without having a prior written delegation to do so may face disciplinary action (which could include dismissal) and can be held personally liable for the commitment made.
- c) On no account must staff give assurances to potential suppliers, verbal or otherwise, that contracts will be placed with them (except by communicating a formal award decision).
- d) In order to maintain an effective separation of duties, staff will not be empowered to raise requisitions, authorise requisitions AND receipt goods, services or works. Only two from these three activities will be allowed.

4.6.5. Formal Competitive Tendering

- a) Appropriate competitive processes will apply to all procurement activity, save where the Full Life Contract Value ("FLCV") is below the threshold set out in the table at Annex C or where exceptions under this policy apply.
- b) The FLCV for a particular procurement determines the competitive process to be followed, as set out in the table at Annex C. The procedures related to each threshold are set out in the Procurement Decision Model in Appendix B.
- c) To determine the estimated FLCV, the whole of the potential expenditure over a 12 month period or, if longer, the intended life of the contract including any extensions³, must be ascertained and included. When calculating Trust expenditure for a particular good or service, expenditure on similar goods/services in the past twelve months should be included, to avoid artificial "dipping" under a threshold value. (e.g. by continually awarding a 12 month contract to the same supplier).
- d) The risk or complexity of a purchase must be considered and this will sometimes require the procedures related to a higher threshold to be followed.
- e) Before seeking quotations or tenders, a check should be made with the Procurement team to see if an existing contract can meet the requirement, in which case a requisition should be raised via the appropriate electronic system, referencing the contract.

³ For example, if it is proposed that the contract must allow for the Trust to either purchase additional goods or services under the contract or to extend the contract period beyond its initial term, the cost to the Trust of exercising these rights must be included in the estimate of the total contract value.

- f) Except where otherwise provided by a framework agreement being used for a particular purchase, all procurements equal to or greater than £10,001 FLCV must be undertaken on the electronic tendering system.
- g) The FLCV will also determine the Trust Officer who is able under delegated authority from the CEO as per the Scheme of Delegation or otherwise, or the Board of Directors, to sign the contract on behalf of the Trust.
- h) Subject to paragraph 4.6.5 and the thresholds set out in the table at Annex C, formal competitive tenders must be invited for the supply of goods, materials and manufactured articles and for the rendering of services, including all forms of management consultancy services; for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); and for disposals.

4.6.6. Single Tender Action (STA)

- a) Single Tender Action (STA) (sometimes known as 'Non-Competitive' or 'Waiver' action) is permitted, subject to authorisation in accordance with this Policy, when procurements equal to or greater than £10,001 FLCV need to be made without satisfying the minimum competition requirements. Great care is needed in authorising waivers, as it remains essential to achieve best VFM, and to ensure that the procurement process undertaken is fully defensible. A STA is only permissible if it meets at least one of the requirements at 4.6.6 d(i)-(vii) below. All such actions must be authorised, as per the Schedule of Reserved Matters and the Scheme of Delegation, and must be reported to the Audit Committee on a quarterly basis.
- b) Where users require goods or services to be 'waived' they must take advice from the Procurement Department and provide suitable evidence to support the reason for a STA by submitting a STA approval request via Finance Tools for approval by the Director of Procurement, Deputy Chief Financial Officer, Chief Financial Officer, Chief Executive Officer or Board of Directors dependent on value as set down in the Scheme of Delegation.
- c) A STA in excess of the Public Procurement rules can only be authorised if it fulfils the requirements of the Public Contracts Regulations. In relation to any such proposals the Procurement Department will, where necessary, seek advice from the TBC.
- d) Formal tendering procedures may be waived where:
 - (i) Where the supply is proposed under Public Procurement compliant framework arrangements or special arrangements negotiated by the DHSC or

other public sector bodies in which event the said framework or special arrangements must be complied with; or

- (ii) The timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender; or
 - (iii) Specialist expertise is required and is available from only one source; or
 - (iv) The task is essential to complete the project, AND arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; or
 - (v) There is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; or
 - (vi) Where provided for in the Capital Investment Manual; or
 - (vii) Where the proposal is novel and better suited to a partnership arrangement - such proposals must be agreed by the Deputy Chief Finance Officer, Chief Financial Officer and the TBC and reported to the Board of Directors.
- e) Application of the single tender rules should not be used to avoid competition or for reasons of administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.
- f) Where it is decided that competitive tendering is not applicable and should be waived by virtue of paragraphs 4.6.6 d(i)-(vii) above, the fact of the waiver and the reasons should be documented and must be authorised as in paragraph 4.6.6 (a)
- g) Except where section 4.6.7 applies, invitations to tender must be sent to a sufficient number of firms/individuals to ensure fair and adequate competition as appropriate.

4.6.7. Quotations

- a) Quotations are required where the intended expenditure or income is reasonably expected to be between £10,001 FLCV and £50,000 FLCV.
- b) Where quotations are required they should be obtained from at least three firms/individuals based on specifications or terms of reference.
- c) All quotations should be treated as confidential and should be retained for inspection.

