

Procurement Policy

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Policy Summary / Key Information

The Procurement of goods, works and services (non-pay spend) is regulated by UK legislation and by the Trust's Standing Financial Instructions (SFIs).

The Trust, as a spender of public money, has a duty to ensure value for money and compliance with the principles of Procurement.

The Procurement Department manages the transactional and contractual relationship with Suppliers of goods, works and services and must be involved at an early stage.

Adherence to this policy will improve governance and value for money, reduce risk, enable efficient use of clinical time and improve patient safety. Appropriately combining expertise from clinicians and other professionals with the commercial awareness of procurement professionals will deliver the maximum benefit to patients, staff and the Trust. Not following a compliant procurement process can delay the implementation of projects or services.



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1. Definitions

Central Digital Platform	The official electronic publication portal through which all public bodies bound by Procurement Act 2023 must use to publish their notices for procurement activity.
Competitive Flexible Procedure	Means the procedure designed by the Trust, which the Trust considers appropriate for awarding a public contract.
Conflict of Interest	Shall mean a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity. These conflicts of Interest must be declared in advance, to ensure that this person cannot influence the decision
E-Tendering Portal	means the procurement portal operated by Atamis
Health Care Services (Provider Selection Regime) Regulations 2023	Procurement of Health Care Services
Framework Agreement	This is a type of agreement setting out broad conditions for organisations to buy from without giving any kind of commitment to quantities. A Framework Agreement will offer a category of goods, works or services to a number of organisations that have been named. The named organisations can then buy (call off) from a Framework Agreement by either going directly to a suitably qualified supplier, or via further Competition. When using Framework Agreements, always ensure the supplier you use is specified in the appropriate Lot. If direct award is made, the Trust must be able to evidence that the supplier who is most economically advantageous has been awarded.
NEP	The purchase-to-pay system used by the Trust.
Open Procedure	Means a one stage tender process where bid submissions can be made without any restriction on who can submit tenders.
Procurement act 2023	For contracts awarded, framework agreements concluded, call-offs of framework agreements concluded or dynamic markets established after 24 February 2025.
Public Contracts Regulations 2015	For contracts awarded, framework agreements concluded, call-offs of framework agreements concluded or dynamic markets established before 24 February 2025.
“Procurement Legislation”	means (i) the Public Contracts Regulations 2015 (PCR 2015) until such date that any PCR 2015 contract is superseded by the Procurement Act 2023. (PA 2023)

	<p>ii) The Procurement Regulations 2024 and any regulations made pursuant to the Procurement Act 2023 when they come into effect;</p> <p>iii) the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR), and the relevant statutory guidance issued in relation to it;</p> <p>(iv) the Public Services (Social Value) Act 2012 and</p> <p>(v) relevant procurement regulations and any subsequent amendments to, or replacements of, them in relation to UK procurement legislation.</p>
Purchase Order	A transaction, which puts the Trust into a binding agreement for the acquisition of goods, works or services.
Requisition	An electronic document originated by a requester on the NEP system stating the goods, works or service they wish to purchase and against which budget.
Social Value	The term used to describe the additional benefit created in the delivery of a service contract, which has a wider community, or public benefit.
Sustainability	Sustainability in Procurement is whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment'.
Threshold	Means the financial threshold above which a regulated procurement is required to be undertaken.

2. Introduction

- 2.1. Procurement is the process of acquiring goods, works or services from third parties. The process spans the whole life cycle from identification of needs, management of the process and through to its expiry.
- 2.2. This policy shall provide clear guidance for all Trust employees in relation to procurement activity. It will set out the Trust's policy for the purchase of all goods, works and services (non-pay spend) with the exception of pharmaceuticals and clinical/nursing agency staff. For these, please contact either the Pharmacy Team or Workforce team.
- 2.3. The policy shall ensure the consistent transparent and robust application of Section 9 (Contracts, Tenders, and Healthcare Service Agreements) and Section 11 (Non-Pay Expenditure) of the Trust's Standing Financial Instructions (SFIs) to ensure that the Trust can demonstrate best value for money for all goods, works and services provided. This will also ensure that the Trust is procuring within the legal framework for the Public Sector.
- 2.4. The SFIs shall take precedence in all instances of conflict between this Policy and the SFIs. The Procurement Act 2023 and the Public Contracts Regulations 2015 (where these apply to contracts let under the PCR2025 regime) shall take precedence in all instances of conflict between the SFIs and the Regulations. In case of uncertainty as to which policy or procedure should take precedence,

advice from the Head of Procurement must be sought before proceeding with a procurement process.

- 2.5. It is mandatory for all Trust employees to comply with the Trust SFIs, this Policy, the Procurement Act 2023, the Public Contracts Regulations 2015, the Health Care Services (Provider Selection Regime) Regulations 2023 and the procurement Principles.
- 2.6. This policy sets out the broad parameters within which the Trust will manage its procurement activity in support of overall strategic objectives and the delivery of wider Government policies and priorities wherever possible.
- 2.7. This Policy spells out the key issues for staff, and it is important that everyone understands:
 - Both their *budgetary* authority, the budget that they have accountability for spending, and their *procurement* authority, the value of contract award they are permitted to enter into on behalf of the Trust.
 - When they must contact procurement in terms of making a purchase or interacting with the supply market.
 - The designated routes through which they can obtain goods, non-clinical services and clinical/healthcare services they require.
 - The ethical rules around spending the Trust's money.
- 2.8. The Trust is a public body and is required to ensure that its financial transactions are carried out in accordance with UK and Government Procurement principles. The risk of non-compliance with the Procurement Legislation is significant and can include awards of damages and contracts being set aside.
- 2.9. The aim of the policy is to ensure that all non-pay expenditure is subject to 'best practice' procurement in order to compliantly maximise best value for money. This is defined as the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirements.
- 2.10. This will be achieved through the application of effective control mechanisms, which will ensure the Trust's business is conducted and managed (internally and externally) in a way that will deliver greater efficiency in the use of its resources and ensures probity.

3. Procurement Principles and Objectives

- 3.1. Public procurement is governed by principles that set out to ensure a 'level playing field' for buyers and suppliers in which to conduct business.
- 3.2. These principles should be applied proportionately to all procurement activity regardless of spend. Where one or more of the principles cannot be followed, the justifications for this and any mitigations to be taken will be recorded as part of the project.
- 3.3. For current purchasing procedures in scope of the PCR 2015, the Trust and Trust staff must:

- a. Treat all suppliers equally, in a non-discriminatory manner, and act in a transparent and proportionate manner;
 - b. Not design the procurement with the intention of excluding it from the PCR 2015 or of artificially narrowing competition.
- 3.4. All purchasing procedures in scope of the PA 2023 must have regard to the following procurement objectives:
- a. Delivering value for money;
 - b. Maximising public benefit;
 - c. Transparency, and
 - d. Acting, and being seen to act, with integrity.
 - e. The National Procurement Policy Statement
- 3.5. For procurements in scope of the PSR (healthcare services), the Trust must act:
- a. With a view to:
 - (i) Securing the needs of the people who use the services
 - (ii) Improving efficiency in the provision of the services; and
 - b. Transparently, fairly and proportionately.
- a. Principles of Public Procurement- The Trust must have regard to

The Trust must also:

- Treat suppliers the same unless a difference between the suppliers justifies different treatment.
- (where different treatment is justified) take all reasonable steps to ensure not to put a supplier at an unfair advantage or disadvantage
- consider whether SME barriers can be removed or reduced

Further considerations include

- Not involving fraud or corruption;
- Adhering to ethical and sustainable procurement principles;
- Receiving the appropriate approval to commence and award a contract;
- Having a written signed / sealed contract / purchase order in place (in line with SFIs);
- Having appropriate contract management performance measures in the contract;
- Ensuring the delivery of any Social Value requirements.

4. Scope

- 4.1. The policy shall apply to all non-pay expenditure within the Trust and all those who purchase any goods, works and services, subject to any exclusions detailed in the Trust's Standing Financial Instructions (SFIs). This includes the following sources of funds:
- 4.1.1. Revenue budgets
 - 4.1.2. Capital budgets
 - 4.1.3. Charitable funds
- 4.2. A contract is any verbal or written agreement where a party (the Supplier) agrees to provide goods, services or works to the Trust in return for a form of consideration (usually payment). These contracts include but are not limited to:
- Service Contracts
 - Construction Contracts
 - Supplies Contracts (purchase of goods)
 - Framework agreements
 - Purchase orders
 - Leasing / licensing / Financing arrangements (e.g. software)
 - Quotations
 - Concession contracts
- 4.3. The following contracts are exempt from this policy:
- Employment Contracts
 - Contracts for the acquisition, transfer, or disposal of any interest in land or property (including leasehold interest)
 - For loans arrangements
 - Certain 'contractual' arrangements with other Public Bodies
 - Pharmaceuticals ordered through the Pharmacy Team
 - Clinical/nursing agency staff recruited via Workforce.

5. Purpose of the Policy

- 5.1. The purpose of the policy is to reduce organisational risk by ensuring the Trust:
- Complies with relevant regulation;
 - Works within its own Governance including the Trust's Standing financial Instructions and Reservations of Power And Scheme of Delegation; and
 - Purchases goods, works and services in line with Equality and Diversity and Anti-Slavery legislations.
- 5.2. In addition, the policy will ensure that:
- Value for money is achieved (defined as 'the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user's requirement;
 - Goods, works and services are obtained with the minimum of delay subject to adherence to Trust SFIs;

- Medical equipment is purchased in line with the Purchase and Management of Reusable Medical Devices Policy and Procedure and the NHS Pre-Acquisition Questionnaire (PAQ) recommended standards;
- The Procurement Team is involved at the earliest opportunity in the procurement of goods, works and services;
- All procurement is conducted honestly, avoiding conflicts of interest and reducing the risk of fraud.

