



Worcester BID Procurement Policy

Policy Purpose Statement

This document sets out the policy of Worcester BID regarding the purchasing of goods and services including consultancy and professional services.

It also outlines the formal purchasing strategy that aims to benefit all departments in the procurement of all commodities and services.

The Company is funded by a levy on businesses within the defined scope of the Business Improvement District Regulations. Whilst the BID is not required to conform to Public Procurement Directives, many principles have been adopted for best practice.

Application

All Worcester BID staff who procure supplies or services should use this policy.

Under this policy all goods and services should be based on good practice, facilitating a decentralised but co-ordinated system of purchasing as a mechanism for obtaining vfm, whilst ensuring compliance with relevant procurement directives.

Interpretation

Further guidance on the use or interpretation of this policy may be obtained from the Worcester BID CEO.

1. Introduction

- 1.1 This document sets out the policy of Worcester BID regarding the purchasing of goods and services including consultancy and professional services.
- 1.2 It also outlines the formal purchasing strategy that aims to benefit Worcester BID in the procurement of all commodities and services.
- 1.3 The purchasing of goods and services represents a significant proportion of the Worcester BID's total expenditure. Efficient purchasing will provide the Worcester BID with real opportunities of achieving value for money (vfm) and reducing operating costs through achieving the best value prices for goods and services whilst helping to improve trade amongst Worcester BID levy payers.
- 1.4 Procurement should be co-ordinated, enabling the aggregation of requirements combined with a reduction of the number of suppliers used, including consideration of the use of call off contracts / orders as a means of reducing the administrative costs of raising and processing a large number of small value orders.

2. Strategic Objectives

The Worcester BID believes that large value goods and services should be acquired by competition and that all purchasing should be based on good practice and is in accordance with the following objectives;

- to promote the delivery of value for money through good procurement.
- to give Worcester BID levy paying businesses the opportunity to have some degree of precedence in the supply of goods or services.
- to give due consideration to good governance, and to ensure transparency of arrangements.
- to facilitate the development of an effective and co-ordinated purchasing effort.
- to identify opportunities for working with others, in order to widen the scope for maximising purchasing power and identifying innovation.
- to consider sustainable ethnic, social and environmental policies.
- to comply with all relevant UK legislation.
- to develop appropriate management information in order to measure the performance and VFM achieved in purchasing by the Worcester BID.

3. Strategic Development

The Worcester BID CEO will be responsible for the implementation of the Procurement Strategy.

4. Authority to Purchase

- 4.1 Authority to place orders can only be formally delegated to other named responsible staff by the Worcester BID CEO.
- 4.2 Purchase Order and Invoice Process:
 - 1) Project Leads certify/upload the Purchase Order
 - 2) CEO / Operations Manager approves Purchase Order
 - 3) Project Leads upload bill
 - 4) Project Leads match bill with Purchase Order and approve matching
 - 5) CEO / Operations Manager approves the bill for payment
 - 6) CEO pays bill
- 4.3 Staff involved in purchasing are expected to observe financial regulations and procedures related to purchasing at all times.
- 4.4 The Worcester BID CEO and staff funded by the BID levy are not authorised to commit the Worcester BID to any expenditure without ensuring that sufficient funds are available to meet the purchase cost of the goods or service. All purchases must conform to financial regulations and procedures at all times.

5. Purchasing Procedures

- 5.1 All purchases must be made via an approved Worcester BID purchase order. The order must clearly indicate the nature of the goods or service, and if applicable refer to any agreed price, quotation or tender submitted.
- 5.2 The ability of a supplier to meet the Worcester BID's requirements should be assessed before any contract is awarded or order placed. The Worcester BID CEO or authorised staff will be responsible for examining a supplier's conditions of sale to ensure they do not materially prejudice the Worcester BID.
- 5.3 Worcester BID requires all staff involved in purchasing, *irrespective of the source of funding*, to obtain supplies, equipment and services which are the most cost effective, whilst considering environmental and social responsibility aspects.

The principal criteria for selection of suppliers and service providers will be:

- Affordability
- Value for Money
- Ability to deliver to specification / fitness for purpose

Where suppliers and service providers cannot be distinguished on these or other key criteria, preference will be given firstly to companies which are based in the Worcester BID area and are liable to pay a BID levy, and secondly to companies based in Worcester which do not fall within the scope of the BID.

When determining best value factors to be considered will include;

- Purchase cost (including firmness of price)
- Speed of turnaround
- Fit with sustainable development considerations
- Length of warranty (or period of free maintenance) and annual maintenance charges thereafter
- Installation and running costs (or other ongoing costs incl. staffing implications)
- Scrap or sale value
- End of life disposal costs

Worcester BID recognises its responsibility to carry out its purchasing activities in a sustainable manner. A summary of *Sustainable Purchasing* considerations is outlined in *Appendix 1*.

