
Procurement Policy and Procurement Manual

Executive Summary

The Procurement Policy and the procurement manual need to be updated in light of the changes to the Public Sector regulations after Brexit. However, it is expected new legislation to continue be published in next months.

Other changes reflect the new organisation structure and include updates to the procurement process so it become more agile and clear. These are:

1. The value thresholds and applicable procurement routes in line with the public Sector Regulations and the HCPC delegation of authority. These were reduced from five main threshold ranges to four and set up a clear threshold for small value orders, which is proposed to be up to £5.000;
2. An updated list of the purchasing organisations that have framework agreements the HCPC can use to award contracts in different categories of spend. The list includes seven organisations the HCPC has been working with and awarded contracts in the past;
3. New templates, the departments can use, as they are simple and more user friendly, enabling an easier outcome analysis (e.g. Supplier financial health evaluation), a quicker process flow and a clear understanding of the steps to follow;
4. The inclusion of the Pre-Tender Market Engagement (PTME), as a procurement best practice to understand what the market has to offer in terms of new products, services and technology, allowing to shape the specification to an up to date set of potential options. This also promote meeting the suppliers, their teams and understand how they work, enabling to build on good relationships from an early stage of the process;
5. A new approach to the exceptional circumstances where the competitive tendering process may be waived, limiting it in terms of value and time. The Single Source or Single Tender process should only be used under exceptional and urgent circumstances and for a limited period, as the urgency justification can only validly cover the period it will take to conduct a proper competitive process. The acceptable period of time could be up to four months and never over six months, depending on the technical complexity of the scope and the need of pre-tender market engagement. The Single Source Request form should include a detailed explanation of the circumstances, the detail plan going forward and the approval level is now in line with the HCPC delegation of authority. All approved SSR will be assigned a contract reference number to allow monitor spend.

| | |
|---------------------------|---|
| Previous consideration | Procurement Policy and Procurement Manual approved by Council on 6 December 2018 |
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|-------------------------------------|---|
| Decision | The ARAC is asked to discuss of the Procurement Policy and the Procurement Manual and recommend the approval to Council |
| Next steps | Submission of the ARAC recommendation to Council |
| Strategic priority | Strategic priority 4: Build a resilient, healthy, capable and sustainable organisation |
| Risk | Compliance risk - Public Sector Regulations |
| Financial and resource implications | N/A |
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PROCUREMENT MANUAL

September 2021

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How to use the Manual

Scope

Procurement at HCPC is the purchase of goods and services from suppliers. It does not include services provided by Partners, employees or Council members.

Structure

The Chapter structure of the Procurement Manual follows from [Table 1 in the Procurement Policy](#), which summarises the different requirements that apply depending on the expected value of the contract.

Chapters 2.1 to 2.5 provide more detail on the processes required for contracts at the various value bands in the Policy. Processes and templates which are common to more than one value band are set out in Chapters 3 to 7.

Support from Procurement

The Finance and Procurement Officer and the Head of Finance are willing and able to support departments and budget holders with their procurement activities.

Support from Procurement is more effective if engaged at early stages of the process, at the beginning of market research or at the planning stage.

Budget holders are **required to consult Procurement** at the outset of any procurement with an expected value above £ 25,000.

Related documentation

[Procurement Policy](#)

Link back to [Contents](#)

Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|---|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 20/11/2017 | Reference to ISO 9001:2015 and ISO 27001:2013 | Andy Gillies | n/a | Andy Gillies |
| 1.2 | 19/01/2018 | Procurement Policy | Andy Gillies | n/a | Andy Gillies |
| 1.3 | 01/03/2021 | Procurement Policy | Antonio Pinheiro | n/a | Tian Tian |
| 2.0 | 05/08/2021 | Review of V1.3 for Council approval | Gordon Dixon | n/a | |

1: Procurement Policy

Approved by Council on include 22nd September 2021

1. Introduction

- 1.1. The Procurement Policy is approved by the Council and is consistent with the Financial Regulations and the Scheme of Delegation.
- 1.2. The policy applies to the purchase of all goods, services and works by or on behalf of the HCPC.
- 1.3. The policy applies to all those involved in procurement activities for or on behalf of the HCPC (referred to as Persons), which may include Council and Committee members, Partners or other suppliers as well as HCPC employees.
- 1.4. The policy sets out the standards which Persons must adhere to in relation to procurement activities. Procedures setting out the application of the policy are included within the Procurement Manual on the Finance Department intranet site.
- 1.5. The policy aims to ensure that all procurement activities conducted by the HCPC:
 - achieve good value for money;
 - are conducted in a fair, objective and transparent manner;
 - are compliant with relevant law and regulation;
 - effectively manage commercial risk; and
 - meet the short and long-term objectives of the business.

2. Responsibilities

Budget holders

- 2.1. Budget holders must familiarise themselves with the policy and the related procedures. Where budget holders have delegated responsibility for procurement activities to members of their teams or other Persons, the budget holder must ensure all persons involved in the procurement are also familiar with the policy and the procedures.
- 2.2. Budget holders are responsible for ensuring that all procurement funded from their budgets complies with the policy and achieves good value for money.

Relationship owner

- 2.3. The relationship owner is normally the main HCPC contact with the supplier. The relationship owner can be the budget holder or the role can be delegated by the budget holder. The role of the relationship owner is to manage the supplier's performance. In particular, in accordance with HCPC's Information Security Management System manual, the relationship manager is responsible for the ensuring that the supplier has appropriate data security controls in place and that the

supplier's responsibilities in relation to data security are documented within the contract¹.

Tender panel members

2.4. Members of a tender panel are responsible for familiarising themselves with the policy and the related procedures, and evaluating bids in accordance with the policy. Guidance on the composition of the tender panel is included in the Procurement Manual.

Chair of the Council, Chief Executive, Executive Directors

2.5. The Chair of the Council, the Chief Executive and the Executive Directors are responsible for familiarising themselves with the policy and related procedures as they approve and sign off the high value commitments.

Purchase Order authoriser or contract signatory

2.6. The act of authorising a Purchase Order in the HCPC purchasing system or signing a paper contract binds HCPC to the contract. The person who authorises the PO or signs the contract is responsible for obtaining prior assurance that this policy and the associated procedures have been followed. If the PO authoriser/contract signatory has not been involved in the procurement he/she should ask for briefing before signing in enough detail (relative to the value of the procurement) to understand the purpose of the procurement and the rationale for the selection of the supplier.

The Procurement function within the Finance Department

2.7. Procurement is responsible for advising Council, the Executive Management Team and budget holders on the policy, and for supporting HCPC's procurement activities.

3. Compliance with the policy

3.1. Our procurement is subject to audit by both our internal and external auditors. The Procurement function within Finance will also periodically check compliance with the policy. The policy will be covered within the induction process for budget holders. Breaches of the policy may be regarded as misconduct or gross misconduct.

4. Legislation

4.1. As a public body, the HCPC is subject to the Public Contracts Regulations 2015 (the Regulations) as updated or amended from time to time. Procurements with a total value greater than the thresholds which apply to the Regulations must be carried out in compliance with the Regulations and applicable case law.

¹ See HCPC ISMS Document A15

- 4.2. The 2015 Regulations incorporate UK-specific requirements designed to improve the access of small businesses to public sector contracts, known as the “Young Reforms”. Other legislation also applies; see section 9 below.

5. Value thresholds

- 5.1. Under the Regulations and this policy, requirements vary according to the value of the contract. The thresholds in this policy are stated including VAT, because HCPC is not VAT-registered so cannot recover any VAT. The thresholds in the Regulations are stated excluding VAT, but the approximate VAT-inclusive value is shown in table 2.
- 5.2. The value of a contract must be measured as the aggregate amount HCPC expects to pay the supplier over the lifetime of the contract. Contracts must not be artificially disaggregated or shortened in order to avoid the application of the Regulations or this policy. If there is any doubt in respect of the value of the contract, Procurement must be consulted.
- 5.3. The level of authority required to sign the contract varies according to whether the contract was anticipated and specified within the annual budget, or whether the contract is for a new supply of goods or services that was not anticipated within the budget. Each year’s budget will include a list of contracts that are expected to be tendered or retendered during the coming year. Contracts that were included on this list can be signed at a lower level of authority than contracts which were not anticipated within the budget.
- 5.4. The role of the person signing the contract is to ensure that our procurement policy has been complied with. Unless there is no evidence that the policy has not been complied with, the contract signatory should accept the choice of supplier.

Table 1 Procurement routes and value thresholds

| Total estimated contract value including VAT ² | Method of selection | Internal authorisation level – who can approve the selection of the supplier | Contract listed within budget / Procurement Plan? | Method of acceptance / Commitment Authorisation |
|---|--|--|---|---|
| £0 - £5,000 | Competition with evidence of comparison of at least two suppliers, or use of a framework agreement | Budget holder, HoF, Executive Director, | N/A | Approved PO |
| £5,001 - £25,000 | Competition with minimum of three written quotations, or use of a framework agreement | Budget holder, HoF Executive Director, | N/A | Contract signed by Executive Director |
| £25,001 ³ - £150,000 | Use of a framework agreement, or formal written tender in compliance with the UK Public Sector Procurement Regulations | Tender Panel makes final selection. Executive Director | Yes | Contract value up to and including £100k, contract signed by the Executive Director Contract value over £100k, contract signed by the Chief Executive. |
| | | | No | Contract signed by Chief Executive with the approval of the Chair of Council |

² This is the aggregated value (i.e. the total contract value, not just an annual value).

³ Note that the 2015 Regulations introduce new requirements that apply when a procurement opportunity with a value above £25k is advertised. If a budget holder intends to advertise a procurement opportunity through any channel, he/she must first check with Procurement

| Total estimated contract value including VAT ² | Method of selection | Internal authorisation level – who can approve the selection of the supplier | Contract listed within budget / Procurement Plan? | Method of acceptance / Commitment Authorisation |
|---|--|--|---|---|
| > £150,001 | Use of a framework agreement, or formal written tender in compliance with the UK Public Sector Procurement Regulations | Budget holder must involve Procurement at the outset and throughout the process. | Yes | Contract value up to and including £250k, contract signed by the Chief Executive. |
| | | Legal advice required if a framework agreement is not used | | Contract value over £250k, contract signed by Chief Executive with the approval of the Chair of Council |
| | | Tender Panel makes final selection. | No | Contract signed by Chief Executive with the approval of the Chair of Council |

Table 2 UK threshold values as at January 2020

| Type of Contract | Threshold excluding VAT | Approx equivalent incl VAT |
|--|-------------------------|----------------------------|
| Services & Supply (includes supply, lease, rental or hire purchase of goods, excluding employment contracts) | £189,330 | £227,196 |
| Works (building & engineering, including capital works) | £4,733,252 | £5,679,902 |

5.5. Procedures including flowcharts and templates are included within the Procurement Manual on the Finance Department intranet site.

5.6. In the case of any uncertainty the application of this policy or which procurement route should be followed, advice should be sought from Procurement.

6. Framework agreements

6.1. Framework agreements are contracts that have been set in compliance with the Public Contracts Regulations. The UK government's procurement service, Crown Commercial Services (formerly the Government Procurement Service), has established a wide range of framework agreements covering almost all the goods and services bought by the public sector.

6.2. Typically, a framework agreement consists of a menu of goods or services or pre-agreed specifications and prices, provided via a standard set of terms and conditions. There may be a number of different suppliers providing the goods and services, but sometimes there is only one supplier.

6.3. **HCPC policy is to use framework agreements for all procurements above the relevant threshold values.** Use of framework agreements is also strongly encouraged for procurements below the thresholds. The reasons for using framework agreements are:

- We benefit from prices that have been negotiated using the buying power of all central government. We are unlikely to be able to negotiate better prices acting alone
- Terms and conditions have similarly been negotiated using central government buying power and are therefore favourable to the customer, e.g. reasonable notice periods, reasonable supplier warranties, full data protection and FOI commitments by the supplier, appropriate intellectual property rights. It is therefore normally not necessary to engage our own legal advice on framework contracts
- We can have confidence that suppliers will have the capacity and the systems and processes to deliver good quality services consistently
- The framework procurement process is much quicker than conducting our own tender process and, because we do not need to take our own legal advice, it is much cheaper

- The framework procurement process is compliant with public sector procurement legislation, and is recognized as good practice in terms of value for money, and is therefore low risk.
- 6.4. Procedures within the Procurement Manual on the Finance Department intranet site set out the steps to be followed to enter a contract using a framework agreement.
- 6.5. The following purchasing organisations have set framework agreements covering a wide range of goods and services:
- 6.5.1. Crown Commercial Service – CCS - <https://www.crowncommercial.gov.uk/>
 - 6.5.2. Eastern Shires Purchasing Organisation – ESPO - <https://www.espo.org/>
 - 6.5.3. HealthTrust Europe – THE - <https://www.healthtrusteurope.com/>
 - 6.5.4. London Universities Purchasing Consortium – LUPC - <https://www.lupc.ac.uk/>
 - 6.5.5. North East Procurement Organisation – NEPO - <https://www.nepo.org/>
 - 6.5.6. Southern Universities Purchasing Consortium – SUPC - <https://www.supc.ac.uk/>
 - 6.5.7. Yorkshire Purchasing Organisation – YPO - <https://www.ypo.co.uk/>

7. Value for money

- 7.1. Value for money is the optimum combination of whole life costs and quality, on appropriate contractual terms and with appropriate allocation of risk, to meet the HCPC's business needs and requirements.
- 7.2. HCPC's procurement must achieve good value for money. This is partly about getting the right price, but it is more important to buy the right product. See also section 11 below.
- 7.3. The extent of competition required depends on the value of the procurement, as set out in Table 1. For procurement of goods or services costing less than £5,000, the potential cost saving achieved from a competitive procurement process is unlikely to be significant and may be outweighed by the extra staff time involved in arranging a competitive process, so competition is not required below the £5,000 threshold but is advisable to check the market price or a price comparison between two suppliers.
- 7.4. To ensure value for money, contracts need to be retendered at appropriate intervals. For goods and services, contract terms should normally not exceed four years including any options to extend the initial term.
- 7.5. Prices under framework agreements (see section 6 above) are normally fixed but they meet our requirement for competition because the framework prices have been established through a competitive process.