- 4.6.8. The Chief Executive shall nominate one or more officers to be responsible for the receipt and custody of tenders before opening. Tenders shall be opened by two officers nominated by the Board of Directors and shall be recorded in a register held by the Foundation Secretary for that purpose.
- 4.6.9. The nominated officer should evaluate the quotations and select the one which gives the best value for money. If this is not the lowest then this fact and the reasons why the lowest quotation was not chosen shall be recorded in a permanent record held within the Procurement Department
- 4.6.10. Weighted Evaluations
- a) All invitation to tender (ITT) exercises will have a weighted evaluation model which takes into account both qualitative and financial/economic aspects of bids. Tenderers will be made aware of the model which must be published in the ITT document. Guidelines for producing and using weighted evaluation models are detailed within the Procurement purchasing procedures.
 - b) Weighted evaluations models must be agreed with the key decision makers prior to procurements for all purchases, where qualitative aspects of both goods and services need to be evaluated. Key decision makers will include budget holder(s), key person/personnel leading the qualitative assessment of suppliers' bids and Finance department representation.
- 4.6.11. For a FLCV below £10,001, a single quotation is acceptable for the procurement of goods and services. However the contract should not be split to meet this requirement and the principles of value for money still apply.

4.7. In-House Services

- 4.7.1. In all cases where the Trust determines that in-house services should be subject to competitive tendering, the following groups shall be set up:
- a) Specification group, comprising of nominated officer(s) and specialist(s) agreed by the relevant Executive Director;
 - b) In-house tender group, comprising of representatives of the in-house team, a nominee of the Chief Executive and technical support; and
 - c) Evaluation group, comprising normally a specialist officer, a Procurement officer and a Finance representative. For services having a likely annual expenditure exceeding £1,000,000, a non-executive director should be a member of the evaluation team.
- 4.7.2. All groups should work independently of each other but individual officers may be a member of more than one group. No member of the

in-house group may, however, participate in the evaluation of tenders.

4.7.3. The evaluation group shall make recommendations to the relevant authorising officer or the Board of Directors, in accordance with the Corporate Governance Policy or the Scheme of Delegation.

4.7.4. The Chief Executive shall nominate an officer to oversee and manage the contract.

4.8. **Small and Medium-Sized Enterprises (SMEs)**

4.8.1. The UK government definition of SMEs encompasses micro (less than 10 employees and an annual turnover under €2 million), small (less than 50 employees and an annual turnover under €10 million) and medium-sized (less than 250 employees and an annual turnover under €50 million) businesses.

4.8.2. Since 2010 government has launched several initiatives designed to drive forward our economy and make public procurement more accessible to SMEs. The government's objectives have been centred on the promotion of SME friendly procurement processes and enhanced engagement. There is a good case on VFM and social/economic grounds for taking steps to remove barriers to participation by SMEs in public procurement. The Trust supports this approach.

4.8.3. There are many ways in which this aim can be achieved, such as improving access to procurement opportunities and information in a manner that does not discriminate against firms and which helps to improve VFM by increasing competition.

4.8.4. It is Trust policy to actively remove barriers to participation by SMEs in Procurement processes. The Trust will advertise all contract opportunities over £25,000 FLCV (unless the procurement is undertaken using an existing Framework Agreement or Dynamic Purchasing System or is to be awarded on a single tender basis) on the Contracts Finder portal to make it easier for smaller businesses and voluntary and charitable organisations to do business with the Trust.

4.8.5. Additionally, where relevant, the Trust will include within its core requirements of contract for prime contractors, to support small, specialist or voluntary sector organisations.

4.9. **Obtaining Value for Money from National Framework Agreements**

4.9.1. Many national framework agreements have been set up in order to allow Trusts to undertake 'mini-competitions'. This is a facility that allows the Trust to provide detailed information on requirements to all the suppliers on the framework allowing them to provide a tailored bid specifically for the Trust but in line with the terms and conditions of the framework agreement.

4.9.2. Wherever feasible, the Trust will undertake mini-competitions against framework agreements to ensure value for money is obtained. Mini-competitions will be undertaken in all circumstances where it is a

requirement of the framework agreement.

- 4.9.3. In special circumstances the Trust can engage in a Direct award, if the national framework allows such a process and the Trust can demonstrate VFM

4.10. **NHS Improvement Spending Controls**

Advice from the Procurement Department must be sought in relation to contracts which fall within the spending control processes summarised below:

4.10.1. Consultancy spending approval process:

- a) Consultancy spending is subject to the NHS Improvement “Consultancy spending approval process”. Consultancy contracts over £50,001 FLCV require prior approval by NHS Improvement (the £50,001 FLCV threshold includes irrecoverable VAT and other costs e.g. expenses). Foundation Trusts are required to submit a business case to NHS Improvement for approval; these can be submitted either after the conclusion of a procurement process or in advance of procurement.
- b) For the purposes of this approval process, ‘consultancy’ is defined as in the ‘NHS Manual for Accounts’ (strategy; finance; organisational and change management; IT; property and construction: procurement: legal services; marketing and communications: human resources, training and education; programme and project management; technical).
- c) Foundation Trusts are not currently required to seek approval for:
 - (i) Contracts below £50,001 FLCV (including irrecoverable VAT and other costs);
 - (ii) Interim management and day rate contractors.
- d) Internal and external audit are not included within the approval process.
- e) Foundation Trusts are also required to secure advance approval before extending or varying existing contracts or incurring additional expenditure to which they are not already committed, where the total value of the contract (including the proposed extension) is or exceeds £50,001 FLCV. The business case for the extension value must be submitted to NHS Improvement prior to the contract being extended.