6. Duties

6.1. Chief Executive Officer

The Chief Executive Officer has overall executive responsibility for the Trust's activities and is responsible to the Board of Directors for ensuring that the Trust's financial obligations and targets are met.

6.2. Chief Finance Officer

- The Chief Finance Officer is responsible for advising on and implementing the Trust's financial policies and coordinating any corrective action necessary to further these policies;
- design, implementation and supervision of systems of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement the SFIs;
- Reporting on compliance to this Policy at Audit Committee.

6.3. Procurement Staff

- The Head of Procurement is the Trust's designated Lead for the Procurement Policy and has responsibility to ensure that the policy is correctly followed.
- The Head of Procurement will respond accordingly to any complaints or issues arising from the policy.
- The Procurement Team will ensure adherence to this policy and the Standing Financial Instructions with respect to the Procurement Act 2023 the Procurement contract Regulations 2015 where they still apply, as well as the Health Care Services (Provider Selection Regime) Regulations 2023 where applicable.
- The Procurement Team shall be responsible for raising and dispatching purchase orders to Suppliers.
- The Procurement Team shall be responsible for the completion of the contractual documents, drawing on subject matter experts as required and for arranging appropriate approval and signature of contracts in line with the Scheme of Delegation.

- The Procurement Team shall utilise external resources such as NHS Supply Chain, Crown Commercial Services and NHS Commercial Solutions to ensure best value.
- The Procurement Team shall assist with tender evaluation through formulating an evaluation model and providing commercial guidance. Where appropriate, a member of the procurement team will participate as a member of the evaluation panel.
- The Procurement Team will support the preparation of the tender award report and advise end users what is required for completion. The Procurement Team will then scrutinise the report before sign off and approval.
- The Supplies Assistants in Goods Inwards who form part of the Procurement team shall be responsible for raising the Goods Receipt Note on NEP, which will detail the actual goods delivered.
 - This responsibility is delegated to Trust staff who have goods delivered direct to their department by the supplier and/or manage the service they have the order raised against.
- The Buying Team within the Procurement Team shall ensure that only staff whose line manager has been approved as a budget holder via the NEP new user/change form (Appendix A) shall be given approval of requisition rights on NEP.
- The Buying team within the Procurement Team shall review the QVH Staff Leavers' report issued monthly by Workforce and suspend any leavers from the NEP procurement system.
- The Buying team within the Procurement Team shall be responsible for obtaining supplier details for any new suppliers requested by end users. Ensuring that all details are completed correctly on the new supplier form and equality, slavery and conflict of interest questionnaires are completed and checked for compliance prior to sending the details on to Finance to carry out further due diligence on the bank details etc. and then added to NEP.

6.4. General and Service Managers / Heads of Department / Budget Holders

- Managers who are noted on the Financial Authorised Signatory List held in Accounts Payable and have been approved as Budget Holders on the NEP new user/change form shall have responsibility for approving spend on their allocated budget. Authorisation required above a budget holder's authorisation threshold shall automatically move to the next Authoriser in the Hierarchy as per the Trust Scheme of Delegation before it is finally approved and a PO raised by the Buying Team. This approval shall be electronic through the NEP system.
- Managers responsible for authorising spend on NEP are responsible for ensuring that they set their 'Vacation Rule' on the system when they are

on leave so that they can delegate authorisation of requisitions/invoices in their absence so that services can continue without delay and or shortages.

- Budget holders should manage any Call Off and Standing Orders, keeping track of spend so they do not finish unexpectedly and liaise with the Procurement department if prices are increased unexpectedly or without contact with the supplier. Please refer to the Trust's Standing Orders policy for more detail.
- All Managers should support the reduction of variation of goods, works and services, support standardisation, challenge specifications and manage demand for goods, works and services.

6.5. Finance Staff – Accounts Payable

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

6.6. All staff

- All employees of the Trust must ensure they comply with this policy.
- The Procurement Team must be involved at the earliest opportunity for non-routine purchases.
- Where goods, works or services do not pass through Goods Inwards, the requisitioner or someone within their department shall ensure that receipts of goods or services are made accurately and in a timely manner onto NEP. This ensures the costs are appropriately accounted, and the supplier can be paid.
- All employees who are purchasing goods, works or services, or support a procurement process must declare any conflicts of interest to the Procurement Team as soon as they are aware of their involvement in the process. The Procurement team will review each declaration and identify any risk that should be managed. An audit trail setting out how each risk has been managed will be recorded.
- For all purchasing decisions and rationale all pertinent documentation, such as email communication and notes from evaluation meetings will be kept for a minimum of six years from purchase (for certain purchases this will be longer e.g. property for ten years). This will enhance transparency in all purchases.
- Reduce wastage and consider environmental and sustainability issues/impact in the choice.
- Be aware of the Bribery Act 2010 and inform the Procurement Team of any potential breaches. Under the Bribery Act 2010, it is an offence to:

- Promise, offer or give a bribe;
- Request, agree to receive or accept a bribe;

It is also an offence for the organisation to fail to prevent bribery by not having adequate preventative procedures in place."

- Requisitions and invoices will be carefully checked prior to approval and must be within the Manager's approval levels.
- Invoices should be addressed directly to Accounts Payable or sent electronically to qvh.financialservices@nhs.net. In the event that invoices are received directly by departments, these should be returned, redirected to Accounts payable within 5 days of receipt.
- Invoices received by Accounts Payable directly will be processed and must be authorised on NEP as soon as possible to facilitate prompt payment.
- Suppliers will be instructed not to accept orders without a PO number.

7. The Role of the Procurement Team

The Procurement team is committed to providing the best value for money on all goods, works and services necessary to provide quality healthcare.

The Procurement Team will look to add value to all aspects of the service; these include the following key aims:

- **Performance** – Support departments with their contracts and services, ensuring that they are monitored and perform to the highest possible standards.
- **Market Intelligence and Value for Money** - Provide market intelligence to advise user departments on the best way to achieve value for money, as well as Identification of efficiencies and savings
- **Sourcing** - Ensure that adequate supplier appraisal systems are in place to ensure that the Trust only purchases from reputable sources.
- **Specifications** - Work closely with user departments to ensure complete, accurate, and relevant specifications are written for all goods, works and services.
- **Negotiations** - Provide negotiation support to minimise expenditure but maximise other possible non-financial advantages, including areas of cost avoidance.
- **Legal Issues** - Ensure that all goods, works and services are purchased, or goods disposed of, to meet all legal requirements and to

the benefit of the Trust. Ensure all staff and patients are duly protected by law and ensure probity in all actions taken.

- **Purchasing Potential** - To be a central point of reference across the Trust to facilitate an overview, and therefore aggregate goods, works and services where appropriate to ensure best value for money is achieved for the Trust.
- **Regulatory** – ensure compliance with any notification requirements as set out within the Procurement Act 2023 and Procurement Contract Regulations 2025.

8. Market Engagement

8.1. Officers may consult potential tenderers prior to the placing of the contract advert in general terms about the nature, level and standard of the requirement and other relevant matters, provided this does not prejudice any potential tenderer or tender.

8.2. When undertaking this Market Engagement, the Officer:

- Must not seek or accept technical advice on the preparation of an Invitation to Tender or Quotation from anyone who may have a commercial interest in it, this may prejudice the equal treatment of all potential tenderers or distort competition
- Must take notes of the meeting/ event, share the information presented as and when requested, unless the information is commercially sensitive.
- Must conduct the Market Engagement exercise in accordance with the Procurement Act.
- If a market engagement is to be carried out, a “Preliminary Market Engagement Notice” must be published in accordance with section 17 of the Procurement Act. If for any reason this is not done, and an engagement is carried out, reasons for not publishing a Preliminary Market Engagement Notice must be given in the tender notice.

9. Pre-Procurement

- 9.1. Prior to the publication of any procurement the Responsible Officer must:
- Make a genuine estimate of the whole life cost of the required goods, services or works.
 - Contracts must not be artificially divided into two or more “mini-projects” to avoid Procurement Regulations or the Procurement Policy;
 - Have regard to the fact that small and medium-sized enterprises may face particular barriers to participation and consider whether such barriers can be removed or reduced.
 - Seek confirmation from the budget holder prior to commencing a procurement to ensure that budget for the total estimated value identified will be available for the contract.

10. Choice of Procedure

- 10.1. The route to market for all procurement exercises must be determined in conjunction with the Procurement Team and will consider the following elements:
- Whether there are collaboration or Shared Services opportunities; available.

- Stimulation of the local Small and Medium Sized Enterprises (SME) supplier market.
- Whole life costs, value and affordability of the contract;
- The size of the market;
- The complexity of the requirements;
- Whether the requirements can be broken into Lots in accordance with section 18 of the Procurement Act
- Whether to utilise Frameworks Agreements as the route to market

10.2. Please see appendix A for a procurement flowchart.

10.3. For contracts above UK Procurement Threshold, purchase requirements should be lotted where appropriate so as to attract the interest of SME organisations. Where this is not practicable, the justification for the decision must be recorded on any associated report.

11. Collaborative Procurement within the ICS and other Hubs

11.1. Each collaborative procurement will have a lead Trust. This is the body that will be responsible for letting the contract.