8. Fairness, objectivity and transparency

Ethics

- 8.1. All Persons involved in procurement activities are expected to behave ethically at all times. All Persons shall be open, honest, fair and impartial in their dealings with

suppliers. In particular Persons must familiarise themselves with and comply with the Anti-Bribery, Gifts and Hospitality Policy and the requirements of the Bribery Act 2010.

- 8.2. Anyone involved in a procurement who has current or past business or close personal relationships with, or close friends or relatives employed by, potential bidders for HCPC contracts must disclose their interest to Procurement at the outset and may be excluded from the procurement process completely or restricted to a limited role.

Freedom of Information

- 8.3. The HCPC is subject to the Freedom of Information Act 2000. This means that anyone who makes a valid request for information held by the HCPC will be entitled to receive it - unless all or part of that information can and should justifiably be withheld under the exemptions contained within the Act. All tenderers should be made aware at the beginning of the process that this is the case.
- 8.4. Suppliers may seek to prevent HCPC from disclosing information relating to their goods or services or pricing under the exemptions in the Act for confidential or commercially prejudicial information (sections 41 and 43 of the Act). In those cases, advice should be sought from the Information Governance Manager.

Equality and Inclusion

- 8.5. The HCPC conducts business in accordance with the Equality Act 2010, which requires the HCPC to ensure that it does not discriminate on the grounds of age, disability, gender reassignment, marriage & civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.6. The HCPC will require suppliers, where appropriate, to be aligned with HCPC's corporate objectives for equality and inclusion as outlined in HCPC's Equality & Diversity Policy.
- 8.7. The HCPC will require suppliers and third party contractors, where appropriate, to adhere to any specific obligations or commitments as outlined in the HCPC's [Welsh Language Scheme](#).

Regularity and propriety

- 8.8. Regularity and propriety are standards for the management of public money, which HCPC as a public body must meet. Regularity is defined as: compliant with the relevant legislation (including EU legislation), delegated authorities and following the guidance in *Managing Public Money* published by HM Treasury. Propriety is defined as: meeting high standards of public conduct, including robust governance and the relevant parliamentary expectations, especially transparency⁴.

⁴ Definitions taken from *Managing Public Money*

<https://www.gov.uk/government/publications/managing-public-money>

8.9. Regularity is therefore a largely objective standard which will normally be met by application of this policy and the associated procedures.

8.10. Propriety is a subjective measure. Although HCPC does not normally receive funds voted by parliament, we are accountable to parliament and must manage our finances to the same standards as other public bodies. To assess whether a given procurement meets the propriety standard, budget holders should ask themselves “could I confidently and openly explain this to registrants, the media and parliament as a good use of registrants’ money?” On the other hand, if budget holders find themselves thinking more negatively, e.g. how they could *justify* or *defend* the expenditure as a valid use of registrants’ money, then it indicates that the procurement may not meet the propriety test.

9. Compliance with law and regulation

Public Contracts Regulations

9.1. As noted above, the HCPC is subject to the Public Contracts Regulations 2015 (the Regulations) as updated or amended from time to time. The 2015 Regulations transpose the 2014 EU Public Contracts Directive into English law. Procurements with a total value greater than the thresholds which apply to the Regulations must be carried out in compliance with the Regulations and applicable case law.

9.2. The Regulations also incorporate UK-specific requirements designed to improve the access of small businesses to public sector contracts, known as the “Young Reforms”. The main impact of the Young Reforms on the HCPC is where we advertise a contract with an expected value greater than £25,000. The steps to follow in that case are addressed in procurement procedures.

9.3. HCPC can have reasonable assurance of compliance through the use of an appropriate framework agreement.

Data Protection Act

9.4. In the course of its business, HCPC processes or holds personal data about registrants, employees and others. Under the Data Protection Act, HCPC is the Data Controller in relation to this personal data, and must ensure that it is held and processed in accordance with the eight principles in the Act, which are that personal data must be:

- used fairly and lawfully;
- used for limited, specifically stated purposes;
- used in a way that is adequate, relevant and not excessive;
- accurate;
- kept for no longer than is absolutely necessary;
- handled according to people’s data protection rights;
- kept safe and secure; and
- not transferred outside the European Economic Area without adequate protection.

9.5. HCPC's responsibilities under the Act apply equally to services we perform in house and those we outsource to suppliers. HCPC requires suppliers to have information security policies and procedures appropriate to the nature of the HCPC information the suppliers handle. Procurement procedures set out the process for determining the standard of information security we require from the supplier of a given service and, the method of determining whether bidders and existing suppliers meet that standard. Where it is determined following the procedures that a supplier is a Data Processor on behalf of HCPC, then the supplier's responsibilities will be documented within the contract⁵.

Freedom of Information Act

9.6. See paragraph 8.3 above

Bribery Act

9.7. See paragraphs 8.1 and 8.2 above.

10. Managing commercial risk

Terms and conditions

10.1. Framework agreement terms and conditions have been negotiated using central government buying power and are favourable to the customer. Some tailoring of the standard terms is normally required; consult Procurement for advice.

10.2. HCPC's standard terms and conditions should normally be used in contracts for ongoing services that are not placed via framework agreements. Invitations to tender should include our terms and conditions so as to pre-empt any discussion over terms and conditions at the contract award stage.

10.3. Our standard terms and conditions ensure a reasonable transfer of risk to the supplier, for example through the clauses on price changes, termination, intellectual property, and supplier's liability.

10.4. Procurement procedures set out the steps to follow if a supplier seeks to impose their own terms and conditions.

Legal advice

10.5. It may be appropriate to seek legal advice on a procurement issue, but only if the risk on which the advice is taken has a greater potential cost than the cost of the advice itself. Disagreements with suppliers over terms and conditions should be seen in the context of the contract value and the worst case impact of the disputed terms.

⁵ See also HCPC Information Security Management System manual document A15

- 10.6. Budget holders should note that the correct use of Framework Agreements substantially reduces the legal risk, and so legal advice will normally not be required on any procurement via a Framework Agreement.

Business continuity

- 10.7. The financial failure or lack of capacity of a key supplier could have a significant impact on the delivery of HCPC's functions, and therefore HCPC requires suppliers to have financial and economic standing, and technical capacity and ability appropriate to the nature of the service they will provide to HCPC. Procurement procedures set out the process for determining the level of financial health and capacity we require from the supplier of a given service, and for evaluating the financial health and capacity of bidders for that service. Procurement will also periodically re-evaluate the financial health and capacity of existing suppliers of key services in order to identify business continuity risks.

11. Meeting the objectives of the business

Planning and specification

- 11.1. Retendering of existing contracts is planned on the basis of the expiry dates recorded in the suppliers' database. Procurement and Relationship Owners are jointly responsible for identifying expiry dates and planning the retender process.
- 11.2. Tendering for new goods and services is planned primarily on the basis of the major projects portfolio, which will capture most new procurement by value. Project managers are responsible for discussing requirements and routes to market with Procurement.
- 11.3. Budget holders who intend to purchase new goods or services are responsible for advising Procurement in advance so that Procurement can support the tender process from the outset.
- 11.4. To achieve value for money it is essential to buy the right product. The specification is therefore a key part of any invitation to tender, and it must be accurately and completely incorporated into the contract.

Managing contracts

- 11.5. The Relationship Owner is responsible for managing the supplier's performance under the contract, and ensuring that the supplier delivers to the agreed specification, so that HCPC achieves value for money.
- 11.6. Contracts that are above £25,000 in value and/or have been assessed as high risk in terms of our requirements for information security or supplier financial health should be subject to a documented review at least annually.

Recording

- 11.7. All contracts made by or on behalf of the HCPC must be documented in writing. For contracts below £10,000 in value that do not involve the supplier in handling HCPC

information, an HCPC purchase order (PO) will normally be sufficient documentation. By sending the PO to the supplier, we offer to purchase the goods or services under the terms and conditions referenced on the PO. By delivering the goods or services, the supplier accepts our offer.

- 11.8. Contracts above £10,000 should be signed by both parties to ensure clarity over the terms and conditions. If the supplier will handle HCPC information, a signed contract including appropriate obligations on the supplier is required regardless of the value: see paragraph 9.5.
- 11.9. All contracts above £10,000 must be recorded in the suppliers' database and in each Department Procurement folder. Contracts above £25,000 are disclosed proactively under our Freedom of Information publication scheme.
- 11.10. The process to set up a new supplier (which is essential before a new supplier can be paid) includes confirmations that the contract has been recorded, that the appropriate selection process was followed, and that the data security and business continuity requirements have been met.
- 11.11. Contracts will be retained on the supplier's database and in each Department Procurement folder in accordance with the HCPC's Document Retention Policy. Procurement will retain copies of all tender documents and relevant correspondence for procurements over £25,000.
- 11.12. Budget holders are responsible for retaining documents for procurements under £25,000. Documents retained must include:
 - 11.12.1. the invitation to tender;
 - 11.12.2. all tenders submitted;
 - 11.12.3. the evaluation of bids;
 - 11.12.4. all correspondence with successful and unsuccessful bidders;
 - 11.12.5. and should be stored in the suitable subfolder under each department procurement folder.
- 11.13. Documents must be retained until the end of the financial year of the contract term. .

12. Exceptions

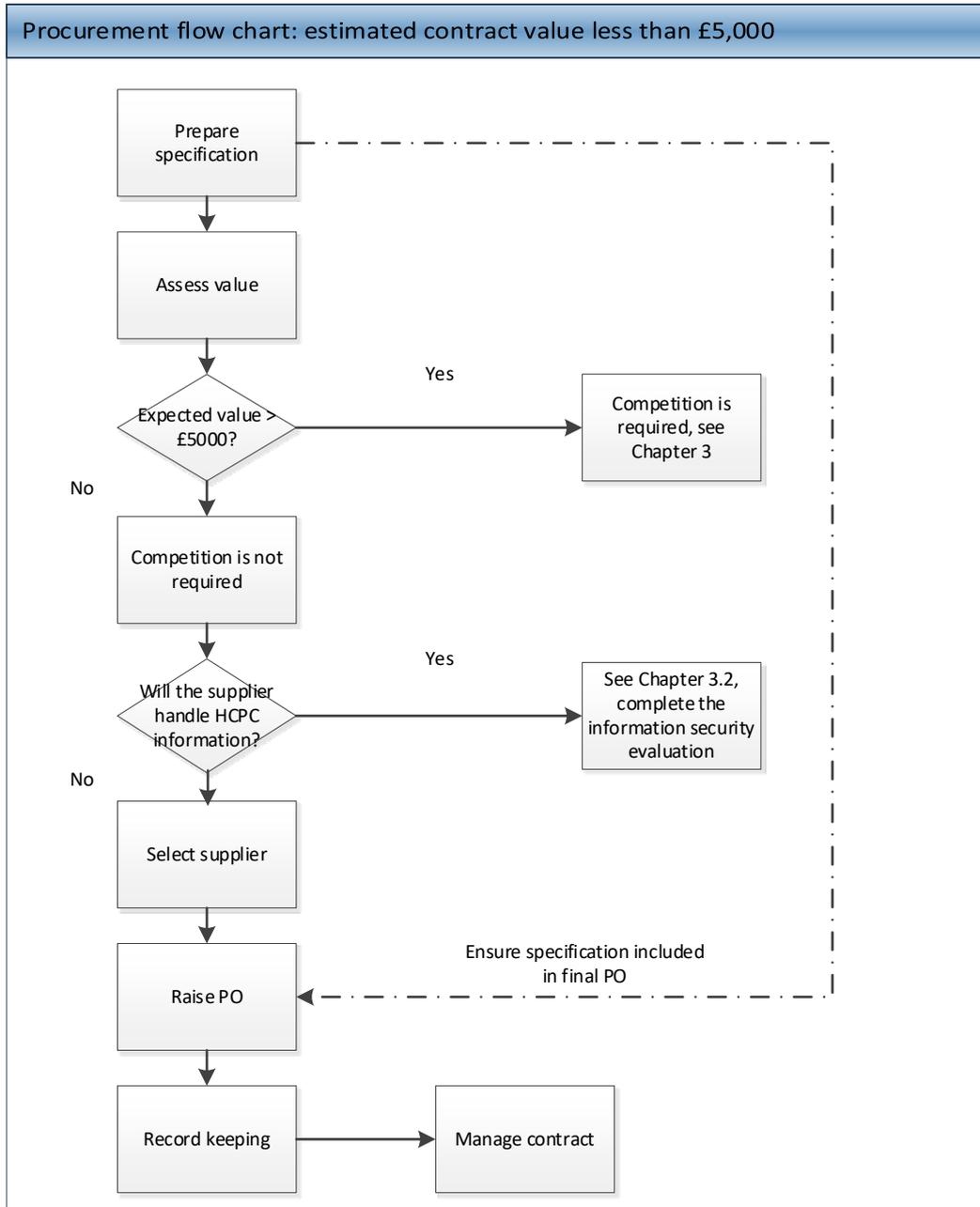
- 12.1. If a budget holder considers that an exception to this policy needs to be made in relation to a procurement with a value greater than £5,000, he/she must consult Procurement before any commitment is made to a supplier.
- 12.2. An exception form must be completed by the budget holder to document the reason for the exception and approved by Procurement and the relevant Executive Director with the adequate commitment authority.
- 12.3. Legal advice will be required on any proposed exception to policy in relation to a procurement above £150,001.

13. Further information

- 13.1. Advice on any aspect of this policy can be obtained from Procurement and the Head of Finance. Further guidance is available on the Finance Department section of the HCPC intranet.

2 Flowcharts summarising the process

2.1: Procurement with estimated value under £5,000



No competition is needed if the expected value of the contract is less than £5,000. It is acceptable to only approach one supplier, typically a supplier we have previously used whose performance has been good.