4.10.2. **Agency rules:**

- a) Agency spend is subject to the NHS Improvement “Agency Rules”. The rules include the need to:
 - (i) Comply with a ceiling for Trust total agency expenditure (as a proportion of the Trust’s total staffing bill)

- (ii) Procure all agency staff at or below price caps set by NHS Improvement
 - (iii) Use approved framework agreements to procure all agency staff
- b) The agency rules apply to all staff groups covered by national pay scales other than very senior managers (above band 9). The price caps apply when:
 - (i) The agency fills a shift directly;
 - (ii) An agency finds a worker to fill a shift , but the Trust pays the worker directly for that shift and pays the agency a finders' fee (all of this expenditure including payment to the worker, fees and on-costs must be classified as agency expenditure); and
 - (iii) Workers are paid through a limited/personal service company or are engaged via a third party limited liability partnership.
- c) Price caps are the maximum total amount of money, exclusive of VAT, that a Trust can pay per hour for an agency worker. These include all related costs (e.g. holiday pay for the worker, employer National Insurance, employer pension contributions, administration fee/agency charge and all expenses such as travel and accommodation.
- d) The price caps do not apply to:
 - (i) Substantive/permanent staff
 - (ii) Bank staff (both in-house banks and outsourced banks)
 - (iii) Staff employed by the Trust on a fixed term contract.

4.11. **Contracts**

4.11.1. Terms and Conditions of Contract

- a) The Trust has its own model forms of contract which cover general Goods and Services Contracts. These are available through the procurement department. On no account must a contract be entered into on the basis of any other Terms and Conditions (which are not likely to be to the Trust advantage) without consulting with the Procurement Department who will obtain legal advice if judged necessary.
- b) Where appropriate, contracts shall be in or embody the same material terms and conditions of contract as was the basis on which tenders or quotations were invited.

4.11.2. Determination or Termination of Contracts For Failure To Deliver Goods Or Materials

- a) There shall be inserted in every written contract for the supply of goods or materials a clause to secure a contractor's failure

to deliver the goods or materials, or any portion thereof, within the time or times specified in the contract, failure of which may result in the Trust's decision to, without prejudice, terminate the contract either wholly or to the extent of such default, and purchase other goods, or materials of similar description to make good a) such default, or b) in the event of the contract being wholly terminated, the goods or materials remaining to be delivered.

- b) The clause shall further secure that the amount by which the cost of purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.

4.11.3. Utilisation of Existing Contractual Arrangements

- a) As an NHS body, the Trust is able to access contracts for goods, services and works already let by national/regional authorities to achieve optimum quality and VFM for the NHS. These include:
 - (i) Regional Collaborative Hub Contracts such as NOE CPC or HTE;
 - (ii) National Contract/Framework Arrangements, such as CCS or SCCL;
 - (iii) Shelford Group commercial arrangements;
 - (iv) National Pharmacy Frameworks such as the Commercial Medicines Unit (CMU) and those let by any other appropriate regional hubs; and
 - (v) Any other collaborative framework agreements let by other NHS providers and available for the Trust's use
- b) Utilising these types of arrangements needs to be checked to ensure the Trust meets the public sector equality duty (PSED) obligations; In particular, whether the use of particular frameworks or the introduction of category management have any unintended negative equality consequences.

4.11.4. Where more than one existing contractual arrangement is available, all options will be evaluated and the choice made on the basis of best VFM.

4.12. **Payment**

4.12.1. No PO (Purchase Order) No Pay

- a) The Trust operates on a 'no PO no pay' procedure, where all invoices received into the Trust without a valid PO number will be rejected and returned to the supplier as not compliant with Trust policy, and may result in payment delays or even non-payment.

- b) All contracts awarded by the Trust must be appropriately uploaded onto the electronic tendering system to enable central monitoring of all Trust contracts, effective expenditure control and contract monitoring. No work shall commence until a signed contractual agreement is in place and a purchase order has been raised. No letters of intent must be signed to allow work to commence prior to contract signature.

4.12.2. Prompt Payment

- a) Unless other negotiated terms have been agreed, the Trust is committed to paying its suppliers promptly and includes provisions in all contracts to ensure prompt payment through the supply chain.
- b) In accordance with the Regulations the Trust will pay invoices within 30 days from the date on which the invoice is regarded as valid and undisputed, unless different terms have been negotiated with the Supplier. The Trust will publish statistics on its website showing the proportion of invoices paid in accordance with these obligations, the total amount of any liability to pay interest which arose and the amount of interest actually paid.

4.13. **Managing Inflation**

The Trust resists blanket inflationary price increases from suppliers in accordance with the DHSC [“Combating Inflation – Guidance”](#). The Trust will engage with suppliers to find ways to avoid inflationary cost increases such as increased business or prompt payment.

