



European Union

European Structural
and Investment Funds

GIROSCOPE 

Giroscope Limited

Procurement Policy

This document has been written in order to set out a formal recording process that Giroscope Limited will follow when buying goods and services.

It sets out the responsibilities to ensure Giroscope Limited are buying the best value for money and to an external party (auditor) they can be confident in the process followed.

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(This document is designed to be printed double sided)

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1. Policy Overview

This policy has been written to ensure Giroscope Limited follows the principles of procurement by the European Community Treaty and UK Procurement Regulations.

- ❖ **Transparency** keeping all documents and recording decisions in such a way as to ensure that the process can be seen to be fair and transparent.

- ❖ **Equal treatment** all potential suppliers have the same opportunity to quote for and supply goods and services regardless of where they are based across Europe.
- ❖ **Proportionality** contracts or specifications should not require information that is not pertinent to the delivery of the goods and services being purchased.
- ❖ **Non-discrimination** Awards of contracts should not be based on geography, previous contractual arrangements etc.
- ❖ **Mutual Recognition** Recognising qualifications and certifications used in other Member States

The Senior Management Team and the Board of Trustees will regularly review the Procedure to ensure its implementation and to ensure that it is relevant to working practice

2 Procurement process

The six stages of a procurement are:

- (i) Preparation and planning
- (ii) Invitation to bid
- (iii) Submission and selection of bids
- (iv) Evaluation of bids
- (v) Awarding the contract
- (vi) Contract implementation

See appendix 1 for Preparation and Planning

3 Supplier selection process

3.1 Capital Goods, Services and Works

The value of the goods, services or works determines the action required as detailed in the table below:

Value of Contract	Minimum Procedure	Advertising required
£0 - £2,499	Direct award	None
£2,500 – £24,999	3 written quotes or prices sought from relevant suppliers of goods, works and services	We will post the notice on Government's Contracts Finder website

<p>£25,000 – £200,000 for supplies and services and £1.5 million for works</p>	<p>Undertake a tender process which:</p> <ul style="list-style-type: none"> (i) Provides sufficient information to the market to enable interested bidders to apply; (ii) Includes processes to manage potential conflicts of interest; (iii) Impartially assesses each bid against criteria laid down at the outset; (iv) Selects the winning bidder on merit and in accordance with the procedure laid down at the outset; and (v) Provides feedback to all bidders on the outcome of the process 	<p>The opportunity is advertised on Giroscope Limited’s website for a reasonable time. (usually between 10 – 14 days for services and supplies with a longer period for works if required because of the nature of the contract)</p> <p>We also will post the notice on Government’s Contracts Finder website</p>
	<p>A tender process which:</p>	
<p>Above £200,000 for supplies and services and £1.5 million for works</p>	<ul style="list-style-type: none"> (i) Provides sufficient information to the market to enable interested bidders to apply; (ii) Includes processes to manage potential conflicts of interest; (iii) Impartially assesses each bid against criteria laid down at the outset; (iv) Selects the winning bidder on merit and in accordance with the procedure laid down at the outset; and (v) Provides feedback to all bidders on the outcome of the process 	<ul style="list-style-type: none"> 1. Advertised on a platform such as Contracts finder, CompeteFor or equivalent and 2. The opportunity is advertised on Giroscope Limited’s website for not less than 28 days

3.2 For goods, services or works a minimum of 2 staff (1 Senior Management Team and contract manager) will scrutinise the quotations received and decide on which quote is acceptable.

4. Competitive tendering

If the amount of the procurement is over the **£2,499** threshold then it will be put out to competitive tender following the processes in the table at **2.** above.

Selection of suppliers

Scoring of the tenders will be undertaken by a minimum of 2 Giroscope Limited staff (1 Senior Management Team and 1 contract manager) and will take place over a maximum of a two week period and all parties will be notified of the result.