11.2. The procurement process will be undertaken in accordance with each Trust's SFIs.

11.3. Each participating Trust's roles and responsibilities in any collaborative procurement will be clearly outlined and understood at the beginning of the procurement.

11.4. Where Queen Victoria Hospital Foundation Trust will be the lead Contracting Authority for the procurement:

- Authorisation to commence the procurement process must be obtained and undertaken in accordance with this policy.
- A Service Level Agreement or Memorandum of Agreement must be entered into with all other participants, outlining the roles and responsibilities of every party, and ensuring that any risk which Queen Victoria Hospital Foundation Trust is taking is shared with the other participants
- The Procurement Manager will lead the procurement element of the project;
- The procurement timetable should allow for the participating Trusts to obtain the necessary approvals in accordance with their respective SFIs.
- Authorisation to award the contract must be obtained in accordance with this policy.
- Officers are also permitted to use a Framework Agreement contract that has been tendered by a central purchasing body as long as there is provision in the contract notice for the Trusts to call off from the Framework.
- Where a Framework contract is being used, the preferred method should be a mini competition. A direct award should only be made after consultation with the Procurement Team.

12. Specifications and Contracts

- 12.1. Specifications must set out a clear and comprehensive description of the Trust's requirements with regard to the goods, services or works to be procured. The specification should include the defined outputs/ outcomes expected.
- 12.2. All goods, services or works must be specified by reference to international standards.
- 12.3. If no international standard exists a United Kingdom standard can only be specified if the procurement documents also provide that tenders, proposals or applications, which the Trust considers satisfy an equivalent standard from another state, territory or organisation of states or territories, will be treated as having satisfied the United Kingdom standard. When considering whether a standard from another state, territory or organisation of states or territories is equivalent to the UK standard the Trust may have regard to its purpose in referring to the standard. The Trust may require certification, or other evidence, for the purpose of satisfying itself that a standard is equivalent.
- 12.4. Named products or manufacturers must not be specified for above Threshold procurements.
- 12.5. Specifications and contracts must incorporate the relevant requirements in respect of:
 - Professional or Industry accreditations to be held by the service providers;
 - Consultation with service users
 - Reporting to the Trust on key service metrics/ Key Performance Indicators
 - Equalities analysis
 - GDPR (Responsibility for the management, safeguarding and ownership of any data to be used)

13. Key Performance Indicators

- 13.1. Any contract with a value of over £5million must include at least three Key Performance Indicators (unless the Trust considers that the supplier's performance could not appropriately be assessed by reference to KPIs) which must be published on the Trust's website.
- 13.2. Where the Trust has set KPIs in accordance with 13.1 (above), it must:
 - Assess performance against these KPIs and
 - Publish information as specified in Procurement Act 2023 in relation to that assessment.

The Trust must do this at least once in every period of 12 months during the lifecycle of the contract and on termination of the contract.

14. Electronic Procurement and Advertising

- 14.1. All procurements with a value of £75,000 or more or procurements undertaken via Framework must be managed by the Procurement Team, and should be undertaken through the Trust's E- Tendering portal.

14.2. Procurement of goods and services at or above £75,000 should be advertised on an 'open basis' (i.e. not limited to a certain number of bidders). These opportunities must be published on the E- Tendering portal as well as the relevant central government portal.

14.3. Procurement at or above the relevant threshold, set in accordance with the Procurement Act 2023, must be advertised on the Tendering Portal as well as the relevant central government portal.

15. Estimating the value of the Procurement

15.1. When calculating the value of the procurement the following process should be used:

15.2. For Capital projects (without maintenance) it should be the Capital Budget approved for the purchase.

15.3. For Capital projects that include a contractual requirement for maintenance, it should be the cost of the capital budget plus the maintenance costs for the duration of the maintenance agreement (e.g. a capital purchase of £45,000, which includes a maintenance contract for 5 years estimated at £5,000 per annum has a total estimated value of £70,000)

15.4. For revenue contracts the estimated value should be for either:

- The estimated value of a one- off purchase; or
- For recurring requirements with that supplier, the estimated value shall be either the value for the proposed contract length or if it is not known how long the arrangement will be in place then the estimated value should be 4 times the annual expected expenditure.

15.5. Where a Contractor is commissioned to undertake more than one order/contract for a specific department in any one financial year period, then the total amount spent with that supplier should not exceed £20,000 without conducting a competitive process in accordance with this policy.

15.6. It is acknowledged that more than one department may utilise the same supplier, without knowledge of the expenditure of the other department. The procurement department will regularly assess the expenditure and should the expenditure on any one supplier exceed £20,000 (in a financial year), then those departments should conduct a joint procurement in accordance with this policy.

15.7. Investigatory phases- services are often commissioned where projects are at the investigatory (initial) stage as to project viability, pilots or design etc. Quite often extra resources are required to further re-procure as the project progresses. Consideration should be given at the investigatory (initial) stage to whether it would deliver better value to seek competitive quotes from the outset of the intended project, for each envisaged stage of the project. This may reduce the need for re-procuring as the project progresses and the risk of delaying the project timetable.

- 15.8. When considering the value of a contract for a regulated procurement, officers should be aware that the thresholds in the Procurement Act are inclusive of VAT.

16. The Procurement Process

- 16.1. The level of procurement activity is determined by the cost of the requirement. Note that recurring regular requirements must be considered based on a consolidation of expected annual spend as a minimum. The requirements for each band of spend are detailed in this chapter.
- 16.2. It is unlawful to split purchases to bring the spend below the thresholds in order to avoid procurement activity.
- 16.3. All requests for goods, works or services, excluding pharmaceuticals and Orthotics must be made through the Trust's pay-to-pay system (NEP).
- 16.4. All non-pay spend must be covered by a Trust Purchase Order raised via the Trust's relevant pay-to-pay systems, including pharmaceuticals and orthotics. Exclusions to this as stated in the No PO No Pay Guidelines are:
- transportation services;
 - courses, conferences and lecture fees if approved via the Learning Development Centre;
 - rent of property or rooms;
 - services provided by high street opticians;
 - utility services – including all communication services;
 - travel claims;
 - agency nursing;
 - recruitment advertising;
 - interpretation services
- 16.5. The Trust shall ensure that competitive tenders are invited for the supply of Goods, Services, Works and Consultancy, and follow best practice set out by NHS England's Central Commercial Function.
- 16.6. For all contract requirements, the procurement strategy setting out the project scope, value, route to market and benefits expected must be presented to the Head of Procurement for approval before any procurement activity commences.
- 16.7. The Total value of contracts within these limits will include the cost of any potential extension written into the contract (Total Contract Value).

16.8. Dependent on the estimated value (exc. VAT), the following table should be followed

	Minimum Procurement Process		Who Undertakes Procurement Activity
Threshold 1	Trust Catalogue, or Compliant Framework, or 1 Written Quotation	Up to £20K (Authorised by Budget Manager)	The relevant service area, unless when using a Framework. The Procurement team will undertake all framework procurements
Threshold 2	Compliant Framework, or 3 Written Quotations.	£20,001 - £75K (Authorised by Budget Manager)	The Procurement Team or The service area with prior agreement from the Procurement Team
Threshold 3	Compliant Framework, or Competitive tender exercise	£75,001 to UK procurement financial Threshold (Authorised by Level 2 Manager AND Chief Finance Officer)	The Procurement Team
		Over UK procurement financial threshold (Authorised by Relevant Director AND Chief Finance Officer)	

2024/25 Procurement Threshold currently, including VAT

- £ 139,688 - for Supplies and Services
- £ 5,372,609 for Works and
- £663,540 for Social and Other Specific Services.

*For works- If seeking open competition is not feasible in the circumstances, where the contract value is below the works UK Procurement Threshold in the Procurement Legislation, a three quote process may be undertaken, provided that the reasons for not undertaking an open competition are recorded by the relevant officer in the contract award report.

The table below outlines the Trust's requirements in terms of whom shall be responsible for undertaking the required procurement activity.

Threshold 1

Procurement of Goods, Works or Services with a Whole Life value of less than £20,000 including VAT or procured under an existing contract.

- 16.9. The requisitioning department must identify exactly what is required. If the goods, works or services are less than £20k (as evidenced by a quote) or a current contract for the items exists then it is sufficient to raise the requisition on the Trust's Procurement system, NEP.
- 16.10. It is also satisfactory to identify a suitable supplier via a compliant Framework Agreement with the assistance of the Procurement Team
- 16.11. Goods ordered frequently already on contract can be included on the NEP catalogue by contacting the Buying Team, if not already on the catalogue. This makes ordering more efficient by requisitions being electronically completed with correct details and orders being created automatically as soon as authorised.
- 16.12. Appropriate authorisation must be obtained from either the budget holder or their nominated deputy. Authorisation may cascade up to higher management dependent on the Trust hierarchy and authorisation limits.
- 16.13. The Procurement Team will then raise and dispatch the Purchase Order.

Threshold 2

Procurement of goods, works or services with a whole life cost in excess of £20,000 but under £75,000.

Where a contract already exists, all departments are obliged to use it unless they can give valid reasons as to why it may not be appropriate.

16.14. Identify Requirement

The requisitioning department must create a specification of the goods, works and services required. The Procurement Team will advise on specifications for requirements under £75,000.

Consideration must be taken of whole life costs and this could include

- Cost of actual goods, works or services.
- Any associated accessories/consumables
- Any associated maintenance, licensing or service contract costs.
- Training Costs.
- Delivery and miscellaneous charges.
- Cost of disposal of items within Environmental procedures.

