

## Procurement Policy

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## **1. Guiding Principles**

### **1.1 All procurement should be subject to competition.**

A competitive process provides the best opportunity to procure goods or services with value for money. All procurements above £5k will involve competition as set out elsewhere within this policy. There may be occasional but valid exceptions to this principle, arising from the nature of the requirement; in such circumstances the approval of the Ombudsman (or in his absence the Chief Operating Officer), as Accounting Officer, is required.

### **1.2 All procurement should be conducted on a value for money basis.**

Value for money includes the whole life costs, quality and appropriateness for purpose. Although cost is the major consideration other appropriate factors should be evaluated as part of the process (e.g. environmental impact, service level standards, cost of switching suppliers, information security implications).

### **1.3 All procurement should consider sustainability issues.**

Sustainability issues should be addressed at the appropriate stages in the procurement process (normally the specification and evaluation stages). Cost and affordability must be taken into consideration. In some instances, particularly when environmental issues are relevant, sustainable procurement can reduce whole life costs and improve quality through recycling or reducing disposal costs.

### **1.4 All procurement should be fair, open and transparent.**

The scale of the Ombudsman's procurement will not generally result in it falling within the European Union procurement rules. Note however that European procurement thresholds apply to the total, rather than annual, value of contracts.

### **1.5 The principle of not favouring, or putting at a disadvantage, any potential supplier should be applied. All processes should be seen to be conducted in a fair manner. A well managed procurement, with a well defined requirement from the outset, will help enable a successful outcome. Goods and services being sought should be defined as closely as possible; procurement failure usually points to a badly defined requirement.**

1.6 Where a decision is taken to seek the best offer of service / supply for a sum specified by PSOW, the specification will highlight the minimum requirement and the broad areas of additional value that may be taken into account. In such circumstances it is important that PSOW is satisfied that there will be sufficient competition to secure good and competitive offers.

1.7 **Encouraging smaller local suppliers.**

Consideration should be given to using local firms and small businesses if they can provide an appropriate service delivery at competitive cost.

## **2. Procurement processes**

### **2.1 Use of external agencies**

Due to restrictions within the PSOW Act the Ombudsman is prevented from entering into any service agreement with bodies under his jurisdiction. In the event that an external agency is utilised it is essential that the full cost is evaluated to ensure that it represents best value.

### **2.2 Business case and authorisation**

If the estimate of cost is in excess of £25k per annum, a business case containing the outline specification for the required service must be prepared to justify the procurement activity and expenditure. The critical success factors must be SMART: Specific, Measurable, Achievable, Realistic and Time bound.

It should be ensured that end users of the goods or services are involved in the setting the requirements specification.

A discussion must then be held with the COODOI and or CSM regarding budget and estimate contract worth. Authority to proceed for procurement less than £25k can be given by the relevant authorised signatory or signatories as defined in section 21 of the PSOW Financial Policies. Procurement for services in excess of £25k can only be authorised by the COODOI or Ombudsman (or staff with delegated authority to act at that level due to absence).

### **2.3 Implementation plan:**

Dependent upon the size of the procurement and estimated budget allowed (see sections 3,4 and 5), a plan should be prepared to ensure that all the tasks and deliverables are identified in sufficient detail.

The approach to the supplier selection and evaluation should be clearly defined from the outset.

### **2.4 Terms and conditions**

Consideration should be given as to whether standard terms and conditions for any contractual arrangement should be used. If there is uncertainty concerning the best approach to adopt, advice should be obtained from Value Wales.

## 2.5 **Evaluation processes**

There should be clear evaluation processes incorporated into the documentation forwarded to prospective suppliers.

## 2.6 **Evaluation Interviews**

It may be appropriate to hold evaluation interviews with potential suppliers.

## 2.7 **Notification of award of contract**

Successful and unsuccessful bidders should be notified in writing. Unsuccessful bidders should be offered the opportunity of an appropriate debrief, as a debriefing can help suppliers to improve their competitive performance. It can also help to identify ways to improve the process for the next time, and perhaps improve on communication.

## 2.8 **Contract Register and transparency**

Following the appropriate decision to appoint, the contract details and copy of the signed contract are to be recorded on SAGE ACT which is used for the purpose of a Contract Register.

All contracts details on the contract register are to be published via the PSOW website annually as at the end of the PSOW financial year

## 2.9 **Ongoing contract management processes**

The contract management arrangements should be built into the contract depending on the type of contract.

When problems arise, they should be dealt with promptly - this requires good communication channels, aimed at delivering "win-win" outcomes.