However, employees should still consider value for money. If the price the supplier quotes seems unreasonable, challenge it and/or seek other quotes.

If the supplier will handle HCPC information, see the [chapter on information security](#).

Otherwise, no other evaluations are needed for contracts below £5,000.

Once the supplier has been chosen, [raise a Purchase Order](#).

Related documentation

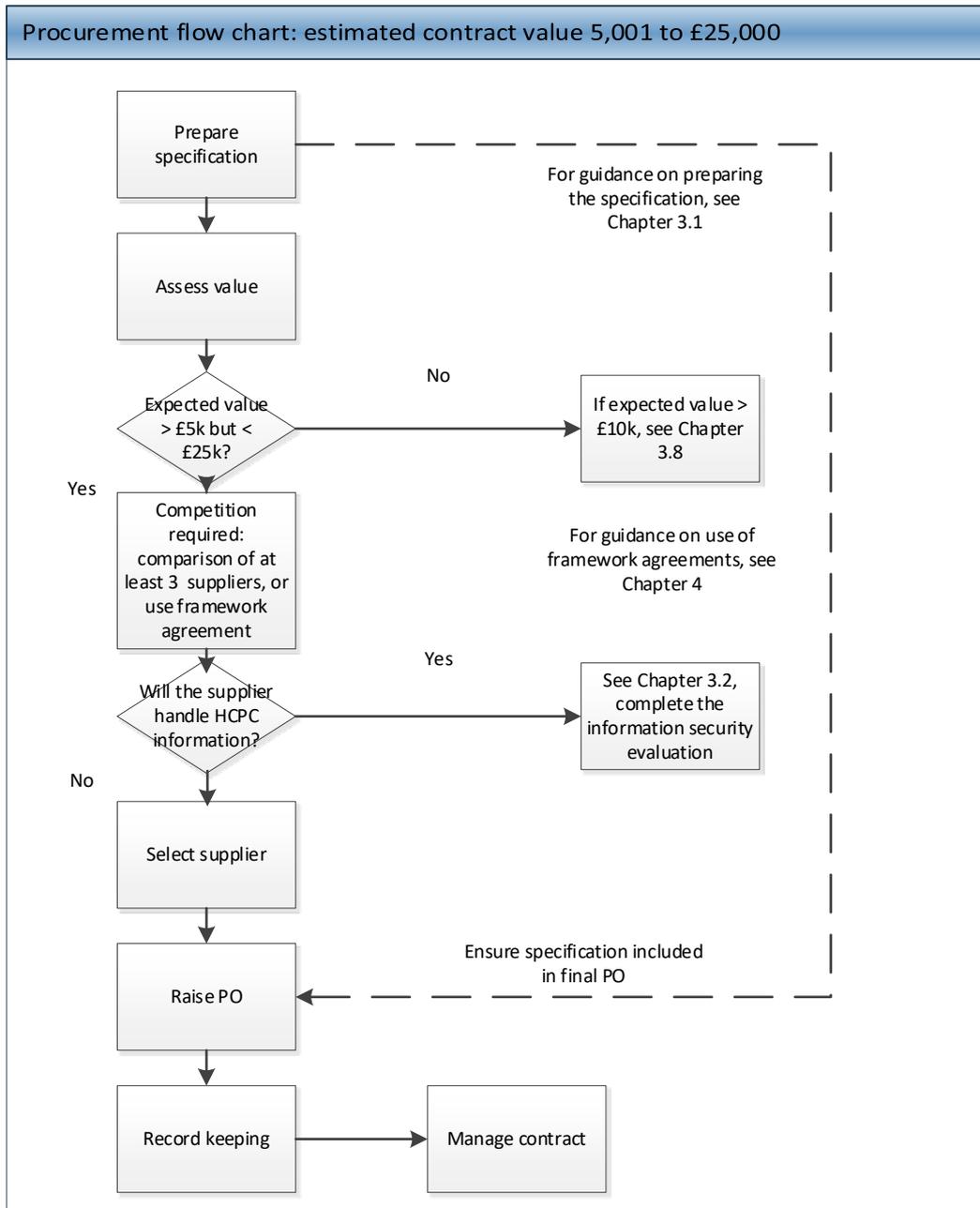
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| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 15/12/2020 | Procurement Policy | Antonio Pinheiro | n/a | Tian Tian |
| 1.2 | 31/03/2021 | Procurement Policy | Antonio Pinheiro | n/a | Tian Tian |
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2.2: Contract value from £5,001 to £25,000



Related documentation

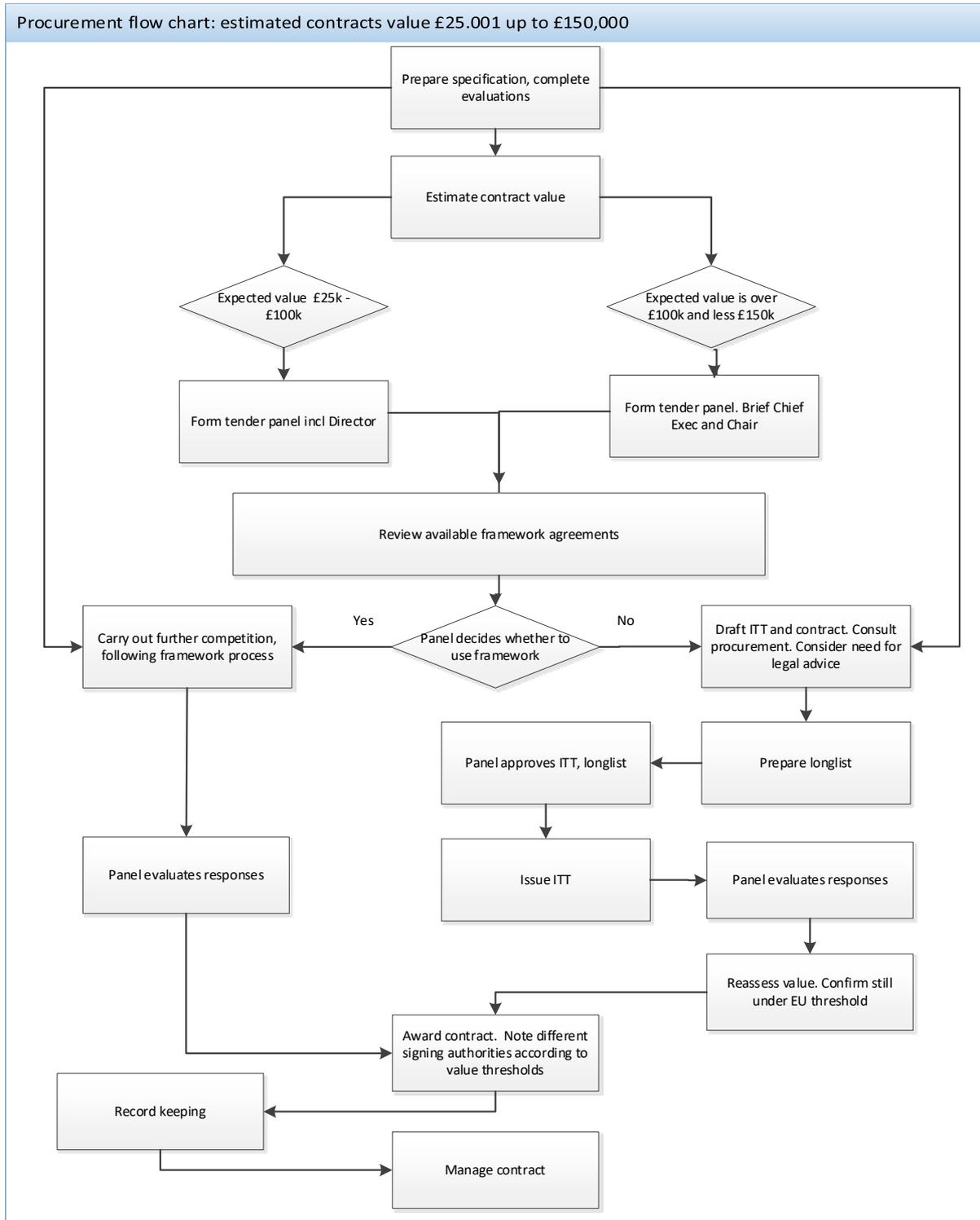
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| 1.1 | 31/03/2021 | Procurement Policy | Antonio Pinheiro | n/a | Tian Tian |
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2.3: Contract values from £25,001 up to £150,000



In the Procurement Policy, this range is divided £150k. The difference between the two bands is the level of authority required to execute the contract (commitment authority). The procurement route for all bands is the same – use of a framework agreement (see Chapter_4), or a formal written tender.

Advertising

The Public Contracts Regulations 2015 require that if we advertise a contract or contract opportunity anywhere, we **must also** advertise it on the Find a Tender service replaced Tenders Electronic Daily (TED) in the UK public procurement process. UK buyers who previously published OJEU notices on TED will now do that on Find a Tender. Notices published before this change are still on TED.

You can use Find a Tender to search for high-value opportunities or awarded contracts, typically over £122,976 but varying in some cases, across the whole of the UK.

Requirements to publish on other services are unchanged, and you can find information on contracts over £10,000 (or £25,000 outside central government) on:

- Contracts Finder for England and other non-devolved parts of the UK
- Public Contracts Scotland for Scotland
- Sell2Wales for Wales
- eSourcing NI and eTendersNI for Northern Ireland

Selecting the invitees

We are not required to advertise contract opportunities. We can instead identify a list of potentially appropriate suppliers and approach them directly. Potential suppliers may be identified through reasonable methods including an internet search, lists of members of trade associations, and our experience of having used suppliers previously.

Invitation to tender

See [Chapter 3.8](#) for a template and guidance on the preparation of the ITT.

Evaluation

See [Chapter 5.1](#).

Related documentation

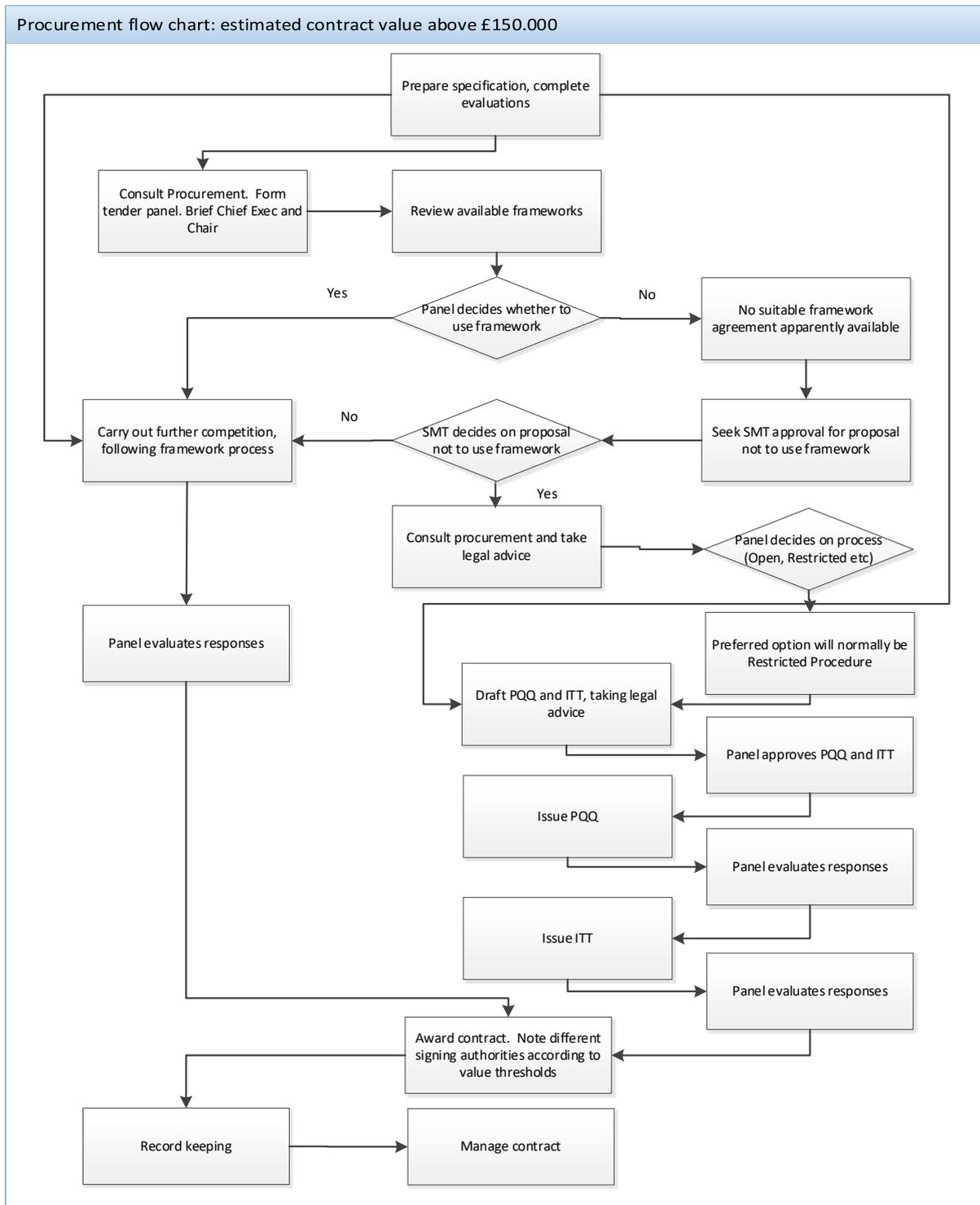
[Procurement Policy](#)

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Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|--------------------------|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 19/01/2018 | Threshold values updated | Antonio Pinheiro | n/a | Andy Gillies |
| 1.2 | 31/03/2021 | Procurement Policy | Antonio Pinheiro | n/a | Tian Tian |
| | | | | | |
| | | | | | |

2.4: Contract value above the £150,000



Where the expected value of the contract is above £150,000, the Procurement Policy requires the use of a framework agreement unless, exceptionally, there is no appropriate framework agreement offering the goods or services we require.

