

# P46 Procurement Policy

## 1 Key Principles of Procurement Policy

Separation of Duties	The roles of Budget Holder, Purchaser and Payment Authoriser should be separated. The purchaser who is empowered to make the binding commitment must have an authorised purchase order before committing. The total value of the contract must be entered on the Purchase Order.
Value for Money	A prime aim of the procurement process is to ensure that best Value for Money (VFM) is achieved.
Competition	Procurement should be through open competition unless there are exceptional reasons
Payment on Time	Suppliers must be paid on time in accordance with contractual arrangements.
Ethical Standards	Procurement must be undertaken to the highest ethical standards and with fairness to suppliers.
Environmental Impact	Purchasers must consider environmental impacts and aim to minimise adverse environmental impacts.

We actively provide purchasing opportunities to organisations that have achieved recognition / accreditation from recognised bodies.

## 2 Introduction

'Procurement' is the whole process of acquisition from third parties and covers goods, services and construction projects.

This policy applies to all procurements, e.g. goods, services (including consultancies and research) and works/construction. The policy applies to procurements funded from both programmes and running costs. It is intended for the information of everyone in TCHC GROUP who is involved in procurement whether as budget holder/customer, purchaser, expenditure authoriser, or contract manager/project sponsor.

The key elements of the policy reflect TCHC GROUP's core business values, i.e. to act with integrity, honesty impartiality, to pursue value for money, and to encourage continuous improvement and innovation. In this context it is worth pointing out that such key elements as use of competition and separation of duties help to protect the individuals involved in procurement in addition to helping support value for money.

It is the responsibility of all line managers to ensure that any staff involved in procurement processes adhere to the policies outlined.

This policy is shared with all TCHC staff and associates on induction and is available to view on our Company Documents in BrightHR and our Intranet.



TCHC adheres to The Public Contracts Regulations 2015 (<https://www.legislation.gov.uk/uksi/2015/102/contents/made>) and the directives, regulations, policies and guidance relating to the procurement of supplies, services and works for the public sector as outlined in the public sector procurement policy (<https://www.gov.uk/guidance/public-sector-procurement-policy>).

### 3 Separation of Duties

In the procurement process two key distinguishable roles are:

- The budget holder who perceives the need and makes out the business case to obtain any necessary approval to spend, then commissions the procurement service, and normally gives final approval to the recommended choice.
- The purchaser who fulfils the procurement role (including making the legally binding commitment to the chosen supplier) and is responsible for ensuring that the procurement process fully complies with procurement policy and secures best Value for Money (VFM).

### 4 Value for Money

End users are not usually the purchasers themselves and their needs must be tested critically for cost effectiveness. To ensure best VFM in procurement the relevant factor is whole life cost, not lowest short term price. Whole life cost takes into account all aspects of cost over time, including capital, maintenance, management and operating costs, whenever they fall.

All managers, not only purchasers, are responsible for ensuring that best VFM is achieved through the procurement process.

### 5 Competition

It is TCHC GROUP policy that procurement should be undertaken through open competition. Purchasers, in consultation with customers, are responsible for identifying suppliers most likely to offer best VFM and for encouraging them to tender.

Value	Activity	Approval
Petty cash to £50	Sundry/casual expenses	Finance Controller
£50 - £200	General purchases authorised purchase order required	A member of the SMT
£200 - £1,000	One verbal quote Authorised purchase order required	Managing Director
£1,000- £15,000	Invite minimum three suppliers, obtain minimum two written quotes Authorised purchase order required	Managing Director
£15,000-£50,000	Obtain minimum three written quotations based on clear written specification	Managing Director
Above £50,000	Minimum of three formal competitive tenders invited Authorised purchase order required	Managing Director



## 6 SUB-CONTRACTING WITH SUPPLY CHAIN PARTNERS

Upon commencement of the sub-contracting process, TCHC GROUP will consider a Business Case Proposal or Expression of Interest (EOI) to ensure that the subcontracting will be in the best interests of all parties.

TCHC will follow our Procurement Policy and process for the identification and selection of Sub-Contractors to ensure we are following Public Contracts Regulations 2015 and procurement requirements around threshold levels as detailed in the Procurement Policy note 04/17. We will follow European Parliament public procurement including directive 2014/24/EU where required. We will initiate Expression of Interest for new opportunities by aiming to utilise our Expression of Interest form, published on the 'Partner with Us' page on the TCHC website with a deadline day of a minimum of 7 days from the date published on the website.

