



**Council**  
**21 November 2018**  
**Procurement policy review**

<b>Classification</b>	Public
<b>Purpose</b>	For decision
<b>Issue</b>	The paper sets out a revised approach to procurement for inclusion in the Governance Handbook.
<b>Recommendation</b>	To agree the revised approach to procurement as detailed in the paper.
<b>Financial and resourcing implications</b>	None
<b>Equality and diversity implications</b>	None
<b>Communications implications</b>	None
<b>Annex</b>	Procurement of services: extract from Governance Handbook
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## Background

1. The General Osteopathic Council (GOsC) procurement of services policy is set out in the Governance Handbook, the detail of which is annexed to this paper.
2. It has been some years since the approach to procurement was reviewed and we have recently encountered challenges specifically with the drafting around the procurement criteria, which the Executive considers to be too prescriptive, for example detailing the composition of tender panels.
3. A uniform approach does not provide sufficient flexibility and the Executive has, on a number of occasions, needed to seek Council permission to waive the procurement approach, the most recent case being for the IT cloud tender.

## Discussion

4. Lorraine Donaldson, Registration and Resources Assistant, contacted our fellow healthcare regulators to seek information on their approach to procurement. In reviewing the procurement documents, Lorraine identified the following as being good practice:
  - a. A clear definition of what is covered within the approach to procurement so there is an understanding of the policy and/or procedural intent
  - b. Key principles which cover areas such as quality and value for money
  - c. Links to relevant legislation and other resources such as those in relation to EU Threshold limits
  - d. Clear authority limits which set out the involvement of the governance structure where appropriate.
5. The review of the procurement policies also identified a significant range in the detail contained within them, with one procurement policy being 19 pages in length. This level of detail is not felt to be proportionate and our revised approach sets out a more strategic framework within which we can procure the services we need to operate our business.
6. It is suggested that the opening statement and principles within our current procurement policy remain relevant, with only a few amendments suggested. These are:
  - a. To add in a new principle requiring advice to be sought from the Director of Fitness to Practise as to any legal implications arising at the start of a procurement process, and for their involvement to be required when drawing up contractual arrangements following the conclusion of a procurement process.

- b. To insert links to The Public Contract Regulations 2015 and the EU Procurement Directive (OJEU).
  - c. To amend principle 2(f), which refers to the procurement criteria which the Executive suggest is removed. See paragraph 7 for further information.
7. The Executive suggests that the significant change to the procurement policy is the removal of the current procurement criteria to be replaced by the table below, which sets out: the value of procurement; the involvement of the governance structure, where appropriate; the procurement methodology, and the sign-off authority.

<b>Procurement value<sup>1</sup></b>	<b>Governance involvement</b>	<b>Procurement approach</b>	<b>Sign off authority</b>
Up to £10,000	Not required	One written quote	Department head
£10,000 - £35,000	Not required	Three written quotes	Department head plus Chief Executive and Registrar and/or Director of Registration and Resources
£35,000 - £180,000	Business case and tender document signed off at appropriate Committee level or at Council	Public tender	Procurement decision delegated to panel <sup>2</sup> . Decision reported back to Committee or Council
Over £180,000	Business case and tender document signed off at appropriate Committee level or at Council	Full OJEU public tender	Procurement decision delegated to panel <sup>3</sup> . Decision reported back to Committee or Council

**Recommendation:** to agree the revised approach to procurement as detailed in the paper.

<sup>1</sup>Calculated over the anticipated lifetime of the contract.

<sup>2</sup>The nature of the services being procured will determine whether expertise from the Governance structure is needed on the tender panel. For example, provision of financial audit services will involve expertise from the Audit Committee, whereas the procurement of IT services is less likely to require input from members of the Governance structure on the tender panel.

<sup>3</sup>A tender panel considering procurement of services using a full OJEU tender process will almost certainly require input from members of the Governance structure.

## **7.9 Procurement of services**

### *Principles*

1. It is the duty of all those engaged in the procurement of goods and services for the GOsC to ensure that contracts are reviewed on a regular basis to ensure they represent value for money, while having due regard for quality and sustainability.
2. There are a number of principles which underpin the procurement of services:
  - a. All procured goods and services should be obtained on the most economically advantageous terms and assessed using objective criteria.
  - b. All procured goods and services should strive to ensure the best quality is achieved for the price being paid.
  - c. Those individuals procuring goods or services should have regard for all relevant legislative requirements under The Public Contracts Regulations 2015 and any relevant EU Procurement Directives.
  - d. Contracts should be reviewed on a regular basis having due regard for latest best practice, e.g. external financial audit.
  - e. Contracts should be reviewed on a regular basis having due regard to the competitiveness of relevant markets, e.g. utilities and insurance.
  - f. Those individuals procuring goods or services should have regard for the procurement criteria as specified in paragraphs 5 and 6 below.
3. The Chief Executive is authorised to sign all contracts on behalf of the GOsC.
4. The procurer of the goods or services will, where the value of the contract is over £25,000, inform the Director of Registration and Resources so that the details of the contract can be added to the list of procured goods and services published on the GOsC website.

### *Procurement criteria*

#### *Contract value £5,000 to £50,000*

5. All contracts with an anticipated value between £5,000 and £50,000 will be subject to the process for procurement of services as set out below, unless otherwise varied by Council.
  - a. The relevant head of department will prepare an invitation to tender document setting out the specification for goods or services.
  - b. The relevant head of department will consult with the Director of Fitness to Practise on the legal implications of any tender process (including any

requirement arising from EU Procurement Directives), and shall comply with the requirements.

- c. Where no legal requirement exists, or the number of suppliers is not specified, the relevant head of department will arrange for at least three suppliers to tender.
- d. At least one of the Chief Executive, Director of Registration and Resources or Director of Fitness to Practise, will sit on the selection panel considering the tender.
- e. The selection panel shall assess the tenders and make a recommendation on which of the potential suppliers best meets the requirements set out in the invitation to tender.
- f. The final award of contract will be subject to a legal review by the Director of Fitness to Practise seeking specialist advice where required.

### *Contract value greater than £50,000*

- 6. For tenders where the anticipated value is greater than £50,000, a number of additional steps to those set out in paragraph 3 will apply. These are:
  - a. A business case, procurement strategy and project initiation document will be submitted in advance of the procurement for approval by the relevant committee or by Council.
  - b. The procurement panel will include the Chair of Council or another Council member.
  - c. The final award of contract will be subject to agreement of the procurement panel.
  - d. A contract award notice will be published on the GOsC website.
  - e. The outcome of the procurement will be reported to the relevant Committee and/or to Council.
  - f. Where, for any reason, the cost of the procured goods or services increases by 10% or more, or where a significant delay is anticipated, the circumstances will be reviewed by the original tender panel.
  - g. The outcome of the review at f. will be reported to the relevant Committee and/or Council, and be open to review by the Audit Committee.
- 7. Where at the outset of a procurement process it is not clear whether the contract value will or will not exceed £50,000, then the process at paragraph 6 should be followed.