The steps to use a framework agreement are covered in chapter 4.

In those few cases where we decide not to use a framework agreement, support from Procurement and legal advice is required at every stage and so the process we will need to follow is not set out in detail in the procurement manual.

Related documentation

[Procurement Policy](#)

[Link back to Contents](#)

Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
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| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 31/03/2021 | Procurement Policy | Antonio Pinheiro | n/a | Tian Tian |
| | | | | | |

3 Planning

3.1: Specification

The specification needs to be a clear and comprehensive description of what we want to buy, and what we will use it for. Drafting the specification is the first stage of the procurement process, although the specification will often be developed up until the request for quotes/Invitation to Tender stage.

The final specification needs to be included in the request for quotes or ITT **and** in the Purchase Order or contract: elements of the specification that are included in the ITT or in other pre-contract correspondence with the supplier but are not included in the final contract will not be binding on the supplier.

All contracts including those under £5,000 need a sufficiently clear specification, otherwise we risk buying the wrong product. The level of detail needed generally increases with the level of cost and complexity of the contract.

Responsibilities

The Relationship Owner should draft the specification, seeking support and guidance from Procurement if needed. The Tender Panel should approve the specification within the ITT, before the ITT is issued to potential suppliers.

Drafting the specification

Draft the specification using the following headings as applicable.

Purpose

What we need the goods/services for, how they will fit in with our functions and processes. Outputs and outcomes required. How other stakeholders will use/rely on the goods/services.

Quality

Provide full details of the level of quality we require, for example, do we require the supplier to have particular accreditations and/or the goods or services to meet particular industry standards. Use the following sub-headings as appropriate.

Key performance indicators (relevant to contracts for ongoing services)

For example, minimum response times, system availability percentages

How the contract will be managed (relevant to contracts for ongoing services)

For ongoing services, consider whether a Service Level Agreement should be incorporated into the contract to make performance against the KPIs a contractual obligation

Key personnel

In services contracts like business analyst consultancies, we will often select the supplier on the basis of key individuals whose skills/experience are presented as a unique selling point of the bidder. Those individuals should be named as Key Personnel in the contract, which means that the supplier gives a warranty that they will be used to deliver the service. Specify here if we need individuals with particular qualifications, skills and/or

experience working on the service, and/or if we need them to be available exclusively to us, or to attend on specific dates

Understanding of HCPC's environment and processes

Specify here if we need a customised service and need the supplier's staff to understand our processes, external environment, culture etc. This is similar to the skills/experience of the key individuals

Information security

If the contract will require the supplier to handle, process or directly access HCPC information, complete the information security evaluation, ensure the Information Security Manager has reviewed and approved the evaluation, and include the requirements in this specification, eg (for high risk contracts) ISO 27001 certification or equivalent

Environmental issues

More likely to be relevant for contracts for the supplies of goods, for example, do we require paper products that meet FSC standards

Intellectual property

If the contract will involve the creation of new intellectual property, eg the writing of a report, writing of new software, specify that HCPC will own the new intellectual property

Quantities

Estimated volumes of transactions/days of consultancy/kilos of goods

Timescales and deadlines

Set out when the goods/services are required, including any intermediate stages. If completion by a certain deadline is critical, specify that time is of the essence

Cost

It may be appropriate to provide a range of expected costs, or a cap on the amount we are willing to pay, in order to ensure that tenderers do not over specify on quality.

For ongoing multiyear services, specify whether rates should be fixed for the duration of the contract or how they will be increased (eg linked to CPI).

Consider whether suppliers should quote a fixed price, or on a time and materials basis. Specify whether travel and subsistence should be included within prices or can be charged separately.

If travel will be a significant part of the service, consider requiring the supplier's employees to use the HCPC travel management company.

These headings follow a standard type and more traditional process to draft a specification and are based on the assumption we know and are up to date with what the market has to

offer. This offer changes every day, as new technologies are developed, new quality requirements are accepted by the industry or any other change in products or services, processes or systems prove to be more efficient and effective.

The Pre-tender Market Engagement (PTME) early market engagement can be carried out not only to understand what is on offer allowing to shape the specification to an up to date set of potential options but also to know the suppliers, their teams and how they work.

The relationship manager should contact procurement and work collaboratively to run a PTME even if the decision is to use one Framework agreement. The involvement of other internal stakeholders is also advisable.

The PTME allows to:

- understand your requirements better
- explain your requirements to suppliers
- write clearer requirements to publish to suppliers
- understand how much the product or services you need could cost
- understand how long it might take to implement the product or service
- write a better business case for internal approval (governance) or spend controls
- provide to the suppliers important information on the HCPC culture, processes and ways of work
- encourage competition
- ensure a good number of applications
- ensure better applications
- stimulate innovative solutions to what you are trying to achieve through the procurement
- understand any potential to aggregate internal demand
- ensure the tender evaluation criteria and the weightings are relevant and reasonable for the current market offer
- reduce the tender evaluation period, by removing the interview/presentation stage

For more information on how to conduct a PTME:

<https://www.crowncommercial.gov.uk/news/conducting-pre-tender-market-engagement-virtually>;

<https://assets.crowncommercial.gov.uk/wp-content/uploads/RM1043.7-Buyer-pre-tender-market-engagement-PTME-guidance-1.pdf>

Related documentation

[Procurement Policy](#)

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Document history

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|---------|------------|---|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 16/09/2016 | Consider use of HCPC travel Management Company | Antonio Pinheiro | n/a | Andy Gillies |
| 1.2 | 31/03/2021 | Procurement Policy | Antonio Pinheiro | n/a | Tian Tian |
| 1.3 | 31/03/2021 | Procurement Manual – Specification – the Pre-tender Market Engagement | Antonio Pinheiro | n/a | Tian Tian |

3.2: Information security (ISM DOC A15 Supplier Relationships) Supplier Relationships - ISO 27001 Control A15

ISO27001:2013 A.9 Objective: To ensure protection of the organization's assets that is accessible by suppliers.

Scope

The purpose of this process is to set out the HCPC's procedures for managing the information security controls relating to supplier relationships.

This process supports the Information Security Policy, and forms part of the Information Security Management System (ISMS)

Related Documentation

DOC A5.1 Information Security Policy

IT Policy

[Procurement Policy](#)

Link back to Procurement Manual [Contents](#)

Responsibilities

The Head of Finance is responsible for this process.

Executive Directors / Heads of Department are responsible for ensuring this process is understood and complied with within the organisation.

Relationship owners (normally, the main HCPC contact with the supplier) are responsible for applying this process with their suppliers at the tender stage and through the life of the contract.

Policy Statement (A15.1.1)

HCPC requires suppliers to have information security policies and procedures appropriate to the nature of the HCPC information the suppliers handle.

Each supplier will have a nominated relationship owner nominated by the budget holder who is responsible for applying the processes in this document as required to ensure the security of information, as well as managing the supplier's overall performance.

The information security requirements for new supplier contracts that will require the supplier to handle, process or have direct access to HCPC information are assessed at the tender stage using a risk based approach, on the supplier information security evaluation form at Appendix 1.

No assessment is required if the contract does not involve HCPC information. For example, facilities maintenance contracts, where the suppliers' staff visit HCPC offices but do not have direct access to information, do not need to be assessed because our access controls are designed to prevent unauthorised access to information.

The assessment takes account of the sensitivity of the HCPC information the supplier will handle (“A”), the volume of the information (“B”), and the frequency of handling the information (“C”).

Factors A to C are scored on a scale of 1 to 5 where 1 is low risk and 5 is high risk. The overall score is calculated as $A * ((B + C)/2)$, meaning that the maximum score (highest risk) is 25.

HCPC’s preferred method of procurement for all contracts with a value in excess of £10,000 is to use a government framework agreement. Approved suppliers on government framework agreements have been selected via a rigorous process that includes information security considerations, and the terms and conditions of framework agreement contracts place appropriate obligations on the supplier.

For contracts assessed as Medium, Low or Very Low risk, we can therefore reasonably treat any supplier that we appoint via a government framework agreement as having appropriate information security policies and procedures in place, unless their actual performance under the contract indicates otherwise.

For contracts assessed as High Risk, the relationship owner together with the Information Security Manager must consider whether we need specialist information security and/or legal advice, whether or not the contract is to be entered via a government framework agreement.

The requirements are:

| | |
|---|--|
| <p>High risk (score of 16 or more)</p> | <p>Consider whether we need specialist information security and/or legal advice on the contract.</p> <p>If there is not an appropriate government framework agreement, in our invitation to tender, specify that tenderers: must be ISO27001 certified or equivalent, or must be actively working towards certification, and must have Professional Indemnity insurance of at least £1m. Supplier must supply evidence of their ISO27001 status, and evidence of their Professional Indemnity cover. The contract must include HCPC standard data protection clauses</p> |
| <p>Medium risk (score of 10 or more but less than 16)</p> | <p>If there is not an appropriate government framework agreement, in our invitation to tender, specify that tenderers: must have formalised information security policies and processes, and must have Professional Indemnity insurance of at least £1m. Tenderers must supply copy of their information security policy and evidence of their Professional Indemnity cover. The contract must include HCPC standard data protection clauses</p> |
| <p>Low risk (score of 6 or more but less than 10)</p> | <p>If there is not an appropriate government framework agreement, in our invitation to tender, specify that tenderers: must have Professional Indemnity insurance of at least £1m.</p> |

| | |
|---|---|
| | <p>Tenderers must supply evidence of their Professional Indemnity cover.</p> <p>The contract must include HCPC standard data protection clauses</p> <hr/> |
| <p>Very low risk (score of less than 6)</p> <hr/> | <p>If there is not an appropriate government framework agreement, in our invitation to tender, specify that tenderers: must have Professional Indemnity insurance of at least £1m.</p> <p>Tenderers must supply evidence of their Professional Indemnity cover.</p> <hr/> |

The supplier information security evaluation must be completed by the relationship owner at the invitation to tender stage and reviewed and approved by the Information Security Manager. The completed evaluation form must be uploaded onto the suppliers & contracts database together with the signed contract.

Addressing security within supplier agreements (A15.1.2) (Data Processing Agreements)

The terms and conditions of government framework agreement contracts place appropriate information security obligations on the supplier and can normally be accepted without the need for legal advice or amendment. However, in the case of High Risk contracts the relationship owner together with the Information Security Manager should consider whether specialist information security and/or legal advice is needed, for example to ensure that the supplier’s intended obligations are properly reflected in the contract.

Otherwise, where we are not using a framework agreement and the risk as assessed in the supplier information security evaluation is “Low” or above, the contract with the supplier should include HCPC’s standard terms and conditions in relation to information security, which are reproduced at Appendix 2.

HCPC’s standard terms and conditions stipulate that the supplier shall comply with the requirements of the Data Protection Act and, additionally, shall treat our data as if it were their own data. This has the effect of requiring the supplier to implement the information security controls required by ISO27001.

As per the HCPC procurement policy, all contracts with an expected value greater than £10,000 must be in writing and should be signed by both parties. Signed contracts must be uploaded onto the suppliers & contracts database.

Information and communication technology supply chain (A15.1.3)

The HCPC standard terms and conditions stipulate that services may not be subcontracted without HCPC’s consent, and that where services are subcontracted, the supplier remains fully responsible for the performance of their subcontractor. A request by a supplier to subcontract services in an ongoing contract would be dealt with under the

Variation clauses in the contract: see section headed “Managing changes to supplier services (A15.2.2)” below.

Monitoring and review of supplier services (A15.2.1)

The relationship owner manages the overall performance of the supplier, including the information security requirements of the contract. Management of suppliers is an ongoing process including informal communication, but should include formal reviews at intervals and in scope appropriate to the risk inherent in the contract. Procurement procedures include a template for planning and conducting formal supplier performance reviews.

Managing changes to supplier services (A15.2.2)

Where either party (HCPC or the supplier) wish to make a change to an existing agreement then the process is set out in the Variation clauses of the HCPC standard terms and conditions.

If the contract has been assessed as high or medium risk in the supplier information security evaluation, the Information Security Manager must approve the proposed change prior to it being finally agreed with the supplier.

The revised contract must be uploaded onto the suppliers & contracts database.

The Head of Finance is the owner of this document and is responsible for ensuring that this procedure is reviewed in line with the review requirements of the ISMS.

Link back to [Contents](#)

Appendix 1: Supplier information security evaluation

Complete the attached evaluation. Double click on the icon to open the file, then choose “File, Save As” to save it to the relevant contract folder in the department procurement folder. Then close the file and reopen from the new location.



information
security evaluation t

Appendix 2: HCPC standard data protection clause

Data Protection – GDPR Clause

[X] Data Protection

[X].1 In this clause [X]:

[X].1.1 the following terms have the meaning given in the GDPR:

‘controller’,

‘data subject’;

‘personal data’;

‘processor’;

‘personal data’;

[X].1.2 the “Data Protection Legislation” means:

the General Data Protection Regulation (EU) 2016/679 (“GDPR”) and any domestic enactment in the UK which supplements the GDPR; or

if the GDPR is no longer directly applicable in the UK, any domestic enactment which replaces the GDPR or the Data Protection Act 1998; and

[X].1.3 “equivalent legislation” means:

in an EU or EEA State (excluding the UK), the GDPR; or

in any other jurisdiction, legislation which is equivalent to the GDPR.

[X].2 If the HCPC provides personal data to the Supplier in order for the Supplier to perform the Services, or requests that the Supplier obtains personal data for the purpose of performing the Services, (in either case ‘Personal Data’) the HCPC will be the controller and the Supplier will be the processor of the Personal Data, and the terms of this clause [X] will apply.