4.14. **Declarations of Interest and Personal Gain**

4.14.1. Declarations of Interest

- a) It is Trust policy that all Trust staff (including agency/temporary staff) must declare and record any personal interest that may influence, or be seen by others to influence, their impartiality in arriving at a purchasing decision.
- b) Those who have business or personal relationships with, or friends/relatives employed by, outside organisations bidding (or who may bid) for Trust contracts must inform their Line Manager and the Procurement Department at the outset of the procurement. Staff appointed to the project team for each individual procurement exercise will be required to sign a no conflict of interest declaration at the outset of the procurement. This will be reconfirmed electronically in the AWARD system prior to distribution of the tenders.

4.14.2. Personal Gain and Gifts

- a) The confidentiality of information received in the course of If the contractor has offered (or given/agreed to give), any person any gift or consideration of any kind as an inducement or reward for doing, or forbearing to do (or for having done or

forborne to do) any action in relation to the obtaining or execution of the contract or any other contract with the Trust, or for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Trust, or if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the Trust the contractor or any person employed by him/her or acting on his/her behalf shall have committed an offence under the Bribery Act (2010) and other appropriate legislation.

- b) The confidentiality of information received in the course of employment or whilst carrying out official duties must be respected and never used for personal gain.
- c) All staff must declare all gifts, hospitality or other inducements received by or offered to them by, or on behalf of any manufacturers/distributors; vendors of pharmaceutical goods and services, medical devices or any other consumables; and equipment of a type which could be used in the delivery of the Trust services.
- d) In particular, staff involved in procurement activity with existing suppliers and contractors, or in contact with bidding (existing or potential) suppliers and contractors, or any staff who may be perceived to be in a position of influencing purchasing decisions, may not solicit or accept gifts, hospitality, sponsorship or any other benefits which may reasonably be regarded as compromising the Trust's procurement principles or the professional standards of the kind set out in the Chartered Institute for Procurement and Supply's Code of Conduct and Corporate Code of Ethics.
- e) Under no circumstances will staff accept gifts of cash or cash equivalents (vouchers or tokens), regardless of their value.
- f) Gifts other than cash which are not pharmaceutical goods, medical devices, consumables or equipment of a type which are, or could be used in the delivery of the Trust's services, and have an individual value of £25 or less (or an aggregate value of £50 or less over a rolling period of 12 months) may be accepted, subject to the stipulated in the Gifts and Hospitality Policy. Records of any other gifts offered, whether or not they were accepted, must be kept.
- g) It is a disciplinary matter for Trust staff to solicit, propose, agree to receive or accept any gifts, hospitality or sponsorship in return for:
 - (i) Doing or not doing something in relation to their duties on behalf of the Trust; or

- (ii) Showing or not showing any favour in relation to such duties and responsibilities to any person or organisation
- h) All Trust staff must adhere to the Trust's Hospitality, Gifts and Sponsorship Policy and the Staff Code of Conduct Policy.

4.15. **Procurement Training**

Appropriate training and guidance will be provided by the Procurement Department and is described further in the Implementation section.

4.16. **Information Requests and Uses**

4.16.1. Freedom of Information Act

- a) The Freedom of Information Act 2000 identified all NHS organisations as 'public authorities' and therefore subject to the provisions and obligations of that Act. From 1 January 2005, any person who makes a valid request for recorded information held by the Trust will be entitled to receive it - unless all or part of that information can justifiably be withheld as a result of the exemptions contained in the Act.
- b) The Freedom of Information Act also requires each public authority to produce and maintain a "publication scheme". The following procurement-related information is currently published within the Trust's publication scheme:
 - (i) Procurement Policy
 - (ii) Sustainable Procurement Plan
- c) The Trust will consider all requests made about procurement matters with regard to potential commercial sensitivity.

4.17. **Press Releases by Contractors**

A supplier may wish to make a press announcement or issue an article (which may, for e.g., include photographs) about a contract they have been awarded. Before agreeing to such an announcement, the member of staff approached must provide full details to the Trust Communications Department, who will consult with the Head of Procurement on the appropriateness of granting any approval.

4.18. **Request for References**

From time to time, references may be sought from potential customers of Trust contractors. Before references are provided, either verbally or in writing, prior advice must be obtained from the Head of Procurement. References may only be provided by the relevant budget holder or director. A copy of all references provided must be sent to the Procurement Department for its records.

4.19. **Contractors/Suppliers Visiting Sites**

4.19.1. The Trust appreciates the role that current and potential suppliers play in supporting health practitioners in providing safe, effective, and best VFM products and services to the patients in their care, and other staff within the NHS in the delivery of their duties.