16.15. Quotes or Tenders Received

A compliant Framework Agreement can be used to identify a suitable supplier, or three written quotations required. In the event that a minimum of three legitimate quotes have been demonstrably sought but not received within a reasonable timescale, it is considered that the Procurement Rules have been complied with.

In truly exceptional cases, requests to waive the requirement for three quotes must be made. This will be on a waiver stating a valid reason. The stakeholder then sends the waiver request to the relevant signatories prior to any requisition or supplier being engaged in a contract.

16.16. Evaluation and Trial of Equipment if appropriate

If the requirement is for medical equipment then this must be trialed and evaluated in accordance with the Trust's Purchase and Management of Reusable Medical Devices Policy.

16.17. Evaluation of Quotes and Tenders

Quotes and tenders are to be evaluated in accordance with the below:

- a) Between £20,000 and £75,000 – The procurement department and/or the end user will evaluate the quotes and must accept the lowest cost unless there is a compelling reason not to do so. This reason must be documented on the Schedule of Quotations document (see Appendix C).
- b) Between £75,001 and £139,688 (or prevailing Financial Threshold) – The tenders will be received by the Procurement Team and evaluated by the requisitioning and Procurement departments, following the scoring methodology advised to the bidders at tender process. This will ensure that the most advantageous tender is awarded.

16.18. Governance Approval Quotes and Tenders

Both Procurement and the requisitioning department will document the accepted outcome in line with using the Trust Contract Award Report (see Appendix D).

Approval will be as set out in Section 18 below.

16.19. NEP Cloud Approvals Process

For all goods, works and services, the requisition must be raised on NEP and electronically authorised by the relevant authoriser as per the NEP hierarchy. The requisition is then routed to the Procurement Team, whilst also confirming that SFIs have been correctly followed and evidence is provided. If there is no evidence provided, then the requisition will be returned to the requestor explaining what is required. This is then recorded on a non-compliance log and escalated as appropriate.

16.20. Purchase Orders

Following notification of the requisition approval, the Procurement department will then raise the Purchase Order and update the Trust's waiver log, where necessary.

Threshold 3

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

16.21. Where a procurement has a whole life cost in excess of £139,688 including VAT, (Current Threshold level) for goods or services (the level of Works is £5,372,609 including VAT). The Trust is required by law to carry out a full tender within the regulations and principles laid down in the Procurement Act 2023.

16.22. For any requirements falling in to this category of spend the Procurement department must be involved at the earliest opportunity. The Trust will follow the process as described in the Procurement Act 2023 and Procurement will guide the requisitioner through this process.

16.23. Use of compliant Framework Agreement is deemed acceptable.

16.24. **Governance Approval Quotes and Tenders**

The procurement department and/or the end user will evaluate the submissions in line with the stated criteria.

The Procurement team and the department will document the accepted outcome in line with using the Trust Contract Award Report (see Appendix D).

Approval will be as set out in Section 18 below.

17. Authority to award contracts/ committing expenditure

All contracts must be awarded in accordance with the table below. Further details set out in the SFIs

Committing expenditure	
Revenue and non-capital works expenditure and invoice requests within approved financial plans or business plans	
Up to £20,000	Budget Holder
Up to £50,000	Level 2 Manager
Up to £100,000	Director
Up to £250,000	Chief Finance Officer
£250,001 to £500,000	Chief Finance Officer AND Chief Executive Officer
£500,001 to £1,000,000	Executive Leadership Team
£1,000,001 to £2,000,000	Finance & Performance committee
Over £2,000,001	Board of Directors

Signature of contracts or other legally binding documents not required to be executed as a deed	
(see Standing Orders for guidance on documents to be executed as a deed), the subject matter and nature of which has been approved by the Board or committee to which the Board has delegated appropriate authority:	
Up to £100,000	Director
Up to £250,000	Chief Finance Officer
Over £250,001	Chief Finance Officer AND Chief Executive Officer

18. Letting of Contracts

18.1. For procurements less than £20,000 in value, it is acceptable to issue a Purchase Order. The purchase order must include:

- The name of the supplier
- The requirements
- The date the order needs to be completed by
- The total value of the order with any payment terms
- The purchase order number
- A link to the Trust's standard terms and conditions (unless different terms and conditions apply in which case the Purchase Order must specify:
 - a) that the Council's standard terms and conditions do not apply to the particular purchase; and
 - b) the terms and conditions which do apply to the particular purchase.

If a purchase order is being used, the terms of the Purchase Order must be checked, beforehand, to make sure that no term(s) conflicts with any provision of the particular contract

- 18.2. Any procurement over £20,000 must be completed by a formal contract document and must contain:-
- a description of the services, works or goods to be supplied;
 - price and payment terms;
 - commencement and completion dates including the provision of liquidated damages if appropriate
 - delivery date, if appropriate;
 - appropriate insurance generally including £10 million cover in respect of public liability, £500,000 cover for professional indemnity liability (where relevant) and employers' liability insurance, if applicable, in accordance with the legal requirement. The relevant officer may decide to undertake a risk assessment of the project which may result in the level of insurance increasing or decreasing in accordance with the risks identified.
- 18.3. In addition, the following controls should be present:-
- the contract between the Contractor and the Trust must be in writing;
 - the contract must be signed by authorised signatory(ies) of the Contractor and the Trust and be executed as a deed under seal where relevant
 - A contract which may be executed by signing only, in accordance with relevant SFI rules, may be signed with wet and/or electronic signature(s) on behalf of the parties to the contract and, on behalf of the Trust.
 - In circumstances where a contract is being signed electronically by/on behalf of a Contractor, the Contractor shall, at the same time as providing the Trust with the electronically signed contract, provide the Trust with a separate statement (signed by the person(s) who has/have signed the contract) certifying that:
 - the person(s) signing the contract has/ve authority to do so;
 - person(s) signing the contract intend/s to authenticate the contract; and
 - and all formalities and legal requirements relating to execution of the contract are satisfied.
- 18.4. Where a contract or other legal document is required to be executed as a deed, the Contractor/other party(ies) may execute the contract electronically provided that the Contractor/other party(ies) shall each do so by signature of two (2) authorised signatories and shall provide to the Trust, at the same time as providing the electronically executed deed to the Trust, a separate statement certifying that:
- the person(s) executing the contract has/ve authority to do so;
 - person(s) executing the contract intend/s to authenticate the contract; and
 - and all formalities and legal requirements relating to execution of the contract are satisfied.
- 18.5. For all above threshold procurements, a contract details notice (in accordance with Section 53 of the Procurement Act) must be issued with 30 days of contract award.

- 18.6. Within 30 days of the end of each reporting period (31 March or 30 September) the Trust shall publish a payment compliance notice as set out in section 68(2) of the Procurement Act 2023

19. Transparency Requirements

- 19.1. Trust Staff need to be aware of the transparency requirements which the Trust must comply with. See Appendix B for further detail.
- 19.2. Transparency notices are required to be published under the PSR as well, which differ to those in the PCR 2015 and/or PA 2023.
- 19.3. In line with the SFIs, the Trust must publish below-Threshold notices if the estimated value of the public contract is £10,000 or more (inclusive of VAT).
- 19.4. The Trust will refrain from entering into agreements that may restrict the sharing of procurement data.

20. Modifications to Contracts

- 20.1. The Trust must comply with the requirements of Procurement Legislation for modifications to existing contracts.
- 20.2. Any variation to a contract for a contract valued above the Procurement Threshold (which is defined as a 'public contract') can only be varied if the variation is a permitted modification and not a substantial modification, as defined by Procurement Legislation. Variations to relevant below-threshold contracts (subject to whether it is a convertible contract) and certain service contracts are allowed. Guidance from the Procurement team should be sought as a minimum and legal advice may also be required to mitigate a risk of challenge.
- 20.3. Permitted modifications include:
- Change provided for in the contract (PCR 2015 and PA 2023);
 - 10% and below value change for goods or services, or 15% and below value change for works (PCR 2015 and PA 2023);
 - Urgency and protection of life (PA 2023);
 - Unforeseen circumstances (PCR 2015 and PA 2023);
 - Materialisation of a known risk (Procurement Act 2023);
 - Additional goods, services or works that are necessary and changing supplier would cause substantial inconvenience and duplication in costs (PCR 2015 and PA 2023); and
 - Any other permitted modification allowed under the applicable Procurement Legislation.
- 20.4. Changing the term of a contract term by more than 10% of the maximum term is considered substantial (calculated in months). Trust Staff must therefore ensure they account for all possible extensions in all relevant contracts.
- 20.5. If a variation is to be made, the terms of the variation must be in writing and the completed variation document must be stored with the original contract.
- 20.6. A convertible contract is a contract that becomes a public contract caught by the PA 2023 due to the modification that has been made to it. For example, the contract may have been below threshold but then is modified so it is then over threshold – in this case, due to the modification, the contract has become a public contract.

- 20.7. Before any modification (other than a permitted modification) to a public contract can be made, a contract change notice must be published.
- 20.8. Trust Staff must ensure that, for all public contracts, they observe a standstill period of at least 8 working days from the day of publication of a contract change notice.
- 20.9. Trust Staff must publish either the modification or the modified contract within 90 days of entering into it, provided that a contract change notice is required to be published and the estimated value of the contract is more than £5 million.
- 20.10. Modifications under the PSR
The PSR permits variations that are:
- a) clearly accounted for in the contract documents;
 - b) due to restructuring of the supplier;
 - c) outside the control of the Trust and do not render the original contract materially different in character;
 - d) required by the Trust and do not materially change the character of the contract, and the cumulative change of the lifetime value of the contract from when entered into is below £500,000 or less than 25% of the lifetime value of the contract.

