

Procurement Policy

Definitions:

Delegated Procurement Authority (DPA) - the authority to purchase goods and services on behalf of Evolve.

Segregation of duty - an internal control where tasks are apportioned between different departments to reduce the likelihood for fraud and error e.g. a procurement manager awarding a contract and a separate finance manager approving and issuing payments.

Whole life costs - costs incurred over the useful life of the goods or services in addition to their purchase price, for e.g. repair and maintenance, training, refurbishment, and disposal costs.

Background

As a charity funded by the gifts and the generosity of donors and grants, Evolve has a responsibility to ensure any goods or services procured are purchased with appropriate consideration of value for money. This policy sets out guidelines and requirements for any purchases made on behalf of the Charity.

Policy

General Considerations

1. Procurement processes must be fair to all suppliers:
 - 1.1. There should be no discrimination against groups;
 - 1.2. There should be no conflicts of interest between the Trustees of Evolve and successful bidders (e.g.the Trustees of Evolve holding shares in the chosen supplier);
 - 1.3. Consideration should always be given to third sector suppliers where available by including them in tender shortlists;
 - 1.4. In services where there is an explicit objective about building links with the community, preference may be given to local suppliers.
2. Delegated procurement authority has been awarded to all Trustees. Without formal written notice of authority to procure on behalf of Evolve, volunteers, members, and all other personnel **cannot** engage in any contractual discussions for the purchase of goods or services. Evolve reserves the right to refuse payment for any agreements made by personnel without delegated procurement authority as outlined in this policy.
3. Due to the size of Evolve, it is difficult to achieve full segregation of duties. To compensate for this, trustees reviewing reports of transactions or auditing internal controls will be independent of the person who normally undertakes the work.

Identifying Business Need

4. Where a formal competition is taking place, a clear specification should be written and agreed before quotes and bids are sought from the market.
5. Specifications for goods should detail any quality standards, technical specifications, required sizing, input materials, and minimum volumes, where applicable.
6. Specifications for services should detail the desired service levels including duration of the service delivery, previous experience required, and any key performance indicators.

Sourcing

7. To ensure the most economically advantageous bid is secured, competition will be the default approach to sourcing goods and services. Any decisions to single source (i.e. without comparing quotations) for goods and services over £1,000 must be approved by The Chair or Deputy Chair of Trustees (Tanya Murshed or Marianne Alton).
8. The following financial limits and procedures should be followed; the thresholds apply to the whole life cost of the goods/services. Contracts must not be artificially split to avoid appropriate tendering.
9. All decisions to award a contract to a supplier (whether formally competed or not) should be documented and saved in an appropriate folder to ensure there is an audit trail for future reference. In this instance, email trails are considered acceptable forms of evidence.
10. Financial Thresholds
 - 10.1. For goods and services less than £1,000, no formal quotation is required but personnel should ensure value for money is considered at all times.
 - 10.2. For goods and services between £1,000-£10,000, two written quotes should be obtained.
 - 10.3. For goods and services over £10,000, three written quotes should be obtained and a formal competition with clear evaluation criteria should take place.
 - 10.4. Where the service is highly specialised and alternative suppliers cannot be identified, or where there is benefit to be gained from knowledge from a relevant previous collaboration with one particular supplier, a preferred supplier may be selected. For any purchase above the £1,000 threshold, this requires the authorisation of the majority of the Trustees. In these cases, steps to ensure the costs are reasonable should be taken e.g. by comparing day rates from other similar businesses where this is practicable.

Evaluation and Award

11. Achieving value for money does not always mean accepting the lowest price but making decisions based on the selection criteria set out within this policy and below:
 - 11.1. Price
 - 11.2. Quality of product or service
 - 11.3. Fit of product with specifications outlined
 - 11.4. Reputation and capacity of provider
 - 11.5. Range of goods and services and suppliers available
 - 11.6. Delivery times
 - 11.7. Environmental impact

12. Evaluation and award must be fair to all suppliers:
 - 12.1. The selection criteria above should be shared beforehand if running a competition process and any clarification answers provided to one supplier should be shared with all bidders to enable fairness and transparency.

 - 12.2. All Evolve personnel should have regard to the status of the organisation as a charitable organisation and avoid using any supplier with whom having a business relationship could be seen by the general public or key stakeholders as being inappropriate.

 - 12.3. All successful and unsuccessful bidders should be told of the outcome of a competition process in a timely manner (no more than five working days after the decision has been made).

Payment

13. Suppliers should be paid at an agreed date, no longer than 30 days from receipt of invoice; payment should not be unreasonably withheld and suppliers should be advised in writing if payments are being withheld.

14. Payments should be made via bank transfer or card wherever possible to ensure there is an adequate audit trail in Evolve's financial statements. Cash should not be used unless this is unavoidable (for example in another country where card transactions are costly to implement or the successful vendor cannot accept a bank transfer).

15. Where possible, payments should be made AFTER the goods and services have been received. Prepayments will only be issued after the written approval of one or more trustees.



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