- 4.19.2. It is the policy of the Trust, therefore, to ensure that an effective, efficient, and consistent approach is adopted in developing excellent relationships with the Trust's current and potential suppliers and their representatives.
- 4.19.3. All representatives are required to follow the Supplier Protocol as detailed on the Trust's procurement website and included at Annex D of this policy.
- 4.19.4. All Trust staff, including contractors, suppliers and company representatives visiting or working on Trust premises or using Trust equipment must be clearly identified and authorised to be on site by the Estates department.
- 4.19.5. The Trust's health and safety and infection control rules and procedures must be followed at all times in clinical areas, and any concerns should be reported to the Health and Safety team, Estates and/or the Medical Engineering team as appropriate.
- 4.19.6. The responsibility for managing contractors whilst on or off the Trust site(s) rests with the authorised officer of the department commissioning the work. Public Services (Social Value) Act 2012

4.20. **Other Procurement Related Areas**

4.20.1. E-Commerce

- a) The Trust's e-commerce systems include:
 - (i) An electronic finance system which allows authorised individuals to raise requisitions, routing these for approval and generation of a purchase order;
 - (ii) An on-line Contracts Database and Contract Management System;
 - (iii) An on-line pre-qualification (PQQ)/e-Tendering system; and
 - (iv) On-line bid evaluation software.
- b) All internal requisitions and subsequent purchase orders will be placed via the appropriate system approved for this use.
- c) All tenders and related tender advert notices are placed through the Trust's e-tendering system.
- d) Records of all Trust contracts for goods, services and works will be maintained using the Trust's contracts register integrated database.

4.20.2. Economic, social and environmental implications

- a) The Act requires the Trust to have regard to economic, social and environmental implications of the tendering exercise within the local area. It will cover, looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract.

- b) Although the Act only applies to certain public services, such as contracts and framework agreements to which the Public Procurement rules apply, the Trust intends, as a matter of good practice, to demonstrate how what is proposed to be procured might improve social well-being, in order to maximise value for money. The considered application of the provisions of this Act will provide the Trust with the means to broaden the evaluation criteria to include impact on the local economy.
- c) The Trust may consider ensuring that any social requirements are mentioned in the advertisement for any competitive procurement. Wherever it is possible and does not contradict or contravene the Trusts procurement principles, or the provisions allowable under the Public Service (Social Value Act 2012), the Trust will work to develop and support a sustainable local health economy.

5. Duties

5.1. Chief Financial Officer (CFO)

- 5.1.1. The CFO has lead director responsibility to ensure good procurement practice throughout the Trust and that processes and procedures are in place for all Procurement related areas. The CFO is also responsible for:
 - 5.1.2. Ensuring adequate resources for the Procurement Department are in place to implement this policy;
 - 5.1.3. Monitoring the suite of Procurement related documents ensuring they are kept up to date for use or inspection by audit; and
 - 5.1.4. Ensuring that the Trust buys goods, works and services using competitive tendering unless there are convincing reasons to the contrary and the Trust complies with the Regulatory and Legal Framework (see Section 21: References).

5.2. Chief Operating Officer (COO)

- 5.2.1. The COO is responsible for monitoring the progression and performance of the Procurement Department in meeting Cost Improvement Programme (CIP) targets. This is monitored via submissions to the appropriate meeting.

5.3. Director of Procurement (DoP)

- 5.3.1. The DoP reports to the CFO and is responsible for:
 - 5.3.2. The Trust's procurement policy for goods, service and works including supply chain engagement and stock management;
 - 5.3.3. Implementing and developing procurement best practice across the Trust;
 - 5.3.4. The activities, management and performance of the Procurement Department;

- 5.3.5. Providing a professional procurement overview across the whole of the Trust;
 - 5.3.6. Supporting and monitoring adherence to this policy at a strategic level;
 - 5.3.7. Ensuring procedures and associated documents remain up to date with the Legal and Regulatory Framework (see Section 21: References); and
 - 5.3.8. Obtaining legal advice where appropriate, in consultation with the Update /TBC.
- 5.4. Chair of the Clinical Product Evaluation Group
- 5.4.1. The Chair of the Group will be responsible for the oversight of all product rationalisation and standardisation projects, including the identification of alternative products for all product safety alerts and recalls.
 - 5.4.2. The purpose of the Group is to:
 - a) support and drive the existing good practice of clinical engagement in procurement
 - b) publicise the work of the group and seek opportunities to engage the wider clinical workforce in the challenge
 - c) work collaboratively with all the STP partners to support clinical engagement across their key priorities
- 5.5. Procurement Specialists
- 5.5.1. The Procurement Specialists will promote the Procurement Policy in all monthly site finance meetings and in all other meetings they regularly attend.
 - 5.5.2. The Procurement Specialists will engage with Budget Holders and end users to fully establish their needs and deliver effective solutions, working with them at an early Stage to drive down costs and improve value for money in the goods, services and works to be procured.
 - 5.5.3. The Procurement Specialists, in consultation with internal or, where relevant, external customers, are responsible for identifying markets and procurements most likely to offer best VFM and for encouraging suppliers to compete for the Trust's business.
- 5.6. Budget Holders
- 5.6.1. It is the responsibility of individual budget holders to ensure when making procurement-related decisions that they adhere to the Trust's SFI and Scheme of Delegation which can be accessed on the UHB intranet
 - 5.6.2. Budget holders and end users must always ensure procurement that staff in the Procurement Department are informed and involved about a new procurement requirement from the outset. They can provide advice on many issues, such as:
 - a) Engaging potential suppliers in early 'without commitment' discussions to develop the proposed procurement route;