A PSR contract change notice may be required to be published, depending on the details of the variation, within 30 days of the modification of the contract.

21. Termination of Contracts

- 21.1. Contracts may only be terminated, before the end of their contractual term, with the agreement of the Chief Finance Officer or the Chief Executive.
- 21.2. If a contract is terminated, a notice of termination must be published, before the end of the 30-day period beginning with the day on which the contract is terminated, in accordance with section 80 of the Procurement Act

22. Conflicts of Interest

- 22.1. All members of staff must avoid any conflict between their own interests and the interests of the Trust as detailed in the Trust's Standards of business conduct and behaviour Policy. This includes: but is not limited to:
- Not accepting gifts or hospitality from organisations or suppliers that the Trust has dealings with.
 - Not working for, or having a pecuniary shareholding in organisations or suppliers that the Trust has dealings with;
 - Notifying the Head of Procurement if an employee has links with (e.g. they previously worked for, or a family member or close friend works for) an organisation or supplier who is tendering or quoting for a contract with the Trust or already has a contract with the Trust.
- 22.2. All consultants and interims engaged to act on behalf of the Trust must declare that:

- they will avoid any conflict between their own interests or those of any of their other clients and the interests of the Trust; and
 - they will notify the Head of Procurement if they have any links with (e.g. a family member or close friend works for) an organisation or supplier who is tendering or quoting for a contract with the Trust or already has a contract with the Trust, subject to that Consultant being involved in that particular project.
- 22.3. Before commencing an “above Threshold” procurement a conflicts assessment must be prepared (in accordance with section 83 of the Procurement Act). This conflicts assessment must include details of any actual or potential conflicts of interest that have been identified, and any steps that have been undertaken to mitigate such conflicts.
- 22.4. In accordance with the ‘Standards of Business Conduct and Behaviour Policy’ Staff should log any declarations onto ESR after speaking to their line manager to decide how the declaration that they are about to declare will be managed.
- 22.5. Declarations on ESR should be made when the interest arises. Declarations should be annually reviewed on ESR.
- 22.6. For all projects over £30,000.00 in value, all involved stakeholders (evaluators and decision makers) must sign a project-specific conflict of interest form and return this to the Procurement Team. This will be required from the pre-contract to post-contract stage.
- 22.7. When seeking a waiver, the requisitioner will be expected to make any declarations.

23. Bribery and Fraud

- 23.1. On a basic level, fraud is deception carried out for personal gain, usually for money. Fraud can also involve the abuse of a position of trust.
- 23.2. Procurement fraud covers a wide range of illegal activities from bid rigging during the pre-contract award phase through to false invoicing in the post-contract award phase. It can be perpetrated by those inside and outside an organisation.
- 23.3. The Trust is absolutely committed to maintaining an honest, open and well intentioned culture. It is therefore committed to the elimination of any fraud within the Trust.
- 23.4. If fraud is suspected in relation to the Procurement policy, please report it to:
- The Trust's Local Counter Fraud Specialist (Telephone 01293 591818),
or
 - The Chief Finance Officer or
 - Call the National Fraud and Corruption reporting line on 0800 028 40 60.
- 23.5. The Local Counter Fraud Specialist (LCFS) is an accredited counter fraud professional who delivers both proactive work (e.g. raising fraud awareness, preventing and deterring fraud) and reactive work to hold those who commit fraud to account (e.g. fraud investigations).

- 23.6. Services shall include fraud risks and mitigation measures on their operational risk register, where it is identified potential contractors are considered by the Trust to be at high risk from fraud, abuse or misuse in connection with the potential contractor's business and/or its employees, sub-contractors or agents.
- 23.7. The offences contained in the Bribery Act 2010 carry criminal penalties for individuals and organisations. For individuals, a maximum prison sentence of ten years and/or an unlimited fine can be imposed; for companies, an unlimited fine can be imposed.
- 23.8. The Bribery Act 2010 and the requirement for the organisation to have in place adequate procedures which are proportionate to the identified risk. For example: Under the Bribery Act 2010 it is an offence to:
- promise, offer or give a bribe;
 - request, agree to receive or accept a bribe;
 - bribe a foreign official;
 - It is also an offence for the organisation to fail to prevent bribery by not having adequate preventative procedures in place.
- 23.9. All contracts over £30,000 in value will contain a relevant Anti-Bribery Clause.
- 23.10. Officers should be alert to indicators of potential bribery in procurement which may include:
- Overpayments to suppliers through the fraudulent submission of duplicate or false invoices.
 - Staff colluding with suppliers to raise and process false invoices, often receiving bribes or 'kickbacks' in the process.
 - Unjustified and unexplained favourable treatment of a particular supplier from a particular contracting employee over a period of time, including number or amount of contracts awarded to a given firm or supplier.
 - Unjustified high prices and important price increases
 - Low quality and late delivery acceptance by procurement official
 - Unusually high volume of purchases from a single source
 - Unusually high volume of purchases approved by a single purchaser
 - Unnecessary or inappropriate purchases
 - Recurrent and systematic rejection of firms who ultimately act as subcontractors
 - Employee accepting inappropriate gifts or entertainment
 - Close relationship (including social) between the budget holder or procurement official and the vendor
 - Unexplained sudden increase in wealth of the budget holder or procurement official
 - Supplier has a reputation of paying bribes
 - Commercial contracts different from the supplier's core business
 - Intermediary charges high commission, claims special influence on budget holder or procurement official
 - Unnecessary intermediary involved in contacts or purchases
 - High risk sectors
 - Budget holder or procurement official has undisclosed outside business

- Procurement official declining promotions to other positions.
- Procurement official acting beyond or below normal scope of duties in awarding or administering contracts
- Long and unexplained delays between announcement of the winning bidder and the signing of the contract (this may be an indication of the negotiation of the bribe)
- Frequent open or restrictive calls for tender that are inconclusive, ending in negotiated procedures

23.11. For more information/ guidance on reporting concerns please refer to the Trust's Counter Fraud Policy."

24. Acceptance of Gifts and Hospitality

24.1. Gifts from suppliers or contractors doing business (or likely to do business) with the organisation should be declined, whatever their value. Low cost branded promotional aids such as pens or post-it notes may, however, be accepted where they are under the value of £6 in total. Staff must comply with the 'Standards of Business Conduct and Behaviour Policy'. Particularly the completion of a Conflicts of Interest declaration for those involved in the procurement process from the pre- contract to post contract stage and:

- when the interest arises,
- annually
- during each tender process

24.2. In all cases, staff should refer to the Trust's 'Counter Fraud Policy'

25. Contracts

25.1. The Procurement Team shall be responsible for drawing up the Contract or Agreement and Schedules with the successful supplier(s) except where specialist subject matter is required. In this case, an expert may be required to assist with the drawing up of Contracts. For high value and strategically important contracts, the Trust may wish to obtain legal advice.

25.2. The Procurement team will look to use the Standard NHS Contracts as provided by the Department of Health and Social Care, or where necessary, the relevant Framework Contract.

25.3. Contract reviews will be the responsibility of the primary user / owner of the contract to arrange to discuss operational issues and key performance indicator compliance. The Procurement team will provide all relevant templates to facilitate reviews, and will support and attend review meetings and advise on extension options. The nature and frequency of review will be commensurate with the complexity and value of the contract. See Contract Management Policy for further detail.

25.4. A contract will not be terminated in advance of its contractual expiry date without consulting Procurement.

- 25.5. The Procurement team will maintain a central register of Contracts. This will be available for Budget Holders to view. If a tender took place, all communication relating to the contract must be stored electronically in accordance with relevant procurement regulations as well as record storage policies. This includes all advertising and supplier communication, including individual emails to suppliers, selection criteria, those involved in the decision and the notes from the decision meeting.
- 25.6. The Trust supports openness and the intent of the Freedom of Information Act 2000. The Department of Health has recognised that transparency is a key driver to ensure the NHS procures effectively. Suppliers are expected to support the transparency agenda.

26. Waivers

- 26.1. Waivers are not required where goods, works or services have been purchased under a framework where value for money has been sought, and where further competition is not required by that framework.
- 26.2. Waivers apply where there are genuine reasons why it would not be appropriate or advantageous to seek competitive tenders. Suppliers and the general public have the right to challenge Trusts where they believe Public Procurement Rules are not being adhered to and if they feel that the Trust is not seeking fair and open competition. Waivers should not be used to circumnavigate the procurement procedure. It should, therefore, be noted that approval will not be automatic:
- 26.3. There are five permissible reasons for waiving procurement rules, which should never be used to avoid competition or for administrative convenience.
- (a) in very exceptional circumstances where the Chief Executive Officer and Chief Finance Officer decide that formal tendering procedures would not be practicable and the circumstances are detailed in an appropriate Trust record;
 - (b) the timescale genuinely precludes competitive tendering. Failure to plan the work properly is not regarded as a justification for a single tender waiver action;
 - (c) specialist expertise is required and is available from only one source;
 - (d) the task is essential to complete a project and engaging different consultants for the new task would compromise completion of the project;
 - (e) for the provision of legal advice in relation to the obtaining of Counsel's opinion.
- 26.4. The waiving of tender procedures only applies to internal tender procedures and cannot be applied for contracts with values greater than the Financial threshold.
- 26.5. Waiver request forms are supplied by the Procurement Team upon request. Waiver forms must be attached to the requisition fully signed before any Purchase Order can be placed on behalf of the Trust.