The benefits of partnership working are an additional criterion to be considered in the context of procurement. For some projects it is regarded beneficial for Worcester BID to establish strong, long-term relationships with local partners and businesses, with the aim of creating enhanced value for money through bulk purchasing power, reducing waste of resources by avoiding duplication, increasing the potential scope through pooled budgets, sharing skills, expertise and resources, creating solid joined up strategies, projects and campaigns to maximise the benefit and effectiveness for the Worcester BID area and its levy payers. It is critical for successful partnership working to establish a *Service Level Agreement* outlining a clear scope, roles and responsibilities and finance, including implementation of the BID's procurement procedures and long-term maintenance aspects as applicable, at the start of the project and to review this on a regular basis.

6. Quotations, Proposals and Tenders

Purchases with a value of:	Process to be followed.
Under £4,999	Minimum of 1 written quote/proposal obtained
£5,000 - £24,999	3 written quotes/proposals obtained by Worcester BID CEO
£25,000 +	Competitive tendering required – coordinated by the BID team and then send this to the Board for approval.

- 6.1 The above criteria may be varied according to the supply base and provider base for the required products and services.

Where the product or service is specialist in nature with a limited range of suppliers or qualified providers, or a justifiable case can be made, a more limited comparison including single supplier sourcing can be accepted.

Proposals can be considered in place of quotes, as value-based factors such as partnership arrangements or benefits in kind can be difficult to be reflected as a monetary figure and overall may create better value for Worcester BID and its levy payers than a purely monetary assessment or a quote.

- 6.2 In circumstances where the procurement exercise is less extensive than is specified in the policy, and where the value is less than £25,000 the BID Board Chairman or a Director acting in that capacity, should put on file a record of the reasons for the deviation from the standard procurement policy. Where the value is greater than £25,000, the Board should be informed of any proposed deviation from standard procurement policy for ratification. Where a formal tender process is adopted, records will be kept demonstrating the procedure undertaken and to evidence the basis of the selection of the chosen supplier or service provider.
- 6.3 Contracts / agreements with a value in excess of £5,000 cannot be awarded without at least three suppliers being invited to quote. In the interest of demonstrating VfM the Worcester BID requires that quotes should be obtained for all supplies in excess of £500.
- 6.4 Tender and quotation evaluation should take account of all relevant costs, including acquisition, servicing, performance/maintenance and disposal.

7. Tendering Procedures

- 7.1 Competitive tendering must occur for all procurement exceeding £25,000 in value.
- 7.2 When invited for quote or tender, as appropriate contractors or suppliers should supply a risk assessment, method statement and copy of their Public Liability Insurance (min. £5Million indemnity), e.g. for activities involving manual handling.
- 7.3 Except in the case of specialist supplies where alternatives are not available (or in emergency situations) at least 3 suppliers are required to tender.

- 7.4 Invitations to tender will be sent by email and utilising finditinworcestershire.com by the Worcester BID CEO or authorised staff. Invitations will give particulars of the work or supply and will give a closing date and time for submission of the tender, including instructions for return.
- 7.5 The closing date must be strictly adhered to. Tenders received after the closing date will not be considered. Tenders received prior to the closing date and time will be held, unopened by the Worcester BID CEO or authorised staff.
- 7.6 Tenders received by email or as a hard copy will be opened by nominated individuals. The date of receipt will be noted on hard copy tenders. A record of tenders will also be completed by the nominated persons coordinating the process.
- 7.7 The decision to opt for a particular supplier must be taken with due consideration to the tender price, whether they are a BID levy paying business or not, located within the BID area, quality of service and cost effectiveness. If the lowest tender price is not accepted a written record of the reason will be recorded.

Post tender negotiations may be conducted in limited circumstances to benefit the Worcester BID, and only in such a manner as to be equitable to all tenderers.

The BID team will administer the tender and process and present the results to the Board, who then approve this. The presentation of results and approval can be done on a quick turnaround via email without having to meet formally.

In line with Worcester BID Articles of Association (2015) point 7.3, a decision of the Directors may be taken when at least five eligible Directors indicate their approval of a decision either in writing or by email, provided that all of the eligible Directors have (1) been given reasonable notice of the decision to be taken and (2) been given opportunity to respond.

- 7.8 Successful tenderers will be informed in writing and standard documentation will be used to inform unsuccessful tenders.

8. Stores and Stockholding

- 8.1 The Worcester BID aims to reduce stockholding (e.g. stationery, print supplies and event equipment) to an optimum level compatible with operational requirements. Holding excessive or unnecessary stock can result in a cost to the BID and this should be minimised. The Worcester BID should only store those items where their immediate availability is considered essential to maintain an efficient service.