- b) Keeping the field of potential suppliers sufficiently broad to keep options open, stimulating effective competition and avoiding potential claims of unfairness;
 - c) Ensuring aspects such as the potential impact of the Public Procurement Rules are properly considered;
 - d) Determining the key areas of commercial risk and devising strategies for their mitigation and management; and
 - e) Identifying the contracting strategies and the alternative pricing options available for the Trust
- 5.6.3. Advice from the Procurement Department can be sought prior to any non-contract procurement not linked to routine stock replenishment. Specialist advice on quotation/tender and contractual issues must be obtained prior to any procurement with a value of £10,001 or more, excluding VAT.
- 5.7. **Authorised Staff with Access to Procurement Systems**
- 5.7.1. All staff that can access a procurement related system must ensure that they adhere to the Trust's SFI and Scheme of Delegation.
 - 5.7.2. If applicable to new starters who have a procurement related role they will receive orientation to this policy and its associated procedures by their line manager during their local/ departmental induction.
- 5.8. **All Staff**
- 5.8.1. It is an individual responsibility for all Trust staff to be familiar with and adhere to this Policy and its associated procedures. Budget Management Training is available for all staff involved in procurement decisions.

6. Implementation and Monitoring

- 6.1. This policy will be available on the Trust's intranet site and the procurement website and disseminated through the Trust's management structure. The policy will also be publicised to all staff through the Trust's "in the loop".
- 6.2. Effective and relevant procurement training is a key element in the promotion of best practice and high standards in procurement activities across the Trust. The procurement department promote and support the delivery of relevant developmental training and procurement qualifications.
- 6.3. The Procurement Department will also provide a formal training plan for all staff involved in the procurement process with particular emphasis on the Chartered Institute of Procurement and Supply standards and qualifications.

In addition, all Procurement Department staff will have an agreed Personal/Professional Development Plan.

- 6.4. The Head of Procurement will provide implementation oversight, as well as advice and support to the Procurement Team regarding any arising issues or concerns.
- 6.5. Procurement Department will provide training to Heads of Departments, Trust Managers and Budget holders to ensure understanding and compliance to the policy.
- 6.6. The Procurement Department will provide, as and when required, training to relevant Trust staff in the use of the Trust's e-commerce systems.
- 6.7. The compliance and effectiveness of this policy will be monitored by the Trust as set out in appendix A.

7. Legislation

- 7.1. Data Protection Act 2018
- 7.2. The Bribery Act 2010
- 7.3. The Equality Act 2010
- 7.4. The Freedom of Information Act 2000
- 7.5. The Health and Safety Act 1974
- 7.6. The Health and Social Care Act 2012
- 7.7. The Modern Slavery Act 2015
- 7.8. The Public Contracts Regulations 2015 – February
- 7.9. The Public Services (Social Value) Act 2012
- 7.10. UK MDR 2002

8. References/Guidance

- 8.1. Agency rules – NHS Improvement – March 2016
- 8.2. Better Procurement, Better Value, Better Care: A Procurement Development Programme for the NHS - Department of Health – August 2013
- 8.3. Buying Better Outcomes (Mainstreaming equality considerations in procurement) – A guide for public authorities in England – Produced by Equality and Human Rights Commission – March 2013
- 8.4. CIPS Code of Conduct – Chartered Institute of Procurement and Supply (CIPS) – September 2013
- 8.5. Combating Inflation – Guidance – Department of Health – February 2014
- 8.6. Consultancy spending approval process: Initial guidance to NHS foundation trusts – Monitor - 2015
- 8.7. Department of Health and Crown Commercial Service best practice guidance on procurement
- 8.8. HM Treasury’s publication entitled ‘Managing Public Money’
- 8.9. MHRA guidance: Medical device stand-alone software including apps (including IVDMDs)
- 8.10. NHS Improvement guidance, controls and/or approval processes
- 8.11. Operational Productivity and Performance in English NHS Acute Hospitals: Unwarranted Variations – Lord Carter – February 2016
- 8.12. Procurement Transparency – Department of Health – March 2015
- 8.13. Public Contracts Regulations 2015 New requirements relating to Pre-Qualification Questionnaires to help businesses access Public Sector contracts – CCS - 2015
- 8.14. Public Contracts Regulations 2015: Statutory guidance for contracting authorities and Suppliers on paying undisputed invoices in 30 days down the supply chain – CCS - 2015

9. Associated Policy and Procedural Documentation

- 9.1. Corporate Governance Policy
- 9.2. Equality and Diversity in Employment Policy
- 9.3. Freedom of Information Act and Environmental Information Regulations Policy
- 9.4. Conflicts of Interest (including Hospitality, Gifts and Sponsorship) Policy
- 9.5. Information Security Policy
- 9.6. Legal Advice and Services Policy
- 9.7. Medical Devices Policy
- 9.8. Procedure for the decontamination of reusable medical devices prior to patient use, inspection, servicing, repair or return to departments or organisations
- 9.9. Procedure for the Trials and Evaluation of Medical Devices
- 9.10. Risk Management Policy
- 9.11. Scheme of Accountability and Delegation
- 9.12. Staff Code of Conduct
- 9.13. Standing Financial Instructions
- 9.14. Standing Orders
- 9.15. Visiting Pharmaceutical Representatives Procedure (HGS)