- 26.6. Where it is decided that competitive tendering is not applicable and should be waived, the waiver and the reasons for it will be documented and reported to the Audit Committee each Quarter.

Quotation and tenders process waivers	
Waiving of tender and quotation for items where estimates expenditure is less than £30,000 but greater than £20,000 (less than £20,000 requires only 1 quote)	Deputy Chief Finance Officer
Waiving of tender and quotation for items where estimated expenditure is less than £250,000 but greater than £30,000	Chief Finance Officer, or Chief Executive Officer (when Chief Finance Officer has commissioned the item or where there is a conflict)
Waiving of tender and quotation for items where estimated expenditure is less than £1,000,000 but greater than £250,000.	Chief Executive Officer AND Chief Finance Officer
Waiving of tender and quotation for items where estimated expenditure is greater than £1,000,000	Board of Directors

27. Emergency Orders

- 27.1. Emergency orders are those orders, which, due to a pressing operational need, must be placed with the supplier with the upmost speed.
- 27.2. Emergency orders must be requested from the Procurement team with authorisation provided from the budget holder or other senior manager with the relevant authorisation rights.
- 27.3. The requisitioner must ensure a requisition is raised and authorised by 5pm the next working day via NEP, stating 'confirmation order' and the emergency purchase order no. it is connected to. Failure of this is in breach of the Trusts SFIs and will be logged on the non-compliance report and escalated as appropriate.
- 27.4. Where the Procurement Team is not available to provide an emergency purchase order and you are not a department that has been provided with a monthly bank of POs, you can contact the site practitioners out of hours to obtain an emergency PO.

28. Procurement Gateway Process

- 28.1. Procurement projects at the Trust follow the Procurement Gateway Process outlined in Appendix C, which is tailored depending on whether a competitive process is followed and the complexity, value and risk. More information and

templates are available in the Procurement Toolkit on the Trust intranet including the roles and responsibilities of the internal stakeholder and the procurement lead who provides support through the procurement process. The Procurement Gateway Process follows industry best practice procurement and helps all staff understand their roles in the procurement of goods, services and works. The benefits also include early oversight of procurement strategy and route to market, appropriate financial scrutiny to ensure value for money, addresses mandatory compliance requirements of Procurement Legislation including COI and transparency. Robust record keeping including justification for decisions made and approvals are captured in the Gateway Report which is completed at each stage in the Procurement Process.

- 28.2. Stage 0 – Procurement kick-off
Gate 0 is the kick-off for the procurement project. It checks that the project has the right approvals and resource in place and that there is clarity on the specification / scope of work. A procurement lead is allocated if a tender is being carried out. Once passed, serious work can start in terms of developing a strategy and approach to the market.
- 28.3. Stage 1 – Development of Procurement Strategy
Gate 1 checks that a clear strategy and approach for the procurement has been developed to maximise market interest and obtain best value for money, including key issues such as evaluation models and proposed contractual KPIs. Once passed, detailed tender documentation can be developed.
- 28.4. Stage 2 – Prepare for Market Competition
Gate 2 checks the procurement exercise is ready to start the competitive process with the market. All relevant request for quotation or tender documents should be complete, including the draft contract, and the evaluation process through to final decision should be clear and agreed. Once complete, the procurement is ready to “go to market”.
- 28.5. Stage 3 – Market competition & Supplier Selection
Gate 3 checks that the supplier selection process was carried out fairly, in line with the defined process, and will stand up to external scrutiny. Once complete, the chosen supplier can be informed of the selection decision and final negotiations may follow if required.
- 28.6. Preparation to Contract
Gate 4 checks that all preparations for contract award have been completed, including final negotiations, contract terms & conditions, and KPIs. Final governance approvals should also be confirmed. Once passed, the contract can be signed.
- 28.7. Stage 5 – Transition to Contract Management
Gate 5 checks that the Trust is ready for the start of contract delivery, with no ‘standstill’ issues raised, the contract signed and in place. Contract handover from the procurement lead to the named contract owner takes place to ensure ongoing contract management on behalf of the Trust. Appropriate notices and internal processes (requisitions, POs etc.) are complete. Mobilisation / transition / delivery can commence. Stage 6 is covered within the Contract Management Policy.

29. Anchor institution strategy

- 29.1. Support QVH vision of being an anchor institution, ensure we have a role in local social and economic development that supports our community's health and wellbeing and reduces health inequalities.
- 29.2. Where appropriate - purchase goods, works and services from organisations that embed social value, in order to make positive environmental, social and economic impact.
- 29.3. Where appropriate - shift more spend locally, prioritise and monitor social value.

30. Social Value

- 30.1. Procurement Policy Note (PPN) 06/20 requires all NHS Trusts to evaluate social value for specified contracts with suppliers, applying a minimum overall weighting criterion of 10%.
- 30.2. For each Procurement contract, the Trust will take into account the additional social benefits that can be achieved in the delivery of the contract.
- 30.3. At the earliest opportunity, the relevant themes of the Social Value Model should be selected. Examples can be found here [Greener NHS » Applying net zero and social value in the procurement of NHS goods and services](#)
- 30.4. An appropriate weighting for net zero and social value should, where appropriate, be added to the evaluation criteria, and appropriate tender questions should be created. Where possible, a 10% weighting should be assigned.
- 30.5. Tender responses should deliver additional benefit to existing supplier activity.
- 30.6. Contract key performance indicators (KPIs) should ensure additional benefit to the NHS is delivered

31. Green Procurement

- 31.1. In order to minimise the Trust's environmental impact and contribute to climate protection, the Trust will reduce its energy impact through procurement decisions by ensuring, where appropriate:
 - Issues such as emissions, waste and pollution are taken into account in specifications and in supplier selection and evaluation processes.
 - Suppliers are asked to commit to net zero and scope 3 reductions where relevant and energy efficiency / emission reduction issues are included in contract award evaluation criteria.
 - Whole life and life-cycle costs are taken into consideration in contracting decisions.
 - The environmental management practices of current and potential suppliers are examined, and best practice shared in a collaborative spirit to encourage improvement.
 - Third party suppliers adhere to the carbon reduction plan in order to meet our 2045 target for all emissions, including those embedded in the supply chain (the NHS Carbon Footprint Plus) with an ambition for an 80% reduction, compared with a 1990 baseline, by 2036 to 2039; and

- That all contracts above £5 million per annum, requires suppliers to publish a carbon reduction plan for a subset of scope 3 emissions as a minimum (aligning with PPN 06/21) and from April 2027, all suppliers will be required to publicly report targets, emissions and publish a carbon reduction plan for global emissions aligned to the NHS net zero target, for all of their Scope 1, 2 and 3 emissions.
- Respecting our health and natural resources by creating an ethical and circular supply chain:

32. Purchasing Cards

- 32.1. Purchasing cards will be held for efficient purchases of small value one off items and specific items such as training courses and travel. Purchasing card payments are authorised by Procurement and should be used only when the current suppliers to the Trust are unable to support the requirement. If a purchase is made via a Purchasing card, then the requisition will be returned to the requisitioner stating that the order has been placed by card.
- 32.2. If a purchase card is held in any department outside of Procurement the department must ensure that it follows the relevant guidelines provided with the card. The expenditure will be monitored on a monthly basis by Finance.

33. Supplier Due Diligence and Onboarding Checks

- 33.1. The Procurement team will ensure that any new Suppliers complete a new supplier form and complete the mandatory questionnaire before sending on to Finance to complete the checks for setting them up on NEP.
- 33.2. Supplier due diligence and risk profiling is an essential step in the sourcing strategy as it helps identify and manage fraud risks that may arise in transacting or dealing with a third party or wider supply chains (e.g. a supplier or subcontractor). The purpose of due diligence is to understand the credibility and status of a third party's business and how the risk of contracting with the supplier sits with the Trust.
- 33.3. The Trust shall ensure that the suppliers invited to tender (and where appropriate, quote) are suitable, by carrying out a proportionate due diligence process to assess the potential supplier's financial standing along with technical capability and that the supplier is not in breach of any mandatory or discretionary grounds for exclusion under the Procurement Legislation. The checks shall include, as a minimum:
 - Confirmation that none of the mandatory or discretionary grounds for exclusion under the Procurement Legislation apply;
 - A conflict of interest assessment, with any risks managed;
 - If the supplier is to provide digital services including data transfer from the Trust, a check on the supplier's cyber security and data management standards;
 - Financial Health: Evaluating the financial health of a supplier to ensure they can meet contractual obligations. This includes credit & insolvency checks.
 - Verification of Legitimacy: Confirming the authenticity of the supplier by checking company registration details, VAT number, business address to ensure they are legitimate

- Confirmation that any products and services are compliant to the relevant standards as defined in the specification and relevant legislation.
- 33.4. Suppliers may be excluded from procurements if they are named on the debarment list on the Central Digital Platform. If a mandatory exclusion ground applies, that particular supplier can be excluded from all future procurements automatically for a specified period of time by the Minister. If a discretionary ground applies, the Minister can mandate that authorities should be exercising their discretion as to whether to exclude that particular supplier in all of their future procurements. The Trust may disregard tenders from an excluded supplier or an excludable supplier (depending on what description they fall under) and prevent them from participating or progressing in a competitive procedure.
- 33.5. New suppliers will sign a 'new supplier set-up form' which contains a statement confirming the information on the form is true and correct.
- 33.6. The Trust must seek to avoid unnecessary expansion of its supplier database and engage with the optimal number of suppliers. New suppliers will only be used if approved by the Procurement Team following a review of existing supplier capabilities.
- 33.7. Supplier Representatives: Only representatives accredited to MIA (Medical Industry Accreditation Scheme) may visit wards and clinical departments and then only by prior appointment made with the trust via the MIA website to record the purpose of the visit. Refer to the Suppliers and Commercial Representatives policy and procedure.