[X].3 The Supplier will:

[X].3.1 in so far as it applies to the Supplier as a processor, comply with the requirements of the Data Protection Legislation, any equivalent legislation and good industry practice;

[X].3.2 process the Personal Data only on the instructions of and for the purposes notified to it by the HCPC;

[X].3.3 where and when requested by the HCPC, provide to the HCPC a copy of all or any part of the Personal Data which has been collected by the Supplier or provided to the Supplier by the HCPC or a third party;

[X].3.4 promptly upon the HCPC’s request amend or delete any of the Personal Data;

[X].3.5 be aware at all times of the registrable particulars of the HCPC under the Data Protection Legislation, and ensure that it does not process the Personal

Data in any way that is outside the scope of those particulars unless instructed to by the HCPC;

- [X].3.6 assist the HCPC to respond to any subject access request made by a data subject;
- [X].3.7 at all times have in place appropriate technical, procedural and organisational security measures, to protect the Personal Data against unauthorised or unlawful processing and against accidental loss or destruction of, or damage.
- [X].3.8 provide details of the measures specified in clause [X].3.7 to the HCPC in writing within 10 days of a written request from the HCPC during the Term;
- [X].3.9 comply with any policies or procedures agreed from time to time between the Supplier and the HCPC;
- [X].3.10 notify the HCPC immediately if the Supplier receives any notice of non-compliance with, or a request for information under the Data Protection Legislation or any equivalent legislation; and
- [X].3.11 promptly take any steps that the HCPC reasonably considers are necessary in order for the HCPC to comply with its obligations under the Data Protection Legislation.

[X].4 The Supplier will not, in any circumstances, transfer any of the Personal Data to any country or territory outside the European Economic Area without the HCPC's prior written consent.

[X].5 the HCPC may, in its discretion and on reasonable written notice, require access to the Supplier's computer systems in order to assess the adequacy of the Supplier's security measures, and the Supplier will afford the HCPC that access.

[X].6 The Supplier will ensure that no third party (including the Supplier's agents, but excluding any HCPC employee acting in the course of their employment) will have access to or undertake any processing of the Personal Data without the prior written consent of the HCPC, and will ensure that any such third party enters into a data processing agreement with the HCPC on the same terms as this clause [X].

[X].7 The Supplier agrees and undertakes to indemnify and keep indemnified the HCPC against all and any costs, liabilities and losses whatsoever incurred by the HCPC arising out of:

- [X].7.1 any breach by the Supplier of its obligations under this clause [X]; or
- [X].7.2 any action or inaction of the Supplier that results in the HCPC being in breach of any of its obligations or duties under the Data Protection Legislation or equivalent legislation.

[X].8 Upon the termination of this Agreement for whatever reason, the Supplier will, unless notified otherwise by the HCPC or required by law, immediately cease all processing of the Personal Data and, as requested by the HCPC, destroy, send, or

return to the HCPC on suitable secure media all copies of the Personal Data held in whatever form by the Supplier or any of third party authorised under clause [insert Clause Number].

Document history

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|---------|------------|--|----------------------|------------------------------------|--------------|
| 0.1 | 01/05/2014 | 1 st Draft | Roy Dunn | | |
| 1.0 | 19/02/2015 | Amendments to 1 st Draft | Roy Dunn | | |
| 2.0 | 19/05/2015 | 2 nd draft | Andy Gillies | | |
| 2.1 | 16/09/2016 | Updated for new folder structure updated appendix 2, standard data protection clauses for contract | Antonio Pinheiro BDB | n/a Information Security policy | Andy Gillies |
| 2.2 | 31/03/2021 | Procurement Policy | Antonio Pinheiro | n/a | Tian Tian |

3.3: Estimating the value of the contract

Estimate the value of the contract using the template below. Double click on the icon to open the file, then choose "File, Save As" to save it to the relevant contract folder in the department procurement folder. Then close the file and reopen from the new location.



contract value
estimate template.xl

The estimate should be completed at the planning stage, in parallel with the drafting of the specification, to ensure we follow the correct procedures in accordance with the Procurement Policy and the Public Contracts Regulations.

The estimate should be revisited at the tender stage, to check that the chosen procurement method is still appropriate. Take particular care with the estimate in cases where the value is close to the UK threshold (approximately £227,196 including VAT) and we are proposing **not** to use a framework agreement. Should this be the case, the procurement opportunity must be advertised on Find a Tender. This service replaced Tenders Electronic Daily (TED) in the UK public procurement process post Brexit. UK buyers, like the HCPC, who previously published OJEU notices on TED will now do that on Find a Tender.

Related documentation

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Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|--|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 14/01/2016 | EU threshold values updated in excel template and text | Andy Gillies | n/a | Andy Gillies |
| 1.2 | 16/09/2016 | Updated for new folder structure | Antonio Pinheiro | n/a | Andy Gillies |
| 1.3 | 19/01/2018 | EU threshold values updated in excel template and text | Andy Gillies | n/a | Andy Gillies |
| 1.4 | 31/03/2021 | Procurement Policy | Antonio Pinheiro | n/a | Tian Tian |
| | | | | | |

3.4: Composition and role of Tender Panel

If the expected value of the contract is more than £25,000, then a Tender Panel is required. The Panel should be formed at the planning stage, so the members are able to oversee the whole of the procurement including the development of the specification and the ITT.

Composition of the Tender Panel

The Panel should have a minimum of three and a maximum of six members including the Budget Holder and the Relationship Owner. In the case of procurement within Major Projects, the Panel should be a subset of the project board and should include the Project Manager and the Project Lead.

Anti-bribery and conflicts of interest

See also [Anti-bribery](#) and Procurement Policy section 8, [Fairness, objectivity and transparency](#).

Related documentation

[Procurement Policy](#)

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Document history

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| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

3.5: Anti-bribery

HCPC's Anti-Bribery, Gifts and Hospitality Policy is set out in section 8th of the Employee Handbook. The policy is particularly relevant to procurement and all employees involved in procurement must ensure they understand the policy and must comply with it at all times.

Bribery risk evaluation

Overall, the risk of bribery affecting HCPC's procurement is low.

Almost all of our procurement is sourced from the UK. The UK is a low risk environment for bribery and corruption (eg it ranks 11th best out of 180 countries in Transparency International's 2020 Corruption Perceptions Index <http://www.transparency.org/cpi2020/results>). Any procurement that is not sourced from the UK will most likely come from another EU countries, which are mostly also low risk environments (eg Ireland ranks 20th out of 180).

Our procurement is also mostly in sectors that are low risk. Transparency International periodically produces a Bribe Payers Index which ranks bribery risk by industry sector (http://www.transparency.org/whatwedo/publication/bpi_2011). These scores are worldwide, so the poor score of some sectors is the result of particular problems in high corruption countries. There is no equivalent research specifically for UK industry sectors, but anecdotal evidence suggests that the construction and building services sector is a relatively high risk sector in the UK.

The other external factor in bribery risk is the size and nature of the potential suppliers. Generally, the risk of HCPC's procurement being affected by bribery is likely to be lower the larger the suppliers we deal with. Larger companies normally have more controls, whereas in a smaller, owner managed business, the controls are more likely to be susceptible to management override, and the person we are buying from may have a large personal financial interest in getting the business.

Although the overall risk of bribery in our procurement is low, we do need to assess the possible impact. For all procurement above £25,000 that is not being conducted via a framework agreement, the bribery risk evaluation should be completed at the planning stage.

Double click on the icon to open the file, then choose "File, Save As" to save it to the relevant contract folder in the department procurement folder. Then close the file and reopen from the new location.



bribery
evaluation.xlsx

Tender Panel members' declaration

If the risk is assessed as high or medium, all members of the Tender Panel should complete the declaration.

Double click on the icon to open the file, then choose "File, Save As" to save it to the relevant contract folder in the department procurement folder. Then close the file and reopen from the new location.



Tender Panel
member declaration

If the risk is assessed as high, the Panel should additionally include one member from a department other than the department of the Relationship Owner and the Budget Holder, in order to provide further assurance over the independence of the process.

The evaluation is not required for procurements below £25,000. At that level, the Anti-Bribery, Gifts and Hospitality Policy provides a proportionate response to the risk.

Related documentation

[Procurement Policy](#)

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| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 16/09/2016 | Update for new folder structure | Antonio Pinheiro | n/a | Andy Gillies |
| 1.2 | 31/03/2021 | Update the information on the Bribery risk | Antonio Pinheiro | n/a | Tian Tian |
| | | | | | |

3.6: Supplier financial health evaluation

This evaluation should be completed as part of the development of the ITT for all contracts for ongoing supplies with an estimated value greater than £50,000 that are not entered via a framework agreement.

Double click on the icon to open the file, then choose “File, Save As” to save it to the relevant contract folder in the department procurement folder. Then close the file and reopen from the new location.



Finance Health
Evaluation template

A score of 16 or more means that the supplier’s financial health could present a high risk to HCPC. A score of between 10 and 16 is medium risk, and a score of below 10 is low risk.

Incorporate the requirements of the conclusions of the evaluation for the applicable risk level within the ITT.

Related documentation

[Procurement Policy](#)
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Document history

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|---------|------------|--|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 16/09/2016 | Update for new folder structure | Antonio Pinheiro | n/a | Andy Gillies |
| 1.2 | 31/03/2021 | Update of the Finance health evaluation template | Antonio Pinheiro | n/a | Tian Tian |

3.7: Requests for quotes

This document sets out the HCPC's procedures for competitive procurement below the £25,000 threshold, where formal tendering is not required and we are **not** using a framework agreement.

Estimated value less than £5,000

No competition is needed if the value of the contract is less than £5,000. It is acceptable to only approach one supplier, typically a supplier we have previously used whose performance has been good.

If the supplier will handle HCPC information, see the [chapter on information security](#), and a written contract including our Ts & Cs for information security must be signed.

Otherwise, no other evaluations are needed for contracts below £5,000.

However, employees should still consider value for money. If the price the supplier quotes seems unreasonable, challenge it and/or seek other quotes.

Estimated value above £5,001 but less than £25,000

A comparison of a minimum of 3 written quotes are required, so at least 3, and normally 5 or 6 suppliers should be asked to quote.

The suppliers that are asked to quote can be chosen on any reasonable basis, eg an internet search, local members of a trade association, suppliers that we have previously used or that have been recommended to us.

There are no required procedures or templates, e.g. the suppliers can simply be asked to email us their quotes. However, the standard templates in this section can be used (or adapted) if appropriate so the main stages of the process are documented and can support the award decision to an auditor.

If the supplier will handle HCPC information, see the chapter on information security, and a written contract including our Ts & Cs for information security must be signed

Employees should still consider value for money. If the price the supplier quotes seems unreasonable, challenge it and/or seek other quotes.

Although the process is less formal than an Invitation to Tender, the following minimum standards are required to ensure a fair competition and value for money:

- There must be a clear specification, defining what we need the goods or service to do for us;
- Suppliers must all be given the same information;
- Suppliers must be given reasonable time to respond;
- Although we do not need to have a panel evaluating suppliers' bids and we do not need to score bids against weighted criteria, the selection of the successful supplier must be reasonable and defensible, and consistent with the specification.
- The reasons for choosing the successful supplier should be documented;

- A written contract will be required, so the [terms and conditions](#) should be agreed as part of the competition stage;
 - The contract needs to have a unique reference number assigned by to procurement;
-
- The contract spend should be monitored regularly and any overspend needs to be justified.

A template request for quotes



template request
for quotes.docx

A template for evaluating quotes and choosing the supplier.



template evaluation
of quotes.docx

Related documentation

[Procurement Policy](#)

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| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|---|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 31/03/2021 | Procedures updates and changes on the value ranges that those apply | Antonio Pinheiro | n/a | Tian Tian |

3.8: Drafting the Invitation to Tender

In cases where we are not using a framework agreement in the contract value range from £25,001 up to £150,000, use the template below to draft the ITT.

This also applies, if we decide to use a framework agreement and need to run a mini competition/further competition between the suppliers on the framework agreement.

Double click on the icon to open the file, then choose “File, Save As” to save it to the relevant contract folder in the department procurement folder. Then close the file and reopen from the new location.



ITT template Dec
2015.docx

The ITT should be approved by the tender panel prior to issue to the invited suppliers.

Related documentation

See also the relevant chapters in the Manual on:

[Specification](#)

[Information security](#)

[Financial health of the supplier](#)

[Weightings](#)

[Terms and conditions](#)

Link back to [Contents](#)

Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|---|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 16/09/2016 | Updated for new folder structure | Antonio Pinheiro | n/a | Andy Gillies |
| 1.2 | 31/03/2021 | Procedures updates and changes on the value ranges that those apply | Antonio Pinheiro | n/a | Tian Tian |
| 1.3 | 31/03/2021 | Updates on the ITT draft template | Antonio Pinheiro | n/a | Tian Tian |

3.9: Weightings

The evaluation criteria for the award of tenders must be made clear to potential suppliers in any Invitation to Tender, including the weighting that will be given to each criteria.

The weightings we give to the criteria must be reasonable and relevant to the contract, and must not be manipulated to favour a particular supplier. The weightings we use in the evaluation of bids must be the same as the weightings communicated to potential suppliers in the ITT.

Responsibilities

The Relationship Owner should draft the ITT including the specification and the weightings, seeking advice from Procurement if required. The Tender Panel should approve the ITT prior to issue, including the weightings.

Deciding on the weightings

The weightings must sum to 100%.

The weightings for the quality criteria and the split between cost and quality should follow naturally from the consideration and development of the specification (see [chapter 3.1](#)), and should reflect the relative importance of the criteria to us.

The Pre-Tender market engagement (PTME) would give a better understand on the evaluation criteria for the tender and its weightings. If a PTME was organised the interview/presentation stage should not be part of the evaluation criteria. For the cases where no PTME was organised, an interview/presentation stage may be included on the evaluation criteria. Should this be the case and following the procurement best practice, it is advisable to use it for clarification purposes and not score the suppliers.

If the relationship manager with the Tender Panel approval, decide to include on the evaluation criteria the scores for the presentations, the weighting must be the lowest of all the other quality criteria and sub-criteria and must never be over 10%.

The minimum weighting for Quality and Price should be 30%.