There should be regular monitoring of supplier performance against agreed service levels. The aim should be to continuously improve in performance or increase value for money.

## **3. Single suppliers**

3.1 It may be necessary to use a single supplier. This could be that

- the requirements are specific; or
- the supplier has already undertaken work of a similar nature already; or
- the supply will be an addition to an existing contractual arrangement.

3.2 In such circumstances, the specific approval of the Ombudsman or Chief Operating Officer and Director of Investigations is required for procurements above £25k

#### **4. Procurement £25k or under**

- 4.1 No formal tender process is required for the procurement of goods and or services for less than £25k per annum. However, the Ombudsman reserves the right to conduct a tender process if it is considered appropriate.
- 4.2 The factors detailed in section 1 of this policy must be considered and best value must always be sought in the purchase of all goods and services.
- 4.3 For procurements between £5k and £25k three separate quotations for the required goods/services should be sought unless section 3 single or nominated supplier conditions are applicable.
- 4.4 All procurement for goods/services in excess of £20k must be reported to the Audit & Risk Assurance Committee via the standard 'items to report' agenda item and form.

#### **5. Procurement in excess of £25k**

- 5.1 A documented tender process must be followed for procurement of goods or services in excess of £25k per annum, unless section 3 'Single Suppliers' applies.
- 5.2 The successful tender will be decided based upon best value and not necessarily the lowest price. The criteria to be used in evaluation, together with any weighting, must be included in tender documents.
- 5.3 A minimum of three organisations should be invited to tender, or the tender process can be made open via publishing on the PSOW website. In exceptional circumstances advertisements in relevant regional / national media may be required.
- 5.4 The 'Tender Document' must be finalised (see appendix A for the required contents of tender document) before the tender is publicised.
- 5.5 Tenderers should be notified that they must return documents to Corporate Services in an envelope clearly marked on the front with the tender details. No details, including post franking labels, of who has submitted the bid are to be disclosed on the envelope containing the tender submission.
- 5.6 Tenders must be opened in the presence of three people; one of whom must record the details of the submissions received, and all will sign to confirm the record..
- 5.7 The tender decision form (see appendix B) must be completed.
- 5.8 The initial assessment of the submitted tender applications should be based upon the ability of the applicants to demonstrate that they have;
  - the financial stability to carry out the contract being tendered
  - satisfactory equality policies in relation to the services to be provided
  - be of good standing

- 5.9 The decision to appoint a service provider (for goods or services over £25k following a formal tender process) must be authorised by either the Ombudsman or the Chief Operating Officer / Director of Investigations.
- 5.10 The normal term is to offer a three year term, with a possible two year extension subject to agreement of both parties.
- 5.11 In the event that there is no completed tender returned, or if there is no acceptable tender received, the tender process must begin again.
- 5.12 All successful tender process documents, must be retained for six years from the date of awarding the contract. All unsuccessful tender documents are to be kept for two years following the tender decision date.
- 5.13 Since all procurement for goods/services in excess of £20k must be reported to the Audit & Risk Assurance Committee via the standard ' items to report' agenda item and form, any procurement in excess of £25k must therefore also be reported
- 5.14 Due to potential EU procurement requirements, legal advice should be sought when considering contracts in excess of £150,000 in total value (i.e. annual value multiplied by maximum contract term).

## 6. Authority levels

- 6.1 Authority levels are set out in Section 21 of the PSOW Financial Policies.
- 6.2 The list of current PSOW staff authorised to sign and at what level is detailed in Appendix A and B of the PSOW Financial policies, along with the Ombudsman's authority for them do to so.
- 6.3 Whilst the PSOW financial policies are a public document, to minimise the risk of fraud the appendices to the PSOW financial Policies are not to be published externally.

Policy Owner	John Young
Policy reviewed / approved by <management team / or review group>	July 2015
Due date of next Review	Quarter 1 2017/18 (2 year review period)
Date of Equality Impact Assessment	July 2015
For publication to :	Intranet (Yes / No) YES PSOW website (Yes / No) YES

## **Appendix A**

Invitation to tender template suggested contents list

# **Tender Document**

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#### Section VII

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### **Part 3 – Tender application Form**

# Tender decision scoring form

# Appendix B

Tender exercise name:

Company Name:

Category	Weight x	Rating					Total
Financial Stability		1	2	3	4	5	
Equalities policies		1	2	3	4	5	
Company standing / Image		1	2	3	4	5	
Customer Base / references		1	2	3	4	5	
Expertise		1	2	3	4	5	
Resource		1	2	3	4	5	
Customer Contact		1	2	3	4	5	
Process		1	2	3	4	5	
Innovation		1	2	3	4	5	
Cost AND Value		1	2	3	4	5	