- Value for money considerations will include an appropriate mix of quality, cost, resource use, reputation, warranty/guarantees, and timeliness
- Giroscope Limited will proactively encourage diverse suppliers to participate in our procurement exercises.
- Giroscope Limited will ensure in the selection process that a supplier will not be chosen purely on the location of a supplier only, or requiring delivery/response within timescales that would restrict the supplier market. Geography may end up being a factor in this depending on the service provided, but it cannot be a prerequisite.
- Certain tenders will be geographically based e.g. European Social Fund bids specific to a geographic area

The criteria important to Giroscope Limited to allow us to decide which supplier offers us the best value for money could include

- Volume purchasing to maximise bulk discounts.
- Quality of what is offered (which might include, for example, date of delivery, the skills of the contractor's staff.
- Established links with suppliers of specialist services or knowledge
- Establishing who has the authority to purchase items for the company, what items can that person purchase and to what value?
- Established business requirements for adequate supplier competition and what specific criteria will be used to select possible suppliers
- If a different approach is required in some cases to protect commercial confidentiality
- Price
- Ability to deliver the required service quality and timescales (which may include attendance on-site if necessary)
- Warranty and guarantees
- Experience/reputation /recommendation

5. Publicly funded process

For very large projects involving public funding, Giroscope Limited will comply with all the requirements in [ESIF National Procurement Requirements GN 1 001](#) and we shall ensure all subcontractors also adhere to Procurement Law ESIF Compliance Guidance Note (ESIF-GN-1-001).

Giroscope Limited will ensure that a record is maintained of each stage of the process in order to meet the demands of audit

6. Direct award

Giroscope Limited may select a preferred supplier directly where the service required:

Application to the relevant ESF department must be made if any of the following apply

- There is extreme urgency (which has occurred for reasons which were unforeseeable and are beyond the control of Giroscope Limited)
- There is one supplier capable of providing the relevant goods, works or services due to genuine technical, artistic or copyright reasons
- No organisations have responded to the advertisement.

7. Aggregation

Where a number of individual recurring procurements for the same requirement occur consideration should be given to whether or not they need to be aggregated.

ESIF Procurement guidance is:-

A works project or proposed purchase of a certain quantity of supplies and/or services is subdivided resulting in its coming outside the scope of the Directives.

Please note

The audit services will take action where the aggregation rules are not applied or where contracts have been artificially divided to avoid the thresholds.

8. Audit

All quotes and decisions made on which to accept a specific tender must be retained for audit purposes (See Appendix 2 Record Keeping)

9. Purchasing authority

The final purchasing decision rests with the Chief Executive officer after consultation with the Board of Trustees

Appendix 1

Preparation and Planning

Agreeing the specification, managing conflicts of interest and agreeing the criteria Agreeing the specification

ESF guidance recommends that the specification is developed by a team of 4 to 8 persons including those who will be involved in the day to day delivery, the person who will have overall responsibility for the compliance of the procurement, the finance director and relevant specialists.

Prior to drafting the specification the panel should consider:

- What is Giroscope Limited asking the market to provide and why?
- What are the main considerations for Giroscope Limited?
- What are the critical success factors?
- Are there alternative ways to achieve this outcome?
- What scope is there to purchase ready-made solutions or does a solution need to be developed?
- What is the anticipated budget? What steps can be taken to achieve value for money?
- What are the minimum requirements to obtain the necessary goods, works or services?
- Does the specification contain all the information needed for the market to be able to respond to the notice?

Conflicts of interest

A conflict of interest occurs when an individual or organisation has more than one interest in a contract, leading to a risk of biased or corrupt decision making or the perception of such. The audit of ESIF takes a very strict approach to situations where a conflict of interest could occur. It is therefore necessary to:

- identify all potential conflicts of interests (for example, a director of Giroscope Limited who is a shareholder or director of a company which plans to bid for the contract) at the earliest opportunity;
- make staff aware of the process to declare a conflict of interest during the procurement process; and
- keep records of how conflicts are managed

N.B Failure to identify, prevent and remedy potential conflicts may lead to 100% correction

Selection and Award Criteria

There are two distinct types of evaluation criteria: selection and award criteria. It is important that ESIF grant recipient's procurement processes keep the two types of criteria separate.