The weighting given to cost is normally between 30% and 50%. A higher weighting for cost may be appropriate if it is expected to be very little difference in quality between the competing suppliers: for example, if we are tendering for a new gas and electricity supplier, or a bank loan. If there is no real difference in the quality of the product offered by the competing suppliers, then cost is the main determinant of value for money, and so it should be given a higher weighting, of up to 80%.

Conversely, if the expected lifetime value of the contract is relatively low and it is unlikely to be a significant difference in cost between the competing suppliers, then a weighting for cost below 30% may be appropriate. This is only applicable to contracts with a lifetime estimated value less than £50,000.

In some cases it may be appropriate to set a fixed budget, and ask suppliers to compete on quality only: e.g. "we have £25,000 to spend on a publicity campaign, what can you do for us for that price?" In that situation 100% of the weighting would be allocated to the quality criteria.

In most cases the only relevant costs will be the estimated amounts payable to the supplier. But where relevant, cost should include other costs that will be incurred or resources that will be used including maintenance costs, energy consumption and end of life costs such as disposal. These other costs should be included where it is expected that they will vary between the competing suppliers.

Record keeping

The procurement exercise to award a contract must be always documented allowing a clear audit trail of the followed process for compliance with the Public Sector Procurement Regulations and the transparency and fairness principles.

The rationale for the weightings should be documented and retained, for example as review comments on the draft ITT.

Contracts with an estimated value under £25,000

For contracts with an estimated value under £25,000, a formal ITT with weighted selection criteria is not required. See [chapter 3.7](#).

Related documentation

[Procurement Policy](#)

Link back to [Contents](#)

Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|---|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 31/03/2021 | Update of the evaluation criteria weightings. | Antonio Pinheiro | n/a | Tian Tian |
| | | | | | |

3.10: Terms and conditions for contracts above £10,000

For procurements above £10,000 and any contract where the supplier will handle HCPC information, a written contract signed by both parties is required.

Appropriate terms and conditions in contracts help to ensure that suppliers deliver value for money and that we effectively manage commercial risk.

The [specification](#) must be included in the contract (e.g. as a schedule) for it to be binding on the supplier.

This chapter covers the other terms and conditions that are most frequently variable or negotiable in drafting the contract.

Responsibilities

The Relationship Owner is responsible for drafting the contract, seeking advice from Procurement as required. For more complex issues, Procurement will refer to our external legal advisors. The Tender Panel should approve the ITT including the draft contract before issue to potential suppliers.

Government Framework agreements

Terms and conditions in framework contracts have been negotiated using central government buying power and are therefore favourable to the public sector customer, eg reasonable notice periods, reasonable supplier warranties, full data protection and FOI commitments by the supplier, appropriate intellectual property rights. We can normally accept them (in any case, there is very limited scope to vary them) and it is normally not necessary to engage our own legal advice on framework contracts.

The call off contract will bind both the supplier and the customer to the standard terms and conditions of the framework agreement. Some terms may be excluded if they do not apply, for example TUPE provisions.

If in doubt about which of the standard framework terms to exclude via the call-off contract, consult Procurement.

Contracts above £25k but below the £150k, via Invitations to Tender

If we are not using a framework agreement, one of the following standard contract templates should normally be used. Include the standard contract within the ITT to pre-empt any discussion over terms and conditions at the contract award stage.

We have two alternative templates for Service Agreements depending if the scope of work is known or might vary as the deliveries progress.

Service Agreement (the full Scope of work is known)

In this template, the services and prices are defined within schedule 3 of the contract, and we would issue Purchase Orders for each individual delivery. The template includes guidance for a Service Level Agreement (schedules 4 and 5).

A Service Level Agreement will often be appropriate on higher value contracts for the ongoing delivery of measurable services, for example mailings to registrants, where we expect the supplier to process x% of mailings with y days. A Service Level Agreement will not be appropriate for one off services like a piece of research, and is unlikely to be appropriate if the contract value is less than £100k.

A well drafted Service Level Agreement has the double benefit of clarifying the services for the supplier and for the HCPC team managing the contract, avoiding conflicting perspectives and improving the understanding of the nature and scope of the services to be provided under the contract. It helps us to ensure that the supplier delivers to the standard that we need.

Double click on the icon to open the file, then choose “File, Save As” to save it to the relevant contract folder in the department procurement folder. Then close the file and reopen from the new location.



Services agreement
template.docx

Master Services Agreement (the full Scope of work is unknown)

This is intended for a supply of services where the full scope of the work is unknown at the outset or is occurring in multiple stages with different deliverables.

For example, we may want to appoint consultants to support a project to design and build new processes and systems, and the later stages of the project will be shaped by the work in the early stages. The Master Service Agreement establishes the general terms covering the supplier’s work for us (eg fee rates, intellectual property rights, data protection obligations, the length of the agreement), and provides a framework for us to issue work orders which specify new deliverables, as the project develops.

Double click on the icon to open the file, then choose “File, Save As” to save it to the relevant contract folder in the department procurement folder. Then close the file and reopen from the new location.



Master services
agreement template

In the templates there are some customisable terms highlighted in yellow with brief explanatory notes. If in doubt as to which terms to apply, consult Procurement.

Risk transfer in contracts for services: pricing and payment terms, notice period

In customising a contract for services, think about the extent to which we want to transfer risk to the supplier. The table shows the main areas where risk can be transferred to the supplier. However, the more risk that the supplier is asked to take, the higher they will tend to price the service.

| | More risk to HCPC | Less risk to HCPC |
|--------------------------------------|---|---|
| Price | Increases each year, e.g. by inflation | Fixed prices (e.g. day rates) for the duration of the contract |
| Total cost | Time and materials basis | Fixed price contract (ie total cost is fixed) |
| Payment profile (one off services) | Large deposit/stage payments | Nothing paid until satisfactory delivery |
| Service level agreement | No SLA and/or no financial penalties for not meeting SLA | Financial penalties for not meeting SLA in contract |
| Length of contract and notice period | Long contract (4 years) and long notice period (6 months or 1 year) | Short contract and/or no fault termination on short notice (3 months or less) |

If the supplier will not accept some or all of our Ts and Cs

However, some suppliers will insist on their own Ts and Cs, for example large suppliers, or some professional groups.

In other cases, suppliers may be willing to accept most of our standard Ts and Cs but will challenge particular terms, eg the clauses on limitation of liability or intellectual property.

In any case where we want to accept a supplier's Ts and Cs, or a supplier's amendment to our Ts and Cs, consult Procurement.

Contracts above the £150,000

If we are not using a framework agreement, we will include our own terms and conditions in the ITT. We will take legal advice to adapt our Ts and Cs as appropriate to the nature of the service.

Related documentation

[Procurement Policy](#)

Link back to [Contents](#)

Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|--|-------------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 16/09/2016 | Added new contract template Updated for new folder structure | BDB Antonio Pinheiro | n/a | Andy Gillies |
| 1.2 | 31/03/2021 | Revision of the thresholds after Brexit | Antonio Pinheiro | n/a | Tian Tian |
| | | | | | |

4: Using framework agreements

HCPC policy is to use framework agreements for all procurements above £150,000. The use of framework agreements is also strongly encouraged for procurements below the thresholds.

Framework agreements are contracts that have been let in compliance with [Regulation 33](#) of the UK Public Contracts Regulations. Suppliers agree a package of services and an overarching standard set of terms and conditions for public sector customers. Individual public sector customers can then “call off” against the standard contract through a selection process that is much quicker and simpler than a full tender.

Any public authority could set up a compliant framework agreement, and there are several local authority, education and NHS buying consortia that have set up framework agreements, but the largest range of framework agreements is managed by Crown Commercial Services (CCS). The benefits of framework agreements – prices and terms negotiated using central government buying power, blue chip suppliers, assurance over compliance – apply to the greatest extent with CCS’ framework agreements. Therefore the CCS framework agreements should be our default source.

For software development and other IT consultancy services, we use G-Cloud, which is a CCS framework agreement specifically for cloud-based IT services <https://www.digitalmarketplace.service.gov.uk/>.

Process

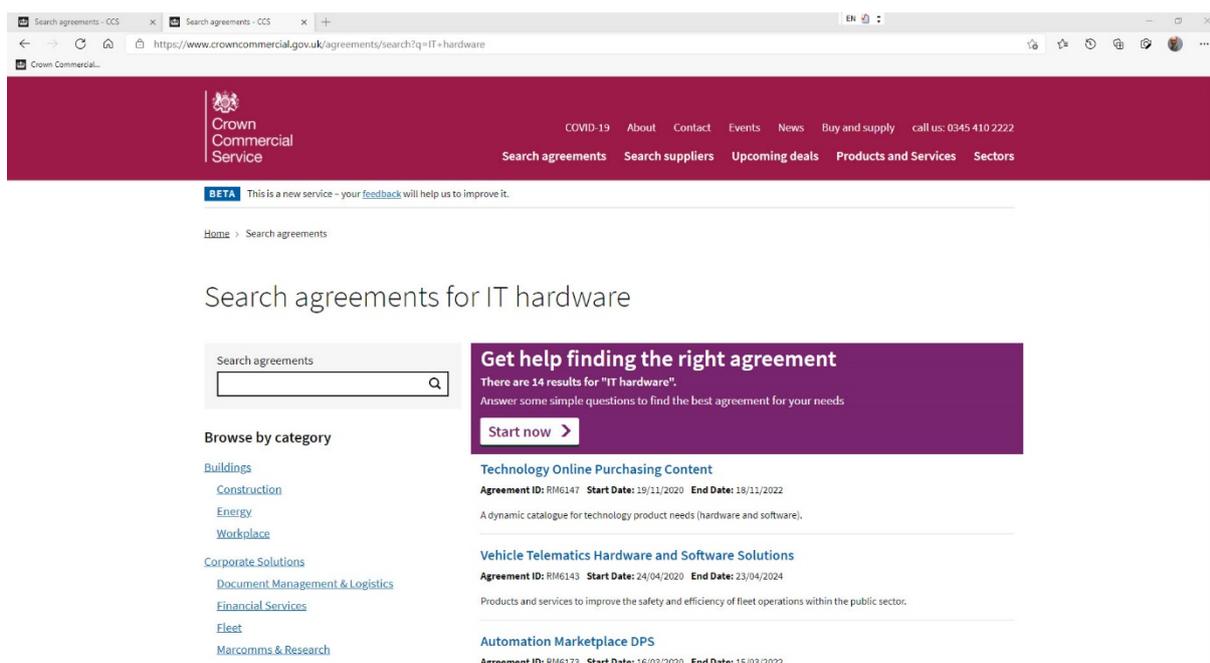
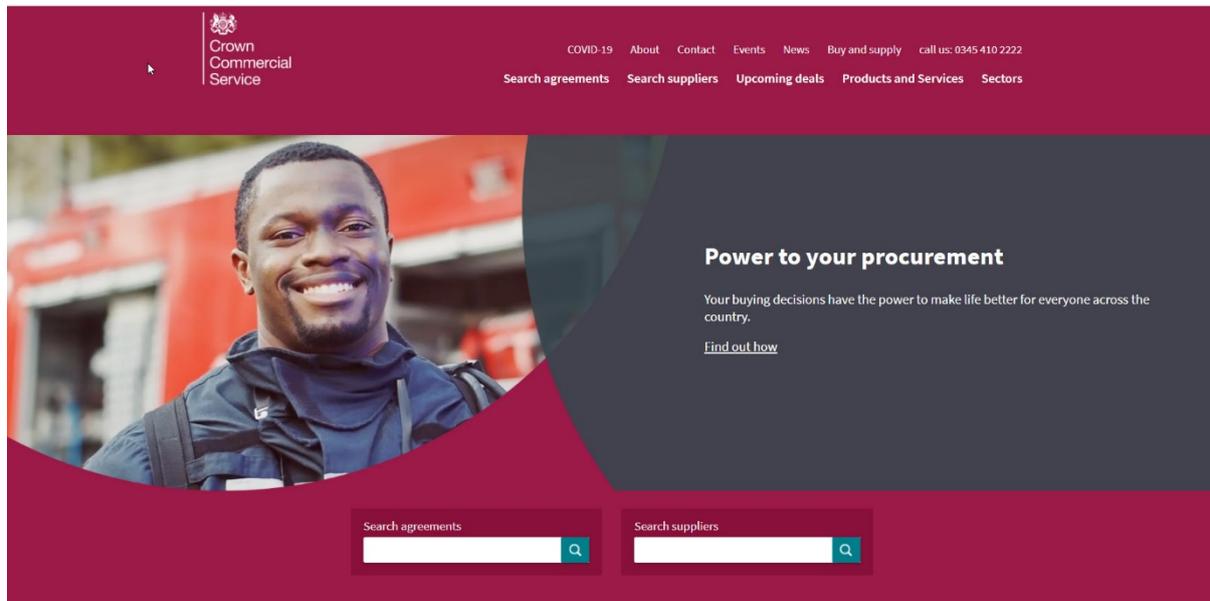
1. Consult Procurement

If the expected value of the contract is above the £25,000, Procurement must be consulted at the outset and involved throughout.

If the expected value is below the threshold, early consultation with Procurement is strongly encouraged.

2. Search for an appropriate framework agreement

Go to the CCS “find an agreement” search function <http://ccs-agreements.cabinetoffice.gov.uk/> and enter key words relating to the goods or service you need to buy, eg “IT hardware”.