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

2 authorised signatories required for authority over £500 - £25k (s21 of PSOW financial policies)

3 authorised signatories for formal tender decisions in excess of £25k

**Appendix C – example tender documents and decision scoring forms**

**Tender decision scoring form**  
 Tender exercise name: *Example*  
 Company Name: *A.C.M.E.*

Category	Weight x	Rating					Total
		1	2	3	4	5	
Financial Stability	<i>5</i>				<i>4</i>		<i>20</i>
Equalities policies	<i>5</i>				<i>4</i>		<i>20</i>
Company standing / Image	<i>5</i>			<i>3</i>			<i>15</i>
Customer Base / references	<i>10</i>			<i>3</i>	<i>4</i>		<i>30</i>
Expertise	<i>10</i>				<i>4</i>		<i>40</i>
Resource	<i>5</i>				<i>4</i>		<i>20</i>
Customer Contact	<i>10</i>			<i>3</i>			<i>30</i>
Process	<i>5</i>			<i>3</i>			<i>15</i>
Innovation	<i>5</i>			<i>3</i>			<i>15</i>
Cost AND Value	<i>10</i>			<i>3</i>			<i>30</i>
							<i>235</i>

Signature \_\_\_\_\_ Date *1/4/15*  
 Signature \_\_\_\_\_ Date *1.4.15*  
 Signature \_\_\_\_\_ Date *01/04/15.*

2 authorised signatories required for authority over £500 - £25k (s21 of PSOW financial policies)  
 3 authorised signatories for formal tender decisions in excess of £25k

# Tender Document

## Table of Contents

### PART 1 – Tendering Procedures

#### Section I

##### Introduction to PSOW

The office was established under the Public Services Ombudsman (Wales) Act 2005 and has two specific roles. The first is to consider complaints made by members of the public that they have suffered hardship or injustice through maladministration or service failure on the part of a body in jurisdiction. The second role is to consider complaints that members of local authorities have breached the Code of Conduct.

Bodies within the jurisdiction of the Public Services Ombudsman for Wales (PSOW) include local councils, the National Health Service, housing associations, social care providers and the Welsh Government. The office can investigate complaints made by members of the public that they have suffered hardship or injustice through maladministration or service failure.

The Ombudsman is an independent public official appointed by HM The Queen on the nomination of the National Assembly for Wales. Around 55 staff work with the Ombudsman and are based at offices in Pencoed, near Bridgend.

The Ombudsman prepares an Annual Report which is laid before the National Assembly for Wales. This is available on the PSOW website.

#### Section II

##### Overview of service required and main contract terms

The Ombudsman is inviting tenders for the provision of.....

##### Length of contract

The contract will be for a <two?>year term, commencing xx/xx/xxxx with the option to extend to a total of <three?> years by mutual agreement.

##### Location

It is expected that the work will generally be undertaken <remotely >/ <Onsite at our offices in Pencoed> using <electronic records and telephone / video interviews> / <face to face meetings>. Electronic copies of relevant records, recordings etc will be made available to <the service provider>. <Office space can however be made available within the PSOW's office in Pencoed if and when required for the .....>.

##### Confidentiality

All records, working papers, reports and other information held by the <service provider> in fulfilling this contract will remain the property of the PSOW. At the end of the contract all applicable paperwork must be returned to the PSOW or disposed of in a manner agreed by PSOW.

Any records (paper and electronic) must be securely stored with appropriate security measures in place. Disposal of any hard copy documents must be in a manner agreed by PSOW. The <service provider> is responsible for ensuring any records are thoroughly removed from any computers, servers, hard disks before any of these are disposed of.

The <service provider> will be required to comply with the Ombudsman's Information Security Policy, a copy of which will be made available.

The <Service Provider> must undertake not to publish or communicate the results or content of any of their work to anyone other than the PSOW and the complainant. This undertaking continues beyond the life of the contract.

Any breach of confidentiality of contract or of restricted information will constitute a material breach of contract and enable the Ombudsman to terminate the contract.

### **Pricing**

All pricing should be submitted in GBP. VAT rates must be quoted if applicable as PSOW is not registered for VAT and therefore cannot reclaim VAT charged.

<include specific pricing requirements e.g. hourly / daily day rates, or variable amount based upon service etc>

<include any ability to reclaim expenses / travel etc>

## **Section III**

### **Instruction to Tenderers**

Completed Tender application Forms must be received by <name / or department> / Address before <time> on XX/XX/XXXX.