34. Delegated/Special Procurement

34.1. Pharmacy:

The purchasing of drugs and other such products that are supplied by the Pharmacy Department shall be the responsibility of the Head of Pharmacy and shall be carried out in accordance with the "Medicines Management Policy for the Purchasing of Medicines" and all other relevant Trust policies and procedures, using the Pharmacy procurement system.

34.2. Medical Equipment:

The Procurement Team will only procure new medical devices that have been approved by the Medical Devices Committee. The Procurement Team will work with the committee to procure the equipment competitively. All acquisitions of new medical devices require approval through submission of a Medical Device Application Form. On approval, the user can then raise a requisition on the NEP system and attach a scanned version of the signed off Form. The Procurement Team will then action the requisition accordingly. Any requisitions that are submitted without a completed and authorised Medical Device Application Form will be rejected and returned to the person who submitted it. Full details of the required process relating to the purchase of Medical Devices are contained within the 'Purchase and Management of Reusable Electro Medical Devices Policy and Procedure'.

34.3. Disposal of out of date or surplus medical equipment:

The Medical Device Officer should be contacted to arrange inspection of the equipment in question and an Equipment Disposal Form completed (found on the Trust's intranet). The full process is detailed within the 'Purchase and Management of Reusable Electro Medical Devices Policy and Procedure'.

34.4. Consignment Products:

When products are obtained from a supplier on the basis of a consignment arrangement, ownership of the products remains with the supplier. The Trust is obliged to store the products safely, to replace any goods it consumes, and to return the consignment when the arrangement expires. Use of consignment goods enables the availability of a range of stock that may be rarely used and where it is not financially viable to stock the range permanently within the Trust. It is the user's responsibility to ensure that a requisition is raised within a reasonable time in order for the Trust to pay for any used consignment stock. The Procurement Team should be consulted before a Consignment Agreement is concluded.

34.5. New Products and Trials:

Before purchase or trial of any new or replacement clinical consumable, the Budget Holder and Procurement Team must be fully informed:

- To ensure the Trust is aware of the benefit and implications to clinical practice including infection control.
- To ensure the Trust is aware of the budgetary implications.
- To ensure sufficient stocks are available.
- To advise on procurement and legal compliance, including national and regional frameworks and indemnity.
- To ensure continued rationalisation and standardisation and to take advantage of initiatives arising from NHS Supply Chain's category towers.
- To evaluate the fitness of the proposed supplier.

35. Off Payroll Working and Intermediaries Legislation (IR35)

35.1. Since April 2017, the Trust has had a legal obligation to ascertain if employment tax and national insurance should be deducted from payments to agency workers or contractors. More detailed information on this subject can be obtained from the Human Resources Team

36. Separation of Duties

36.1 While Queen Victoria Hospital places trust in staff, to avoid the appearance of possible impropriety and in order for a comprehensive audit trail to be maintained, it is important that there is clear 'segregation of duties' in the procurement process. To achieve this and to protect staff from accusations or possible investigation, no one single person should ever requisition, approve an order and approve payment for the same requirement. There should always be at least one other, appropriately authorised, member of staff involved in the process. Even if a budget holder holds the requisite financial and procurement delegated authorities, they must ensure at least one other appropriate person requisitions, approves the order or approves payment. Such separation will usually be

enforced through the functionality of the Trust's procurement systems and through Trust procurement procedures. Any member of staff who has any concerns with how this can be achieved must immediately refer the situation to their line manager or contact the Procurement team.

37. Confidentiality

37.1. The Trust respects the confidentiality of technical and commercial information given by suppliers and third parties. All suppliers and potential suppliers are expected to reciprocate in respect of commercially sensitive information given to them. To protect against disclosure and unauthorised use of confidential information, where relevant, suppliers should be asked to sign a non-disclosure agreement (NDA). Where appropriate, a Trust-generated standard NDA should be used rather than a supplier or third party's NDA to ensure that the terms provide sufficient confidentiality in respect of commercial and personal information which is shared.

In particular:

- a) The Trust's and supplier's employees must comply with their requirements of confidentiality which necessitate that any confidential information, including individuals' personal records or information shall not be divulged to any unauthorised person or persons.
- b) satisfactory systems should exist to ensure that unauthorised persons do not obtain such confidential information.
- c) all invitations to tender must have provisions that suppliers must keep any confidential information provided to it by the Trust in a secure and safe manner and not disclose; and
- d) suppliers must be aware of the Trust's FOI obligations, and it is the supplier's responsibility to identify commercially sensitive information in any tender or contract.

37.2. For further information regarding confidentiality obligations of the Trust's staff, please see your employment contract terms and conditions which will cover more aspects of your duty of confidentiality.

38. Equality and Modern Slavery

38.1. To ensure compliance with the Equality Act 2010 and Modern Slavery Act 2015, suppliers will be requested to demonstrate compliance with this area using the 'New Supplier Set-Up Form' or by answering the relevant questions included in any tender process.

39. Data Security and Protection Toolkit

39.1. Where services are outsourced (for example by use of cloud infrastructure or services), the Trust must ensure that the outsourcing contract clearly sets out which data security related roles and responsibilities remain with QVH and which are the supplier's responsibility.

40. 'No PO, No Pay'

- 40.1. The Trust follows a strict 'No PO, No Pay' policy which means that in order for a supplier's invoices to be processed and payment to be made, a valid purchase order must be issued by the Trust before the goods, works or services are provided/rendered.
- 40.2. The Trust is only committed to and able to process payment once the appointed delegated authority within the organisation has approved the purchase order being placed. By requiring a purchase order, Trust staff can also ensure that the goods, works or services received match the agreed-upon terms and conditions.

41. Training and Awareness

- 41.1. Staff will be made aware of this policy through publication on the Trust intranet.
- 41.2. Various training will also be issued via the Head of Procurement or any other members of the team as and where it sees fit.
- 41.3. Various guides, policies and procedures can be found on the Procurement page of the Trust's intranet site

42. Equality

- 42.1. The Trust aims to design and implement services, policies and measures that meet the diverse needs of our service, population and workforce, ensuring that none are placed at a disadvantage over others. It takes into account the Equality Act (2010) including the Human Rights Act 1998 and promotes equal opportunities for all.
- 42.2. This policy and protocol has been equality impact assessed in accordance with the Trust's impact assessment toolkit. Completed assessments are available upon request from qvh.eqia@nhs.net.

43. Freedom of Information

Any information that belongs to the Trust may be subject to disclosure under the Freedom of Information Act 2000. This act allows anyone, anywhere to ask for information held by the Trust to be disclosed (subject to limited exemptions). Further information is available in the Freedom of Information Act Trust Procedure which can be viewed on the Trust Intranet.

44. Records Management

- 44.1. Appropriate records of the tendering process and contract award will be kept by the procurement department and/ or by the stakeholder Department for lower value contracts. The records must contain:
 - the invitation to tender or equivalent for smaller contracts.
 - the tender evaluation summary showing the evaluation criteria and the scoring for each tender including award criteria.
 - Bidders list (successful and un-successful)
 - any subsequent amendments or changes agreed with the winning bidder
 - reasons for the decision;
 - approval audit

- any relevant information relating to the on-going performance of the contract.

- 44.2. The PA 2023 requires further decision making to be documented. The Trust needs to keep written records which are considered sufficient to explain any material decisions in relation to awarding or entering into a public contract. This includes correspondence with the supplier before the contract was entered into. However, this is only required to be kept until (subject to award) up to 3 years from when the contract has been awarded or entered into (whichever is the later event).
- 44.3. For healthcare services awards under the PSR, documentation must be disclosed if requested by a challenging provider during standstill period this includes records of the decision-making process, the reasons for the decisions and information relating to conflict or potential conflicts of interest. In addition, the Trust is required to publish a summary of their application of the PSR annually online (via annual reports or a governance statement) and need to monitor their compliance with the PSR, the results of which must also be published online annually.
- 44.4. The Trust has a Records Management Policy for dealing with records management. Compliance with and the application of this policy will ensure that the Trust's records are complete, accurate and provide evidence of and information about the Trust's activities for as long as is required.

45. Review

A copy of the policy will be made available on the intranet. This policy will be reviewed in 3 years' time. Earlier review may be required in response to exceptional circumstances, organisational change or relevant changes in legislation or guidance.

46. Discipline:

- 46.1. Breaches of this policy will be investigated, in particular breach of the Bribery Act 2010, Trust Standing Orders and Standing Financial Instructions and may result in the matter being treated as a disciplinary offence under the Trust's disciplinary procedure.

47. Monitoring Compliance with this Policy

- 47.1. Compliance with this policy will be monitored by the procurement team. Failure to comply will be logged and escalated as appropriate routes which include the LCFS, Chief Finance Officer and Audit Committee. ..
- 47.2. Independent checks will be carried out by auditors on procurement processes to deter and detect any wrongdoing.
- 47.3. The Procurement Policy will be adapted and updated following any ad-hoc or routine audit results or legislation.