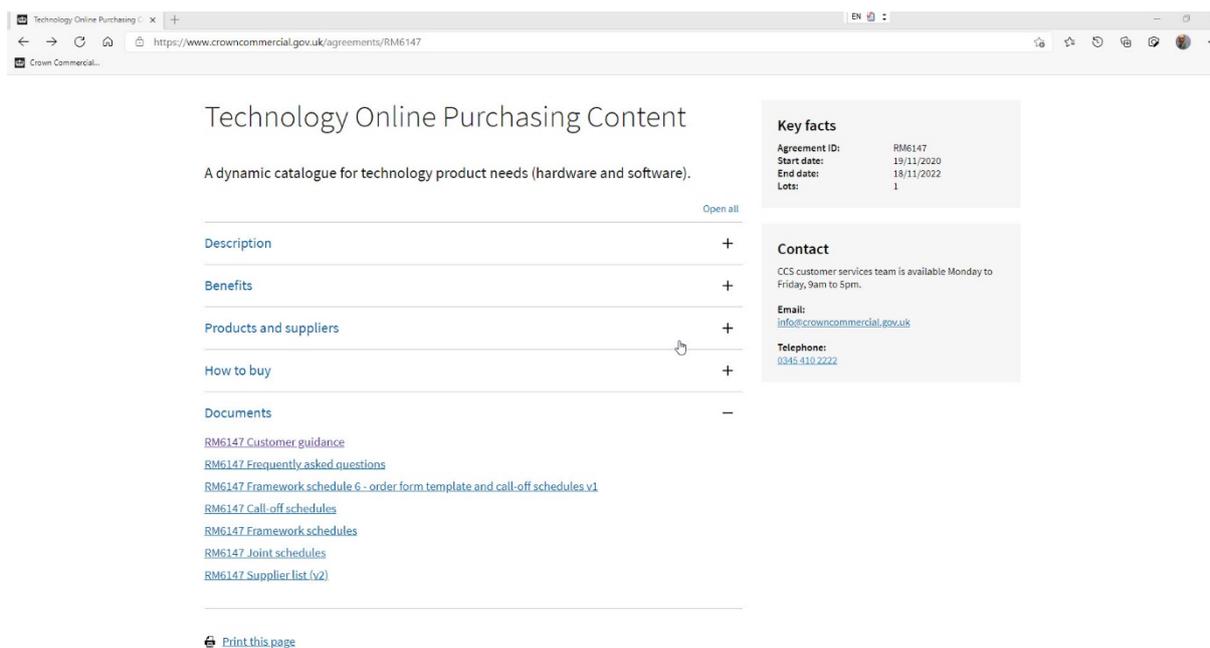
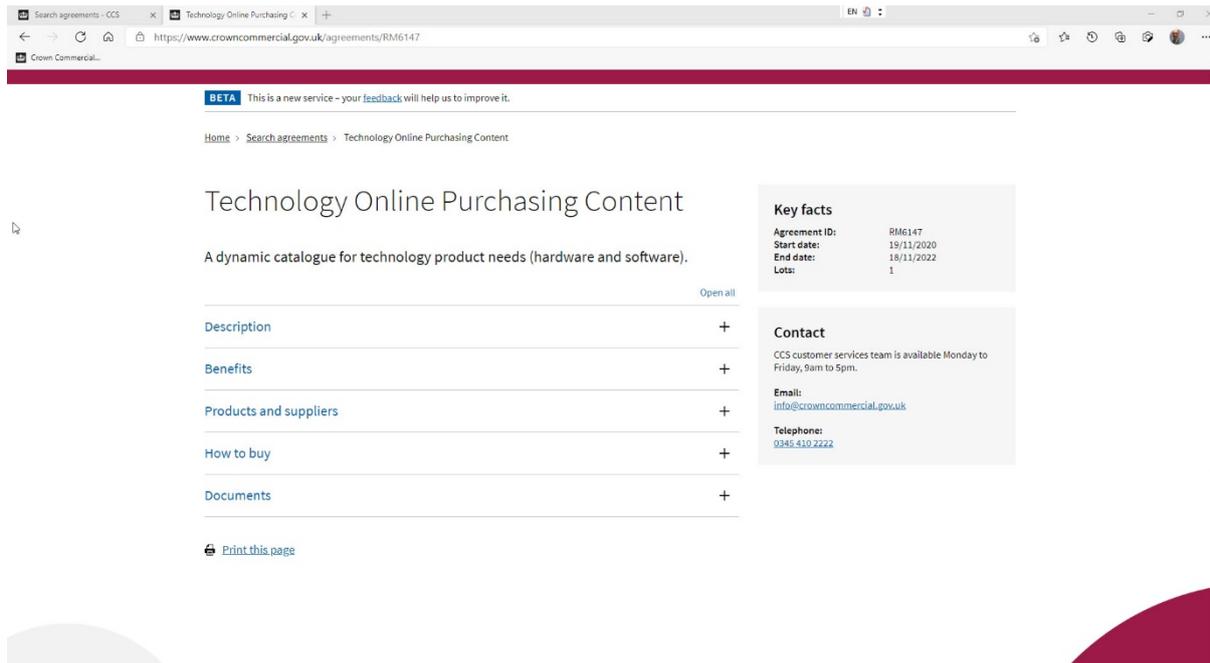
3. Review the search results for HCPC's eligibility

In this example the search returns 14 results. In cases with multiple results start to exclude the expired Framework Agreements and then check the HCPC eligibility to use the Framework Agreement. CCS has a "Get Help finding the right agreement" that by answering a few questions it can narrow the results and help you select the one more suitable.

Eligibility to use individual framework agreements may be restricted, for example to central government departments only. HCPC is classified by ONS as a central

government body, and this would normally be seen as authoritative by suppliers and CCS, but we think the ONS classification may be an anomaly. Therefore we should prefer framework agreements that are available to “wider public sector” bodies (includes NHS trusts, local authorities, schools etc.).

Eligibility will be defined in the customer/user guide, which can be found in the Documents tab on the home page for the agreement.



4. Check the end date of the agreement

In the example above, the end date is 18/11/2022. Framework agreements run for a maximum of 4 years. A call off contract under the framework agreement can be signed at any point up to the expiry date and can then run for a further period (typically 4 years) from the date of signature – past the date of expiry of the overarching framework agreement.

So we can use framework agreements that are close to their expiry date, but we need to allow enough time to complete any further competition or clarification process that will be required before the expiry date. Therefore ensure that there is a minimum of three to four months before the expiry date of the given framework agreement before starting the process.

5. Assess which agreement(s) and which lot(s) meet our specification

The guidance documents will describe the services provided and enable an initial judgement as to whether the framework agreement meets our specification. Agreements may be split into “lots” with different scope of goods or services. If so, review the description of the services under each lot and make an initial judgement as to which lot(s) are appropriate to our needs.

If the framework agreement does not exactly match our specification, it will normally be appropriate to make minor adjustments to our specification rather than using a non-framework procurement route.

These specification adjustments may be the result of a Pre-Tender Market Engagement (PTME) that can be done between a reasonable numbers of suppliers on the Framework Agreement. Refer to chapter [3.1 Specification](#) for more detail and Consult procurement for guidance and support organising the PTME.

6. Determine the method for selecting the supplier

Once the appropriate lot has been selected, a supplier from that lot will need to be selected. The guidance documents will specify the process for selecting the supplier. In some cases there is only one supplier on a given lot, in which case the supplier can be appointed directly. Where there is more than one supplier on a given lot, the selection method may be direct appointment or a further competition, or a process of “clarification”.

The process we use to select the supplier and award the contract must comply with the methods set out in the guidance document. If it does not comply, the subsequent contract with the supplier will not be covered by the umbrella of the framework agreement, and will therefore not be compliant with the Public Sector Contracts Regulations.

7. Draft invitation for further competition / clarification

Where there are more than one suppliers on the appropriate framework or lot and a further competition or “clarification process” is required to select the supplier, a document similar

to an invitation to tender (ITT) will be required. Draft the document using the template in [chapter 3.8](#) as a starting point and adapting to fit the process stipulated in the guidance documents for the particular framework agreement.

The draft invitation for further competition / request for clarification should include the draft call off contract. If there is any room for negotiation over the call off terms, we will have more leverage to achieve our desired terms at this stage than after we have selected our preferred supplier.

8. Tender panel agrees the approach

The tender panel should review the information gathered in steps 1 to 7 and the draft invitation for further competition / request for clarification, and agree the approach.

9. Issue the invitation for further competition

The invitation for further competition should be sent to all or the shortlisted suppliers on the chosen lot of the Framework agreement, through the e-sourcing system available in most purchasing organisations like CCS. This allows to have a complete audit trail of the procurement process, providing assurance of transparency and fairness in the different stages.

The HCPC procurement manages the user accounts for most of the purchasing organisations that have Framework agreements, which should be used on all the stages of the procurement process.

10. Tender panel evaluates responses

The Tender panel should only evaluate the quality/technical responses to assess the best suitable proposal to the HCPC requirements. This evaluation must be done without the commercial proposal, which may be completed by procurement.

All Tender panel members need to provide an explanation for their scores per evaluation criteria and proposal. The evaluation scores with the explanations shall be uploaded on to the e-sourcing system, which usually has the possibility to keep record of all communications with the suppliers.

See [Chapter 5.1](#)

11. Award the contract

12. Support with frameworks

Ask Procurement or ask the account manager for the Framework agreement. For example the Crown Commercial Services support customers by phone or email (0345 410 2222 / info@crowncommercial.gov.uk). Each framework agreement has a named CCS contact and they are normally very helpful and knowledgeable.

For high value contracts/call Off orders it may be necessary to ask for our own legal advice.

Related documentation

[Procurement Policy](#)

Link back to [Contents](#)

Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|--|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 31/03/2021 | Additional details on the process steps to award a contract under a Framework agreement. | Antonio Pinheiro | n/a | Tian Tian |
| | | | | | |

5 - Selecting the supplier and awarding the contract

5.1: Evaluation

In cases where we use a framework agreement, the framework agreement will normally specify the evaluation criteria, and may specify or set limits on the weightings that can be used.

Where we do not use a framework agreement, the criteria and the weightings used for evaluation must be those set out in the ITT. We cannot change the criteria or the weightings at the evaluation stage.

Any pass/fail criteria should be assessed first and any bidders that fail do not progress to the next stage of the evaluation.

The evaluation of the cost criteria is a matter of fact and the scoring will be done once, normally by the Relationship Owner. The evaluation on cost will normally only include the bidders' quoted costs, but where applicable should also include other costs making up the total cost of ownership (as an analogy, the total costs of owning a car include insurance, fuel consumption, servicing as well as the purchase price).

Each member of the Tender Panel should complete their own evaluation of the qualitative criteria. The scores must be based on the information provided by the bidders in the tender process. Panel members must be able to explain their scores and the relative ranking they have given to each bidder on each criteria by reference to the information in the tenders, references or presentations. Panel members should record the rationale for each score, eg as a comment on the applicable cells in the excel template.

The Panel's overall score is the weighted score on cost plus the average of all Panel Members' scores on quality.

Double click on the icon to open the file, then choose "File, Save As" to save it to the relevant contract folder in the department procurement folder. Then close the file and reopen from the new location.



Tender evaluation
template.xlsx

Related documentation

[Procurement Policy](#)

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Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|----------------------------------|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 16/09/2016 | Updated for new folder structure | Antonio Pinheiro | n/a | Andy Gillies |
| | | | | | |
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| | | | | | |

5.2: Purchase Orders

Contracts below £10,000: Purchase Order contains the terms and conditions

Contracts below £10,000 are likely to be short term and lower risk to HCPC. Contracts for goods are normally less risky than contracts for services.

Below £10,000, contracts can be entered via a Purchase Order, rather than a contract signed by both parties. Our POs include standard terms and conditions.

The HCPC standard Purchase Order Terms and Conditions are available to suppliers on the Procurement page of our website

<https://www.hcpc-uk.org/about-us/corporate-governance/policies/procurement-and-tendering/terms-and-conditions-for-purchase-orders/>



HCPC - Goods
Services purchase_o

Some suppliers eg larger companies may insist on their own terms and conditions. We will often be able to accept suppliers' terms and conditions, particularly on lower risk contracts or contracts for goods, but liaise with Procurement in case of any doubt.

Exceptions: higher risk contracts below £10k

If the supplier will handle HCPC information, the information security evaluation must be completed and there must be a contract signed by both parties incorporating HCPC's terms and conditions for information security: see [Chapter 2.2](#).

If the supplier will not handle HCPC information but the contract is higher risk for some other reason (eg commissioning a key report) it will be appropriate to have a written contract. Use the standard Ts and Cs in [Chapter 3.10](#).

Contracts above £10,000: PO as part of the WAP process

If the estimated lifetime value of the contract is more than £10,000 or the supplier will handle HCPC information, a written contract signed by both parties is required to enter the contract.

This written contract signed by both parties should be identified by a unique reference number that identifies a specific agreement.

With a structure of 8 digits (HCPC plus 4 numeric digits) the contract number (CN) is managed by procurement and provided to the Budget Holders/Contract Managers, on request at the contract award stage for all contracts above £10,000.

The request for a contract reference number should be done using the following template



**Request for
Contract Number.ms**

The CN should be the main reference for contract documentation management and storage.

A Purchase Order is also needed, after the signing of the contract, as part of the WAP process. The PO in this case is simply a mechanism to order certain goods or services under the terms previously agreed in the written contract.

Each PO created for the same contract should state the Contract Number (CN), which should be listed on the drop down list on the CN field. This will establish a link between the two for contract management and reporting purposes.

Procurement Officer is responsible for managing the contracts numbers for all HCPC departments and for maintaining the contract list update in the system. The Budget Holder or Contract Manager should request from the Procurement Officer the CN for all new contracts prior to its signature and then must ensure its communication to the supplier. The Supplier should quote it with the Purchase Order (PO) number on their invoice(s) so that Finance can match invoices with receipted POs and pay those matched invoices.

The CN should also be part of the file name of the contract electronic copy uploaded on supplier database (Lotus notes).

Having this link established will allow the Budget Holders and Contract Managers to control the contract spend and compare it against the initial contract value. This will make possible to demonstrate that spend per contract, not spend per supplier (sometimes with multiple contracts), and is compliant with the HCPC procurement policy and EU thresholds.

Related documentation

[Procurement Policy](#)

Link back to [Contents](#)

Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|---|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 16/09/2016 | New process for Contract Numbers | Antonio Pinheiro | n/a | Andy Gillies |
| 1.2 | 31/03/2021 | New template to request contract reference number | Antonio Pinheiro | n/a | Tian Tian |
| | | | | | |
| | | | | | |

5.3: Signing the contract

Under the HCPC Procurement Policy, the thresholds for approval of contracts are different depending on whether the contract was anticipated and specified within the annual budget.