Failure to do so, for example including assessments of qualitative criteria such as experience as part of the award criteria is likely to result in a correction when audited.

In simple terms:

- Selection criteria aim to establish "does the bidder have the capability to deliver the contract? and
- Award criteria aim to establish "based on the proposal to deliver the contract which bidder is the best?"

Selection Criteria assess the ability of the tenderer to perform a contract based on information relating to economic, financial, technical and/or professional capability (for example, their previous experience and qualifications).

The selection criteria, sub-criteria and any weighting applied to each must be proportionate to the requirement in question. The requirements must be publicised in an OJEU notice or in the Pre-Qualification Questionnaire (PQQ)/tender documents.

The aspects which can be evaluated as selection criteria are set out in Regulations 23 to 26 of the Public Contracts Regulations 2006.

Award Criteria are specific to how the bidder intends to deliver the contract (for example cost, quality, timescale).

The assessment of the Award Criteria may be made on the basis of either:

- the lowest price; or
- the 'Most Economically Advantageous Tender' ("MEAT") which balances cost against other considerations.

□

When applying MEAT criteria a contracting authority must apply criteria directly linked to the subject matter of the contract including quality, price, technical merit, aesthetic and functional characteristics, environmental characteristics, running costs, cost effectiveness, after sales service, technical assistance, delivery date and delivery period and period of completion.

Further information can be found at Regulation 30 of the Public Contracts Regulations 2006.

The criteria, sub-criteria and weightings to be applied must be disclosed in the OJEU notice or in the invitation to tender documents.

The award criteria must be objective, relate to the subject matter of the contract, be proportionate and transparent.

Award criteria are governed by Regulations 30 to 32 of the Public Contracts Regulations 2006.

APPENDIX 2

RECORD KEEPING

1. Records must be maintained for verification until at least the end of 2033 unless otherwise informed. It is the ESIF grant recipient's responsibility to ensure that delivery partners and other subcontractors who are subject to audit hold appropriate documentation.
2. By way of example, in an audit of a Public Procurement Law contract, an auditor (whether part of the ESIF Compliance team, the Audit Authority team, the European Commission audit team or the European Court of Auditors) would expect to see as a minimum:
 - a. Explanation of procurement procedure selected with justification
 - b. Copy of OJEU notice or relevant advertisement and OJEU Prior Information Notice (PIN) if applicable (including for Framework Agreements)
 - c. Lists of Expressions of Interest
 - d. PQQ template including the associated selection criteria (where used) and log of responses received (where relevant)
 - e. PQQ scoring matrix
 - f. Completed PQQ individual score sheets and summary sheet
 - g. Copy of tender specification with clear award criteria
 - h. Log sheet for all tenders received (time and date)
 - i. Tender evaluation matrix
 - j. Copy of all tenders
 - k. Copy of tender score sheets dated and signed by two people and summary sheet
 - l. Copy of OJEU award notice

- m. Copy of tender evaluation report
 - n. Copy of correspondence, including interview questions and clarification questions where appropriate
 - o. Copy of letters to unsuccessful tenderers giving an appropriate standstill period (where appropriate)
 - p. Copy of award letter /signed contract
 - q. Copy of notes from inception meeting
 - r. Summary record of the above process to assist with future monitoring and audits – Tender Evaluation Report
 - s. Framework – core document (where relevant)
3. Those documents highlighted in red are the minimum core documents that will need to be submitted to the Managing Authority, as soon as they are available, for all OJEU level procurements. This is likely to be during the application process or prior to submission of the first claim. Wherever possible, documents should be submitted electronically.
4. Contracts subject to the Public Contracts Regulations 2015 and above €10m for works and €1m for supplies and services also have to follow record keeping requirements at Regulation 84 of the Public Contracts Regulations 2015.