

Alt Valley Community Trust Procurement Policy

1. Introduction

This Procurement Policy applies to all purchases made by or on behalf of Alt Valley Community Trust (hereafter referred to as 'The Company').

It is the policy of the Company to purchase, by ethical means, only goods and services which are required and suitable for carrying out the purposes of the Company. The Company aims to ensure that the best value for money is being obtained and that its resources are being used to the greatest benefit.

2. Practices and Procedures

2.1. Authority

The Finance Manager will normally be responsible for general purchasing and for arranging procurements.

2.2. Factors to be considered

2.2.1. Factors for all purchases

All of the following factors (including their cost implications for the Company) must be taken into consideration when the Company is committed to the purchase of equipment or services:

- Is the purchase really needed?
- Is the purchase consistent with the aims of the Company to provide network services?
- Are there adequate uncommitted funds in the budget against which the order is to be charged?
- When is delivery required?
- Does the quoted cost include all relevant charges, including delivery, VAT, etc. and when does this expire?
- Is there an arrangement with the supplier which creates any contractual, practical or moral obligation on the Company which restricts ability to use other suppliers, or test the market, when renewal or replacement becomes due?
- Have all Health and Safety considerations been fully understood and costed, including the cost of training?
- Will the new acquisition produce a waste product? If so, how will it be disposed of and will there be costs involved? Are funds available to meet these costs?

2.2.2. Factors for Equipment Purchases

For equipment purchases; the purchase price may be as little as 10 or 20 per cent of the whole-life cost. The following additional factors should therefore be given careful consideration:

- What are the running and maintenance costs and what arrangements exist for after-sales service?

- Does the cost include all parts and labour charges? Are future funds available to meet these costs?
- Has the full cost of training staff to use the equipment been taken into account and has full consideration been given to non-price factors such as quality, delivery time, after-sales support, full life-time cost of the product and the financial viability of the Supplier?
- Will extra space, power or water be required? Is air-conditioning or other environmental control necessary? Are these readily available in the area designated?
- Will there be costs for the environmentally safe disposal of the equipment when it has reached its end of life?
- What consultations with other bodies are required before the budget is committed?

2.2.3. Value for Money

Value for money is not just about price. It also includes:

- fitness for purpose i.e. quality, delivery and availability - against price, whole-life cost or the 'cost of ownership' (e.g. maintenance/running costs and costs or any after-sales service required)
- on-cost (e.g. transport and storage)
- the cost of the procurement itself (e.g. the time spent on the total purchase from identification or requirement to final payment).

2.3. Placing of orders

The following rules apply to the authorisation of expenditure:

- All orders should be placed via the Finance Manager
- The order should be authorised within the cash limits (excluding VAT) defined below:
 - o Up to £3,000 authorised by the Executive Director or deputy;
 - o From £3,000.01 to £10,000 authorised by the Executive Director and a Director of the Company;
 - o £10,000.01 and above authorised by the Executive Director and two Directors of the Company.
- Where appropriate, quotations or tenders must have been obtained as set out in section 2.5 or 2.6;

2.4. Terms and Conditions of Supply

Where a tender is issued or order placed, where the standard terms are not sufficient or particular requirements have to be met, special terms should be issued separately clearly defining the requirements.

2.5. Quotations and Tenders

For purchases up to **£2,500**

A record of three verbal quotes. No advertising requirements.	
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For purchases between **£2,501** and **£25,000**

Appropriately advertised as a minimum on website for a reasonable time period.	
A copy of three written quotes	
Letter to applicant who was successful	
Letters to applicants who were unsuccessful	
Followed principles of proportionality and transparency	

For purchases between **£25,001 to £164,176**

Formal tender process.	
Tender brief. Contract description to be non-discriminatory, does not refer to a particular brand, qualification, certification, a specific origin or trademarks, for the purpose of demonstrating mutual recognition, it is necessary to make it clear that equivalents will be equally valid.	
Advertised on a relevant tender platform and on grant recipient’s website for a reasonable time period if possible.	
List of tender applicants/quotes	
Tender proposals	
Proof of all tenders arrived within deadline	
Scoring matrix’s (signed & dated by scoring panel)	
Details of any presentations	
Proof of standstill period	
Letter to applicant who was successful	
Letters to applicants who was unsuccessful	

For any procurement above this thresholds for **Supplies, Services or Works**

Tender brief and as above.	
Pre Qualification Questionnaires (PQQ)	
Selection process 1 – invitation to tender	
Tender proposals	
Selection process 2 - Scoring matrix's (signed & dated by scoring panel)	
Details of any presentations	
Letter to applicant who was successful	
Letters to applicants who was unsuccessful	
Standstill period	