For contracts that have been anticipated and specified within the budget:

If the estimated lifetime contract value is up to and including £100,000, the contract should be signed by the Executive Director of the Department.

If the estimated lifetime contract value is over £100,000 but under or equal to £250,000, the contract should be signed by the Chief Executive.

If the estimated lifetime contract value is over £250,000, the contract should be signed by the chief executive with the approval of the Chair of the Council.

For contracts that were not anticipated and specified within the budget, the Chief Executive's approval threshold would remain at £100,000 and the approval of the Chair of the Council is required if the estimated lifetime contract value is over £100,000.

The Budget Holder should complete the Contracts Approval Brief Form and email it to Chief Executive asking Chief Exec to confirm approval via email and sign the contract, according with these thresholds.

For the situations requiring the Chair of the Council approval, the Chief Executive needs to forward the email and form to the Chair of the Council, confirming his approval and asking her to confirm approval via email, after which Chief Executive will sign the contract.



Approval brief
9-9-16.docx

Retention

This document and email chain confirming approval to be filed on the Lotus Notes (or successor system) record for the supplier and on the relevant contract folder in the department procurement folder.

Form of signature

For the contract to be binding, it is not necessary for both parties to physically sign and date the same original paper contract, although this is still the method that leads to the least risk of dispute over what terms actually apply.

It is acceptable for each party to separately sign and date separate copies of the contract and then exchange those, or to exchange scans of the documents they sign and date.

Electronic document signing software eg DocuSign is also acceptable.

Signatures should always be dated as the term of the contract will often start from the date of execution/signature.

If the signed and dated contract is being sent to the supplier in the post, the contract signatory is responsible for scanning a copy before posting.

Contracts vs Deeds

Most of our procurement is via simple contracts. A deed may be needed if there is no consideration (eg the master services agreement, which does not commit either party to any supply or payment). Deeds require the signatures to be witnessed. If in doubt as to whether an agreement is a contract or a deed, consult Procurement.

Related documentation

[Procurement Policy](#)

Link back to [Contents](#)

Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|--------------------|------------------|-------------------------|--------------|
| 1.0 | 16/09/2016 | n/a | Antonio Pinheiro | n/a | Andy Gillies |
| 1.1 | 19/01/2018 | Procurement Policy | Andy Gillies | n/a | Andy Gillies |
| | | | | | |

6: Recording and reporting

The [process to set up and pay a new supplier](#) is set out on the Finance department intranet pages.

All recurrent suppliers, and any supplier where the value of the contract is more than £10,000 including VAT, must be set up on the Suppliers database in Lotus Notes.

The Relationship Owner is responsible for creating the new supplier form in the Lotus Notes database and submitting the form for approval.

For all contracts with an expected value over £10,000 including VAT, the signed contract must be added to the new supplier form, as a pdf attachment. Finance will reject the new supplier form if the contract is not attached or stored at the contract folder under the Department Procurement folder.

The Department Procurement folder with the structure and access described below would support procurement planning, provide an audit trail and a standard contract documentation repository across the HCPC.

The Contract Folder should be created in a shared drive with the following structure:

1. Financial Year

1.1. Department

1.1.1. Procurement

1.1.1.1. Contract Number

- 1.1.1.1.1. ITT Docs
 - 1.1.1.1.2. Proposals
 - 1.1.1.1.3. Supplier creation
 - 1.1.1.1.4. Award & approval Docs
 - 1.1.1.1.5. Contract Docs and other Amendments and extensions (signed)
 - 1.1.1.1.6. Correspondence & Other Docs
-

Each Department should have access to their own folder and procurement should have access to all folders.

For projects the upper mentioned structure should include an additional level:

1. Financial Year

1.1. Projects

1.1.1. Procurement

1.1.1.1. Project

1.1.1.1.1. Contract Number

1.1.1.1.1.1. ITT Docs

1.1.1.1.1.2. Proposals

1.1.1.1.1.3. Supplier creation

1.1.1.1.1.4. Award & approval Docs

1.1.1.1.1.5. Contract Docs and other Amendments and extensions (signed)

1.1.1.1.1.6. Correspondence & Other Docs

The documents supporting the procurement process and the selection of the supplier **must be retained by the Relationship Owner or the Budget Holder** until the end of the financial year following the award of the contract. Documents retained must include the Invitation to Tender as issued to potential suppliers (earlier drafts can be discarded) all tenders submitted

the evaluation of bids (the Tender Panel members' completed evaluation templates, plus any notes from bidders' presentations, and any references taken from other customers of the bidders)

correspondence with successful and unsuccessful bidders including any clarification questions and the related answers.

For tenders under the EU threshold, the Budget Holder is responsible for retaining the tender documents on paper or electronically in his/her department's G drive.

For tenders above the EU threshold, the tender documents will be retained centrally by Procurement.

Contracts with an expected value above £25,000 are proactively disclosed under HCPC's Freedom of Information Publication Scheme <http://www.hcpc-uk.org/aboutus/foi/finances/>.

Any significant agreed change in the terms of the contract should be formally documented as an amendment to the contract, signed by both parties. All such amendments must be added to the Lotus Notes suppliers' database and to the contract folder under the department procurement folder.

Related documentation

[Procurement Policy](#)
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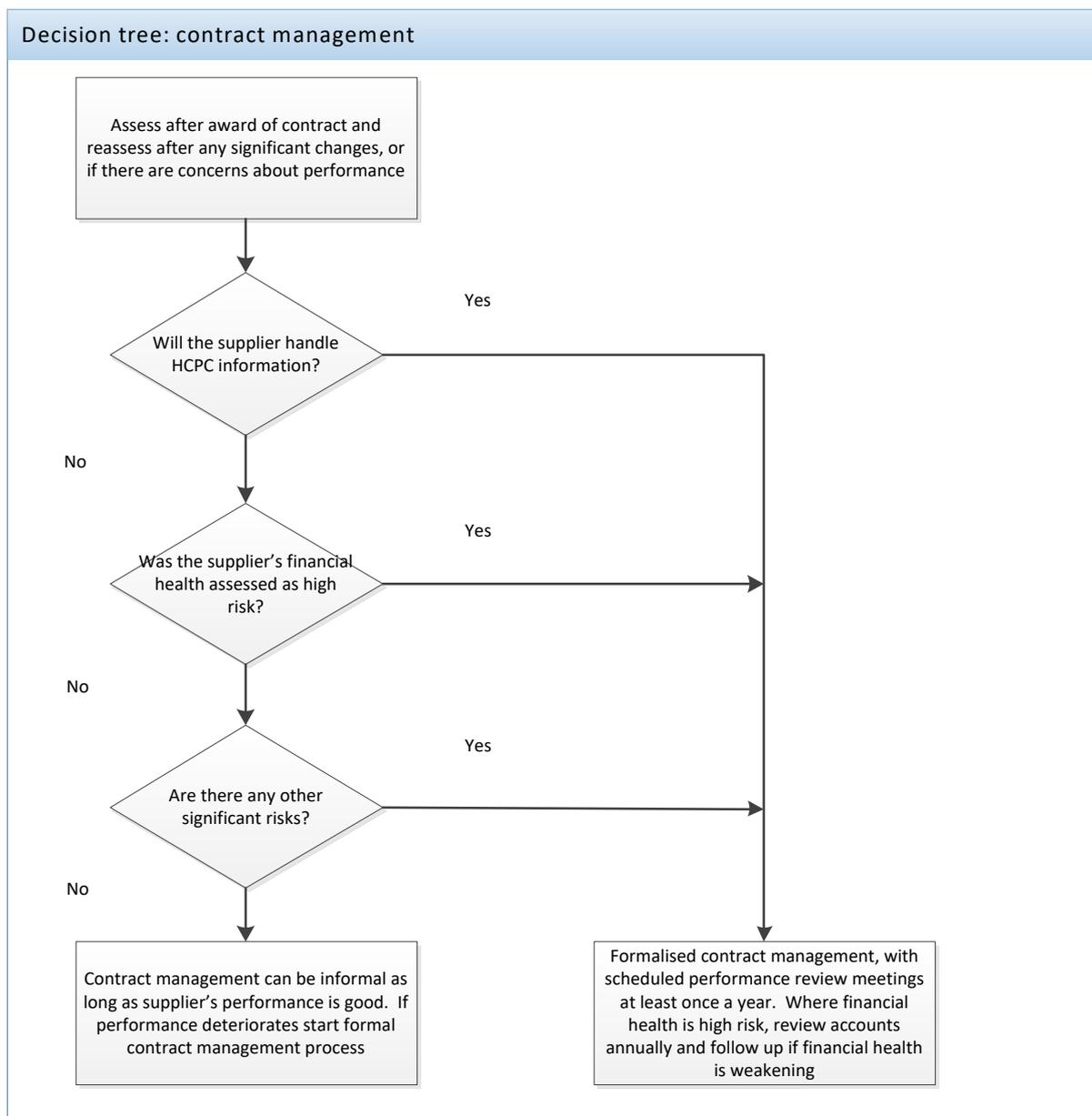
Document history

| Version | Date | Changes | Author | Other policies affected | Approved by |
|---------|------------|--|------------------|-------------------------|--------------|
| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 16/09/2016 | New folder structure for recording and sharing procurement documentation | Antonio Pinheiro | n/a | Andy Gillies |
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7 - Managing contracts

7.1: Managing contracts

The Relationship Owner is responsible for managing the supplier's performance under the contract, and ensuring that the supplier delivers to the agreed specification, so that HCPC achieves value for money. The frequency, extent and formality of contract management depends on the nature of the contract and the risk or importance of the contract to HCPC.



Effective management of suppliers depends on there being a clear specification within the contract against which to manage the supplier's performance. Contracts for the

ongoing delivery of services will normally have performance measures built into the contract in a Service Level Agreement (SLA) or Schedule. See [Chapter 3.1: specification and chapter 3.10](#) Terms and conditions for contracts above £10,000

The contract may specify the performance management process, for example annual meetings to be held to review performance against the SLA. If the contract does specify such a process, it should be followed, even if there are no issues in a given year. This generally strengthens our position in a situation where there are performance issues we want to address.

Meetings should be attended by the Relationship Owner for HCPC and the account manager for the supplier, and by more senior managers on each side if there are major issues to discuss

Meetings should have written agendas circulated in advance

If the contract includes an SLA and KPIs, ensure the supplier's performance against the KPIs is measured and the performance data is included on the agenda for discussion

Written minutes and action points should be circulated and agreed shortly after the meeting

Meetings should be at least annual and may be 6 monthly or quarterly depending on the size, importance and risk of the contract

Where the supplier's financial health has been assessed as high risk, ask Procurement for support with review of latest accounts

Procedures for managing the information security controls relating to supplier relationships are set out in [Chapter 3.2: Information Security](#).

When the supplier's performance is unsatisfactory

If we are not satisfied with the supplier's performance, we should normally withhold payment until the supplier has delivered the goods/service to the required quality. Amounts that are withheld should normally be limited to the goods/services that we are dissatisfied with. For example, if an invoice covers five deliverables and we are satisfied with four of them, it would be reasonable to withhold 20%, but it might not be reasonable to withhold 100%. If in doubt, refer to the budget holder or Procurement.

When the supplier's performance is persistently or seriously unsatisfactory

Consult Procurement for advice

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| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
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8 Exceptions

8.1: Single Tender or Single Source

The procurement policy requirements for competitive tendering may be exceptionally waived if appropriate under the circumstances described below and only for a period of time to allow running a competitive tender under the Public Sector regulations. These include some simplified regimes that may be used to accelerate the award of contracts.

Single tender means directly choosing one supplier to negotiate with, rather than inviting several suppliers to bid competitively. Examples of the circumstances where a single tender may be appropriate are:

- **Extreme urgency.** But note that a single tender contract entered for this reason should only be for a limited period, not more than six months, since the urgency justification can only validly cover the period it will take to conduct a proper competitive process; The acceptable period of time could be up to four months and never over six months, depending on the technical complexity of the scope and the need of pre-tender market engagement.
- **Only one supplier for the required goods or services.** Less likely to apply now, but in the past, utilities would have been an example where there is a monopoly supplier; This should be supported by market analysis and pre-tender market engagement for all category areas where the contract value is over £25k
- **Integration with an existing service scope of a live contract.** For example, when we leased 405 Kennington Road, we contracted with our existing alarm and CCTV service providers rather than inviting other alarm and CTV service providers to tender, in order to ensure a service compatible with the current services for Park House and 186 Kennington Park Road.

The Budget Holder should engage procurement to discuss the options to source the necessary goods and/or services and seek guidance for the Single Source Request, should it be the appropriate for the immediate time.

The budget holder should complete the SSR form attached below including a detailed explanation of the circumstances and the plan going forward.

The form should then be sent via email to Procurement, who keeps the SSR register and supports the Head of Finance to assess the applicability of the procedure and reasonableness of the proposed plan.

The Head of Finance will forward the SSR to the appropriate ELT member for approval.

The SSR approval is granted by the ELT member in accordance with their level of delegation of authority and commitment authorisation level on Table 1 of the Procurement Policy.

Double click on the icon to open the file, then choose "File, Save As" to save it to a location on the G drive. Then close the file and reopen from the new G drive location.



SSR template -
v20210331.docx

A single tender procurement does not mean you cannot negotiate with the supplier. Do not let the supplier know that you are only talking to them.

It is still necessary to have

- a [specification](#) and
- appropriate [Terms and Conditions](#).
- a contract number reference

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| 1.0 | 21/12/2015 | n/a | Andy Gillies | n/a | Andy Gillies |
| 1.1 | 31/03/2021 | Single tender approval procedure updated | Antonio Pinheiro | n/a | Tian Tian |
| 1.2 | 31/03/2021 | Single Source Request Template updated | Antonio Pinheiro | n/a | Tian Tian |
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