Following the end of the Transition Period with the UK Exiting the EU, the UK Government has launched the UK's new "Find a Tender" service for publishing contract notices that went live on 1 January 2021, replacing the Official Journal of the European Union. TCHC will follow all regulatory requirements with the new legislation and systems introduced where it is applicable for procurement.

When entering into procurement for new Sub-Contracts, we need to ensure that we will adhere to the following specific rationale for Sub-Contracting:

TCHC commit to enhancing the quality of our learner/student offer and have an educational rationale for subcontracting position which will include one or more of the following aims:

- Enhance the opportunities available to learners
- Fill gaps in niche or expert provision, or provide better access to training facilities
- Support better geographical access for learners
- Offer an entry point for disadvantaged groups
- Consider the impact on individuals who share protected characteristics

When procuring we will demonstrate TCHC are committed to not subcontracting delivery to meet short-term funding objectives and will solely use delivery Sub-Contractors.

TCHC when procuring new sub-contractors need to follow the guidance in the P66 Partnership and Supply Chain Management Framework Policy.

TCHC need to ensure that the staff involved in the procurement and selection of sub-contractors have the knowledge, skills and experience (i.e. with appropriate qualifications or experience, as evidenced by their CVs) within the organisation to successfully procure contract with and manage those subcontractors, our Board of Directors and the Head of Finance to determine the subcontractors as being of high quality and bringing low risk to public funds. TCHC will ensure that an expression of interest is completed which demonstrates the capacity, capability, track record and financial health to deliver the services required.

Audits will be performed in line with our P66 Partnership and Supply Chain Management Framework Policy and external audits take place each year.



## 7 RECORD KEEPING

TCHC will store all documents relating to procurement activities on our company SharePoint or Partner Portal to demonstrate that the activities were conducted ethically and in accordance with procedures and are fully compliant with procurement law. The audits will examine that all elements of the procurement process have been followed, including advertising current opportunities and evaluating bids. Audits serve as a deterrent for non-compliance. TCHC has a clear Document Retention Policy in line with the requirements of ISO 9001, ensuring that all relevant information is held for the purpose of internal and external audits / investigations in line procurement law and regulations. Every correspondence will be tracked and can be produced as and when required ensuring they are traceable and retrievable. File movements and movements of data will also be tracked.

## 8 Purchase Orders

All purchases must be supported by a Purchase Order. The Purchase Order must be raised and approved in accordance with the guidance above – before an order is placed with the supplier. The Managing Director must provide final validation of all Purchase Orders.

TCHC GROUP will not be held liable for any financial commitment made by a member of staff without a valid, approved Purchase Order.

All purchasing and sub-contracting to a value in excess of £100,000 follow EU guidelines, National ESIF Procurement Requirements (ESIF-GN-1-001) and be published in the OJEU.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/705925/ESI F-GN-1-001 ESIF National Procurement Requirements v5.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705925/ESI_F-GN-1-001_ESIF_National_Procurement_Requirements_v5.pdf)

## 9 Payment on Time of Valid Invoices

The aim is to pay on time, never late but not unnecessarily early unless some early payment discount or other benefit has been agreed. Our interpretation of making payment is when a BACS payment is committed or a cheque is posted. If any invoices have been disputed, the 'clock' should run from the date the dispute was resolved.

## 10 Ethics and Ethical Issues

Purchasers should be honest, fair and impartial in their dealings with suppliers.

Invitations from suppliers or potential suppliers to attend social functions must not be accepted without receiving consent from a Director.

References may from time to time be sought from other potential customers of one of your suppliers. In such circumstances caution must be exercised.

References in writing must not be provided without receiving consent from a Director.

### 10.1 Corporate gift policy

Casual gifts offered by contractors or others, e.g. at Christmas time, may not be in any way connected with the awarding of contracts or performance of duties.



However, in order to avoid ambiguity, it is preferable to politely decline. Staff must declare any unsolicited gifts to their line manager who is responsible for keeping a log of all items received.



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Courtney Grinham, Managing Director – TCHC GROUP LTD

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**Document History**

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P46	2.2	02/08/2009	Linda Gaffney	Unclassified	31/08/2020
			Dominic Wade		
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