Appendix A

Monitoring Matrix

MONITORING OF IMPLEMENTATION	MONITOR LEAD	REPORTED TO PERSON/GROUP	MONITORING PROCESS	MONITORING FREQUENCY
The Procurement Policy is adhered to by all staff within the Trust	Procurement Team	Procurement Team, Head of Procurement, Chief Financial Officer	Reports from: <ol style="list-style-type: none"> 1) The Trust's systems for raising requisitions and Purchase Orders 2) The Trust's system for spending analytics tool 3) Corporate Affairs relating to the number of challenges made 4) Quarterly Audit Committee reports and Finance Tools system relating to the number of SAT's raised and authorised inappropriately 5) Finance Tools systems relating to the number of Call-Off Schedules raised and authorised inappropriately 	Quarterly
The procurement of all goods and services is executed within agreed procurement policy and procedures as set out in the Procurement Procedures Manual	Head of Procurement of Head of Financial Systems	Chief Financial Officer, Director of Finance, Director of Deputy Chief Executive Officer Audit Committee	Regular and appropriate independent audits will be carried out on procurement activity. A planned audit programme will be developed annually by the Trust's Audit Committee to cover the following procedures: <ol style="list-style-type: none"> 1) Purchase Orders raised through the main purchase order system by Procurement Staff 2) Purchases made outside the Procurement Department e.g. delegated systems 3) Tendering processes for requirements in excess of £50,000 4) High value business-critical projects <p>The exact details of each year's audits, including publishing schedules etc. will be as confirmed by the Trust Audit Committee and approved by the Trust Board</p>	In accordance with annual Audit Plan.

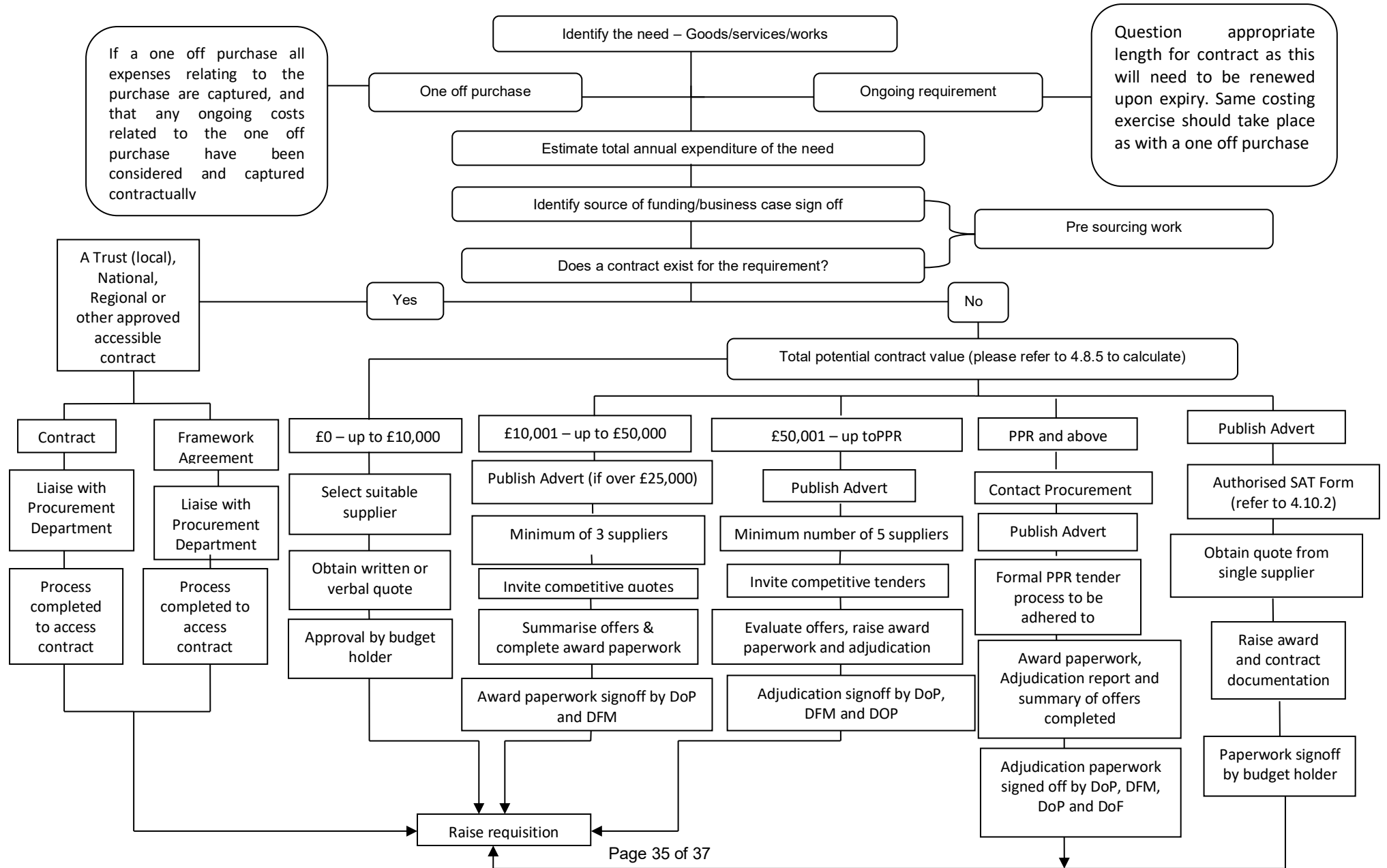
<p>Increased Trust staff engagement with the Procurement Department :</p> <ul style="list-style-type: none"> • Seeking Procurement guidance • Requiring Procurement to manage and lead on tenders • Requesting Procurement to aid / facilitate / lead on other procurements 	Procurement Team Finance	Head of Procurement	1) Procurement Work Plan relating to number of planned and left field procurement projects	Bi-yearly	
Reduction in the number of invoices being submitted to the Trust without an official Purchase order number	Head of Procurement Purchase Ledger Finance	of Chief Financial Officer	Quarterly reports from: 1) Purchase ledger related to number of invoices without supporting purchase order	Quarterly	