8.2 Stocks must be held in;

- A secure place commensurate with the value of the stocks
- An environment, which will minimise degradation and maximise shelf life.
- In line with relevant H&S legislation, including the storage and handling of stocks.

8.3 Obsolete Stocks

Shelf life and stock levels and consumption should be regularly reviewed with a view to reducing waste, capital invested and space. The BID should consider selling or scrapping obsolete or slow-moving stock.

9. Code of Ethics

- 9.1 Any personal or family interests which may impinge, or might reasonably be deemed by others to impinge, upon the impartiality, of any matter relevant to purchasing duties should be declared. BID staff and Board Directors, Members and Observers are to complete a Register of Interest form and declare any additional conflicts of interests as applicable at the time they arise.
- 9.2 The confidentiality of information received in the course of duty should be respected and specific details of suppliers offers must not be divulged to competitors. Information given in the course of duty should be true and fair and never designed to mislead, and must not be used for personal gain.
- 9.3 Whilst bearing in mind the advantages to the Worcester BID in maintaining a continuing relationship with a supplier, any arrangement, which might, in the long term, prevent the effective operation of fair competition, must be avoided.
- 9.4 Business gifts should not be accepted, unless they are of small intrinsic value that is incidental to work and does not create an unfair advantage or bias, such as a coffee at a business meeting, lunch provided at a work meeting, business diaries or calendars should not be accepted. Items for personal use may not be accepted.

Modest hospitality is an accepted courtesy of a business relationship. The recipient should however be conscious of the need to avoid a position where they might be, or appear to be, influenced in making a business decision by such hospitality. The frequency and scale of such hospitality should not be significantly greater than the Worcester BID would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality the offer should be declined or advice sought from the Worcester BID.

- 9.5 For the protection of those involved the Worcester BID CEO and Operations Manager will maintain a Register of Gifts and Hospitality received. BID staff and Board Directors, Members and Observers in receipt of such gifts or hospitality are obliged to complete the register and notify the Worcester BID CEO immediately.

Appendix 1

Sustainable Purchasing

Worcester BID will consider environmental and social responsibility as a factor in its purchasing decisions and recognises its responsibility to carry out its purchasing activities in a sustainable manner.

Before buying any product or service the following questions should be asked;

- Is the product or service required?
- Can the need be met in any other way?
- Can we meet this requirement by renting, leasing or sharing rather than buying?
- Is the specification right? Is it “fit for the purpose”, the appropriate quality (not over or under specified) and the correct quantity?
- Can the product serve any useful purpose after its initial use?

Wherever possible the Worcester BID will give preference, where items are of a similar cost, to those that are;

- Manufactured with a high-recycled content
- Biodegradable or able to be recycled or reused
- Energy, water and resource efficient
- Packaged appropriately, not excessively using packaging that is recyclable or re-usable.
- Non-polluting during production, working life and on disposal
- Durable, easily upgraded and repairable
- Not categorised as Special Wastes entailing additional disposal costs and procedures

From suppliers

- who are based locally, and particularly those who are BID levy payers and if not, subsequently within the BID area but not a BID levy payer?
- who are committed to environmental transparency and improvement?
- who do not exploit child labour or labour and economies in the developing world and adhere to Fair Trade Standards?
- who supply environmental handling and disposal information?

The Worcester BID will strive to;

- Comply with all relevant environmental legislation.
- Encourage and persuade suppliers to operate environmentally friendly processes and supply environmentally friendly products.

- Educate its suppliers concerning the Worcester BID's sustainability objectives.
- Work with key suppliers to bring about changes and thereby spread sustainability improvements throughout the supply chain.
- Ensure that suppliers' environmental credentials are, as far as legally practicable, considered in the supplier appraisal process.
- Ensure that, where appropriate, environmental criteria are used in the award of contracts.
- Encourage internal purchasers to review their consumption of goods and materials, in order to reduce usage and adopt more environmentally friendly products, including the use of recycled products as appropriate.
- Specify, wherever possible and reasonably practicable, the use of environmentally friendly materials and products.
- Ensure that consideration is given to inclusion, within all specifications, of a facility for suppliers to submit offers for environmentally friendly alternatives.
- Ensure that appropriate consideration is given to the costs and benefits of environmentally friendly alternatives.
- Explore opportunities for recycling of materials as appropriate.

Further Environmental considerations;

- Sources of raw materials (i.e. wood from sustainable forests).
- Will the supplier remove their packaging or are they obliged to remove it under the Producers Responsibilities and Packaging Waste Regulations?
- Consolidation of deliveries, reducing transport costs.