47.4. Standards/Key Performance Indicators

Activity being monitored	Methodology to be used for monitoring	Responsibility for monitoring	Frequency of monitoring and reporting	Process for review and improvement
Requisitions raised without following appropriate Procurement process	Non-compliance spreadsheet completed on receipt of a non-compliant requisition. Requisition returned to stakeholder without being processed.	Procurement Team	Quarterly	
Waiver	Waiver report created for every Audit Committee meeting, identifying the reason for the waiver, number of waivers, the department raising the waiver, and the value of spend being waived.	Audit Committee	Quarterly	
Invoices with no PO or a retrospective purchase order.	Invoice data taken from finance system and purchase order data.	Audit Committee	Quarterly	

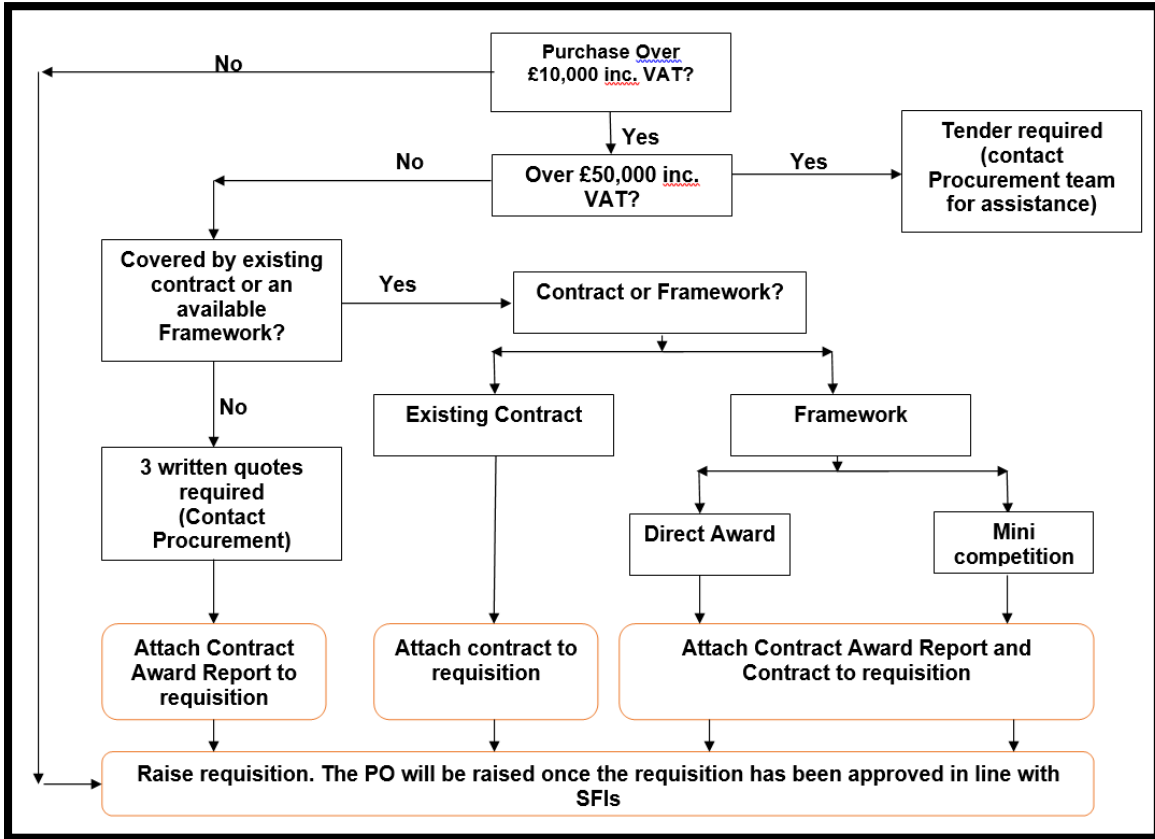
48. Appendices

Appendix A –Procurement Flowchart

Appendix B – Transparency Requirements

Appendix C –Procurement Gateway Process

Appendix A –Procurement Flowchart



Appendix B – Transparency Requirements

The grey shade indicates a mandatory statutory obligation

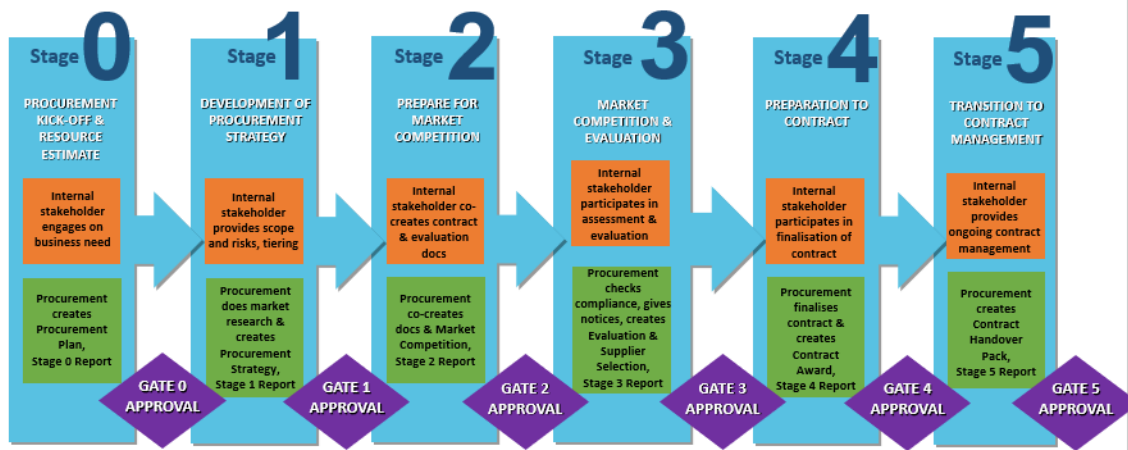
Notice	PCR 2015 (applies to existing contracts, which were procured under PCR 2015)	PA 2023 (applies to contracts procured under it)
Pipeline Notice	n/a	The pipeline notice lists almost all planned procurements for the whole financial year (and the first half of the next financial year) where the estimated contract value exceeds £2 million. The Trust will be required to publish their first annual pipeline notice by May 26th 2025.

		Mandatory (for organisations where spend is £100m+ PA).
Planned Procurement Notice	n/a	An optional notice type that the Trust can use in the pre-procurement stage to provide advanced notice of an upcoming procurement. This may be published anytime between 40 days and 1 year before the publication of an official tender notice.
Preliminary Market	n/a	If preliminary market engagement is to be undertaken and there are no reasons for not doing so then a notice must be published with the relevant information. If the Trust does not start preliminary market engagement by publishing a notice, it must explain why it did not publish this notice when it publishes its tender notice or transparency notice.
Tender Notice	n/a	The Trust must publish tender notices with all relevant information (including KPIs and evaluation methodology) in order to commence the procurement process (similar to a Contract Notice under the PCR 2015 which starts the procurement process) This is be published when undertaking an open or competitive flexible procedure (including to establish a framework agreement and procuring using a dynamic market) or procuring a regulated below- threshold contract.
Contract Award Notice	Must be published within 30 days after contract award.	Must be published to communicate the outcome of the procurement and to commence the standstill period prior to awarding a contract under the open or competitive flexible procedure (and voluntary standstill periods for direct awards). Note that although this is also called a “contract award notice”, it is a different notice to that published under the PCR 2015
Procurement Termination Notice	n/a	Must be published where, after publishing a tender or transparency notice, the process is terminated without awarding a contract.
Contract Details Notice	n/a	This notice informs the market that the contract has been entered into, as well as details of the procurement process used, the successful bidder and the awarded contract (including the contract, for public contracts £5m+), including regulated below-threshold contracts above a certain value and those procured by direct award.
Modification Notice	Required in some instances where	(similar to Contract Change Notice)

	modifications exceed PCR 2015 thresholds	
Contract Change Notice	n/a	Must be published to provide details of most modifications (save for lower value modifications) that have been made to the contract during its term. This must be published before the change is made and the Trust may apply a voluntary standstill period. For contracts with a value of over £5m, the Trust must publish a copy of the whole modified contract or the modification itself.
Transparency Notice	n/a	Must be published prior to award when undertaking a direct award (note this is not a direct award under a framework agreement – this is a direct award permitted by the PA23 where the Trust is not required to compete the contract).
Contract Termination Notice	n/a	The Trust is required to issue a notice publicising that a contract has come to an end, regardless of how the contract concluded (such as expiry, termination, discharge, court order, rescinded). The Trust will at the same time need to provide details around the reason for the termination.
Contract Performance Notice	n/a	<p>The purpose of this notice is to report on the supplier's performance against any KPIs that have been established or where the Trust considers that the supplier is not performing to its satisfaction. This notice is also to be used where the supplier breaches a public contract.</p> <p>Must publish KPI scores for public contracts £5m+ (at least annually). Publish within 30 days of supplier poor performance / breach of contract.</p> <p>At least once every 12 months (and more frequently, if provided for in the contract and contract details notice), the contracting authority must assess and then publish details of supplier performance against the set KPIs to the central digital platform</p>
Contract Payment Notice	n/a	Must publish details of payments over £30,000 under a public contract (quarterly).
Payment Compliance Notices	n/a	Must be published detailing the Trust's compliance with the PA 2023's requirement to pay invoices within 30 days of receiving such invoices from suppliers and must publish details of

		performance against 30- day payment terms (twice annually).
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Appendix C – Trust’s Procurement Gateway Process





Queen Victoria Hospital
NHS Foundation Trust