

## Procurement Policy

The aim of this policy is to ensure that Cheltenham BID obtains best value for money for its BID levy payers by:

- keeping business overheads as low as possible commensurate with delivering a quality service
- enabling as many projects to be delivered in as effective a manner as possible.

The purchase of supplies and services are divided into:

- one-off purchases (e.g. office equipment and furnishings, accountancy or legal services)
- repeating purchases (e.g. office telephone and stationery, payroll service, software licences)
- purchases for project delivery (e.g. banners, event services, design and print)

The following rules apply:

### One-off purchases

For larger items or services, i.e. over £1,000, the BID Director or Operations Manager as appropriate should write a brief detailing the type of product or service required. The brief can be a short note to be sent by email or a more comprehensive report for major purchases. This is to ensure that staff have thought through what is required and have clearly explained it so that they can then identify appropriate suppliers to approach. Once the brief is ready, it should be sent to potential suppliers with a request for a quotation. A written quotation should normally be sought so that offers from different suppliers can be compared and there is no ambiguity about what each supplier has included in their price.

### Repeating purchases

As for one-off purchases, but the quote will cover a period of time (for example 12 months), and the exercise should be repeated just before the end of the current contract period.

If purchases of items or services are as a result of ongoing or regular requirements, the original chosen supplier will be considered to be the preferred supplier for that product or service. This should be reviewed annually.

### Purchases for project delivery

Essentially the same processes as laid out above will apply to purchases for project delivery, but there may be an additional need to discuss the purchase with any sub-group or the Board before proceeding, especially where high profile/important people are involved or there are different ways of delivering the project aims (e.g. delivery of a marketing plan: employ a member of staff to join the BID team vs. bring in a contractor to deliver a one-off or repeating service).

### Number of quotations required

- Purchases over £200 will require 2 quotes received by telephone or email
  - Purchases over £1,000 will require 2 written quotes responding directly to the information requested in the brief
  - Purchases over £5,000 will require 3 written quotes responding directly to the information requested in the brief
- Purchases over £20,000 will need to go through a formal tender process with potential suppliers responding to a detailed brief which is sent out to all those tendering at the same time and any additional information is sent to anyone tendering to ensure fairness. A closing date, evaluation procedure, and decision date will be applied to all those tendering. It may also be necessary to shortlist suppliers and interview 2 or 3 to determine the most appropriate provider.
- Where unique services or products are being provided to fulfil the requirements of the Business Plan and/or annual action plan, a written quote, in line with the brief, should be obtained from the supplier.

## **Approvals**

If the product or service to be provided is as set out in the Business Plan and/or annual action plan and the costs fall within the limits laid out there, the BID Director may normally authorise the purchase without further referral. However, with larger purchases (over £5000), in order to safeguard staff and Board Members it is recommended that the BID Director or Operations Manager as appropriate discusses the proposal with the leader of the relevant subgroup or the Chair or Deputy Chair of the Board before placing an order.

## **Suppliers**

It is useful to set up a hierarchy of suppliers to ensure that the BID does its part to support the local economy, provided that in so doing it achieves the best product or service at the best price for the BID.

If there are BID levy payers who could supply the goods or services, they should be invited to quote. It should be made clear to them that they are part of a competitive process and the best offer, in terms of cost and quality, will win the work. They must quote in the same way as any other potential suppliers.

In addition, it is useful to send the request for quotes to other businesses in the local Cheltenham or Gloucestershire area.

If there are no qualified suppliers locally, and/or to ensure that the BID obtains the best terms for the Levy Payers, companies outside the local area should be invited to quote.

The larger the likely cost the wider the net should be spread to ensure best value.

When selecting a supplier, the quality and value for money should be considered and decisions should not be based entirely on cost.

## **Conflicts of interest**

If the Levy Payer quoting for the supply of goods or services is also a Board Member, they must declare this in their submission or at a board meeting and they must be excluded from the decision making process about which supplier wins the contract.

## **What to include in the brief**

Set out the requirement, using the basic questions of who, what, why, where, when and how as a useful starting point.

Consider not only the basic cost but also whether there are any likely additional costs either at the outset or during the course of the contract or life of the goods (e.g. delivery, maintenance, spare parts etc.). Also check whether the price quoted is to be inclusive or exclusive of VAT.

Consider also whether there may be any contingent liabilities outside the supplier's remit (e.g. insurance, employment liabilities, health and safety, legal costs etc.)

Request information on lead times for delivery.

## **Timetable**

Allow sufficient time to receive and review the requested quotations and for delivery of the goods or services. It is useful to create a reverse timetable, working backwards from the required delivery date.