Applications should be submitted to <' TENDER NAME> / Recipient name and postal address> or via email to [XXXXXXXXXX@ombudsman-wales.org.uk](mailto:XXXXXXXXXX@ombudsman-wales.org.uk) (please title the email subject header ' TENDER NAME'.

## **Section IV**

### **The tender process**

An indicative timetable is outlined below. The PSOW reserves the right to amend the dates if required:

- Application deadline xx am/pm <xx/xx/xxxx>
- Tender Analysis <xx/xx/xxxx>
- Interview with short-listed Service Delivery Reviewers (only if applicable) <xx/xx/xxxx>

- Award contract subject to agreeing terms and conditions <xx/xx/xxxx>
- Contract start date <xx/xx/xxxx>

## **Tender application terms and conditions**

### **Confidentiality**

The <service provider> will not issue any public statements or otherwise disclose any information concerning this tender document, the process and its participation in the process without the prior written approval of the PSOW.

### **Legal Disclaimer**

This tender document is an invitation to propose and does not in any manner create an offer or other obligation on the part of the PSOW to enter into any contract. All expenses and costs incurred by the applicant in completing, submitting and delivering the bids, together with any costs incurred during the post tender stage, will be to the applicants account. The PSOW are not bound to accept the lowest or any bid.

### **Use of Information**

This tender document and any other information furnished hereunder shall be used solely for the purpose of responding to this invite. Reproduction of any part of this document is authorised only to the extent necessary for the preparation of your response. The applicant shall ensure that all such copies are destroyed when no longer required in connection with this application. The above shall supersede any confidentiality agreements between the PSOW and the applicant.

## **Section V**

### **Evaluation and Qualification Criteria**

Upon receipt the PSOW will review and evaluate the proposal. The PSOW may request clarification if there are questions concerning the proposal.

Proposals will be evaluated on:

- Financial Stability
- Equalities policies
- Company standing / image / customer base / references
- Expertise
- Resource
- Customer service
- Understanding of process and innovation
- meetings with reviewers (those that are short-listed, if appropriate); and
- Value for money

## **PART 2 – Specific Requirement**

### **Section VI**

#### **Specification document**

<Insert Specific details of contract requirements>

### **Section VII**

#### **Budgetary considerations**

<If applicable , it may be decided prior to the tender exercise to include within the tender documentation a specific maximum budget if the tender process involves the potential service provider to potentially identify new and innovative ways of providing the service required>

# Part 3 – Tender application Form

## SECTION 1 : Main details

<b>Name of Company</b>	
<b>Head Office address</b>	
<b>Local Office address</b>	

Please fill in the following details about the person in your organisation who will be the main contact for your application.

<b>Contact (Title/full name)</b>	
<b>Position / Job Title</b>	
<b>Address for correspondence including postcode</b>	
<b>Email address</b>	
<b>Contact Telephone number</b>	

## Section 2 :History and financial stability

<b>Number of years trading</b>	
<b>Last 2 years financial accounts included?</b>	
<b>Further details</b>	

### **Section 3: Equalities policies**

<p>Please provide details of your commitment to equality of service (with reference to any internal equality policy or process)</p>	
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### **Section 4: Corporate and public image**

<p>Please provide details of your Corporate image and your understanding of the goodwill and public perception of such.</p>	
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### **Section 5: Customer base and customer references**

<p>Please provide details of your customer base and quote examples of customers who you provide a similar service for. Please also attach any customer references that would be relevant to the services being applied for.</p>	
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### **Section 6: Expertise**

<p>Please provide details of the skills and expertise available to you in relation to the services required.</p>	
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### **Section 7: Resource**

<p><b>Please provide details of the size of your organisation and also the resources available to you with respect to fulfilling this contract.</b></p>	
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### **Section 8: Customer service**

<p><b>Please provide details of how your company manages each contract you are awarded especially relating to continuity of account contact.</b></p>	
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### **Section 9: Understanding of process / services being requested**

<p><b>Please provide details of how your company would provide the necessary services required.</b></p>	
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**Section 11: cost**

<p>Please provide details of the charges that would be applicable for the successful completion of this contract. (i.e. hourly / daily / ad hoc rates) plus detail any additional charges that would apply</p>	
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**Section 12: example contract**

<p>Please attach an example of contract of service that you propose.</p>	
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You are welcome to attach any further promotional material / presentations, but please note that the initial assessment will be based upon the completion of the above form.

Attached: <please detail any attachments / enclosures>

Signed.....Name.....

Job Title.....Date.....