Appendix B

Threshold £ <u>excluding VAT</u>	Minimum* number of quotations/ tenders	Activity
Up to £10,000	One or more quotations	If no contract exists, one or more quotations should be sought using suppliers already on Sage system where possible. Raise a requisition within the appropriate electronic system.
£10,001 to £50,000	Three written quotations	If no contract exists, work alongside buyers in the Procurement Department to produce an Invitation to Quote (which will be issued via e-tendering system). Where estimated spend exceeds £25,000 and quotations are not sought under a Framework Agreement or Dynamic Purchasing System then the opportunity must also be advertised on Contracts Finder, unless the contract is to be awarded on a single tender basis. All quotations received should be evaluated for best VFM Raise a requisition within the appropriate electronic system
£50,001 up to Public Procurement Contracts Regulations threshold (currently £181,302) (or other applicable threshold, e.g. for works)	Three or more formal tenders	Conduct a formal tender with the involvement of Procurement
Public Procurement threshold and above	Five or more formal tenders	Conduct a formal tender with the involvement of Procurement

*The Trust usually expects this number of suppliers to be involved in the procurement process but occasionally there may not be sufficient suppliers in the market or only one or a small number of suppliers decide to bid.

Procurement Decision Model



Appendix D - Supplier Protocol

The Trust works closely with its suppliers to deliver high quality healthcare services. A Supplier Access (Local) Policy operates to ensure that an effective partnership exists between all parties.

10 Golden rules have been adopted.

1. The Trust Procurement Department is the first point of contact both for current; new and potential suppliers.
2. All supplier/company staff whilst on site must wear an ID badge with their name and company clearly visible.
3. Trust staff must seek advice and support from the Procurement Department where there are issues/queries.
4. "Cold Calling" or visiting Wards/Departments without permission or an appointment is strictly prohibited.
5. Orders for goods or services must not be solicited from Trust staff – the only recognised documentation is an official order issued by the Procurement Department.
6. Price/Commercial discussions can only be conducted in conjunction with the Procurement Department.
7. Trust staff must not be offered samples of products unless by prior agreement with the Procurement Department.
8. Business gifts (other than items of a very small intrinsic value such as diaries or calendars) must not be offered and will not be accepted.
9. Items of Medical equipment loaned to the Trust will be subject at all times to our Medical Equipment Management procedures including indemnity arrangements.
10. Ensure professionalism and courtesy are shown and reciprocated at all times.

Contact details for new/potential suppliers E-mail us at – procurement@uhb.nhs.uk

Ring us on 0121 627 2871.

Write to us enclosing product/service details at Procurement Department (Enquiries) University Hospitals Birmingham NHS Foundation Trust, Kings Norton Business Centre, 32-34 Melchett Road, Kings Norton, Birmingham, B30 3HG. We aim to reply within 5 working days from your initial contact to us.

Appendix E - Sustainable Procurement Plan

Sustainable Procurement can be defined as:

‘A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment’.

The Trust is committed to the following:

- Complying with all relevant UK Government policies on sustainable development and sustainable procurement , and all relevant legislation and regulations;
- Ensuring that sustainability principles are given due consideration at each stage of the procurement process, including:
 - Developing an in-depth understanding of the sustainability issues relevant to each category;
 - Building a detailed appreciation of customer’s sustainability requirements, and ensuring that customers have access to sustainable products and services to assist them in meeting these requirements;
 - Working with suppliers, including early market engagement, and working post-award to seek ongoing improvements to suppliers’ sustainability performance and that of their supply chains; and
 - Encouraging the appropriate uptake of sustainable products and services
- Reducing the demand for goods and services by minimising waste and focusing on the re-use and recycling of existing goods and medical equipment;
- Including in our tender processes eligibility and evaluation criteria that take into account environmental issues, sustainability, local economic and social value factors as legally appropriate;
- Considering ‘whole life’ costs and impacts when assessing equipment for purchase or lease;
- Considering products that are Fair Trade certified;
- Purchasing and/or prioritising those items that are manufactured with a high recycled content;
- Making maximum use of telephone conference facilities with suppliers etc. to reduce business travel;
- Engaging with suppliers to : Promote awareness, encourage suppliers to adopt similar ethical and sustainable approaches in their supply chains, address barriers to entry for SMEs and local suppliers, encourage development and promotion of new sustainable medical equipment/devices, services and initiatives;
- Raising internal awareness of sustainability issues through the promotion and communication of relevant information