

NORTHFIELD TOWN CENTRE BID LIMITED PROCUREMENT POLICY

POLICY/ DOCUMENT PURPOSE STATEMENT

This document sets out the policy of Northfield BID regarding the purchasing of goods and services including consultancy and professional services.

It also outlines the formal purchasing strategy that aims to benefit the town centre in the procurement of all commodities and services.

The BID Company is funded by a levy on businesses within the defined scope of the Business Improvement District and therefore is not required to conform to Public Procurement Directives.

APPLICATION

All Northfield BID staff employed by Northfield Town Centre BID Limited who procure supplies or services should use this policy.

Under this policy all goods and services should be acquired by competition, and all purchasing should be based on good practice, facilitating a decentralised but co-ordinated system of purchasing as a mechanism for obtaining best value and “value for money” (VFM), whilst ensuring compliance with relevant procurement directives.

INTERPRETATION

Further guidance on the use or interpretation of this policy may be obtained from the BID Town Centre Manager.

IMPACT ASSESSMENT

Issue	Age	Disability	Gender	Race	Religion or Belief	Sexual Orientation
Level of Impact	L	L	L	L	L	L

1. Introduction

- 1.1 This document sets out the policy of Northfield BID regarding the purchasing of goods and services including consultancy and professional services.
- 1.2 It also outlines the formal purchasing strategy that aims to benefit Northfield BID in the procurement of all commodities and services.

- 1.3 The purchasing of goods and services represents a significant proportion of the Northfield BID's total expenditure. Efficient purchasing will provide the Northfield BID with real opportunities of achieving best value and value for money (VFM) and reducing operating costs through lower prices for goods and services whilst helping to improve trade amongst Northfield BID levy payers.
- 1.4 Procurement should be co-ordinated, enabling the aggregation of requirements combined with a reduction of the number of suppliers used, including consideration of the use of call off contracts /orders as a means of reducing the administrative costs of raising and processing a large number of small value orders.

2. Strategic Objectives

- 2.1 The Northfield BID believes that goods and services should be acquired by competition and that all purchasing should be based on good practice and is in accordance with the following objectives;
 - to promote the delivery of value for money through good procurement.
 - to give Northfield BID levy paying businesses the opportunity to have some degree of precedence in the supply of goods or services.
 - to give due consideration to good governance, and to ensure transparency of arrangements.
 - to facilitate the development of an effective and co-ordinated purchasing effort.
 - to identify opportunities for working with others, in order to widen the scope for maximising purchasing power and identifying innovation.
 - to give consideration to sustainable ethnic, social and environmental policies.
 - to comply with all relevant UK legislation.
 - to develop appropriate management information in order to measure the performance, best value and VFM achieved in purchasing by the Northfield BID.

3. Strategic Development

- 3.1 The BID Town Centre Manager will be responsible for the implementation of the Procurement Strategy.

4. Organisation

- 4.1 The BID Town Centre Manager or BID Operations Support Officer will be responsible for ordering and authorising payment of purchases.
- 4.2 Staff involved in purchasing are expected observe financial regulations and procedures related to purchasing at all times.

4.3 The Northfield BID requires all staff members involved in purchasing, irrespective of the source of funding, to obtain supplies, equipment and services which are the most cost effective, whilst considering environmental aspects.

When determining best value factors to be considered will include;

- Purchase cost (including firmness of price)
- Fit with sustainable development considerations
- Length of warranty (or period of free maintenance) and annual maintenance charges thereafter
- Installation & running costs (or other ongoing costs including staffing implications)
- Scrap or sale value
- End of life disposal costs

4.4 Grant Awards. To support the BID Priority “Promoting Northfield”, the BID must have due diligence when considering funding events to ensure that the BID’s reputation is kept in high regard and not to bring the BID company into disrepute. Therefore should Northfield BID consider funding such events within the BID area, the proposer of the funding proposal must complete an up to date funding proposal, and submit the following documentation to ensure the all contingencies have been considered before approaching Northfield BID for a funding contribution:

- Constitution or governing processes;
- Valid public liability insurance cover;
- Risk Assessment (including any hostile mitigation plans, if applicable);
- Safeguarding policy and procedure for children and vulnerable adults;
- Declaration of interest for any organisation officers, directors/trustees or volunteers and their relationship and/or nature of conflict of interest (if any).

5. Authority to Purchase

5.1 Authority to place orders can only be formally delegated to other named responsible staff member by the BID Town Centre Manager.

5.2 The authorised signatory certifying the invoice for payment may not be the member of staff responsible for authorising the purchase order.

5.3 The BID Town Centre Manager and staff funded by the BID levy are not authorised to commit the Northfield BID to any expenditure without ensuring that sufficient funds are available to meet the purchase cost of the goods or service. All purchases must conform to financial regulations and procedures at all times.

6. Purchasing Procedures

- 6.1 With all purchases, the order must clearly indicate the nature of the goods or service, and if applicable refer to any agreed price, quotation or tender submitted.
- 6.2 The ability of a supplier to meet the Northfield BID's requirements should be assessed before any contract is awarded or order placed. The BID Town Centre Manager or BID Operations Support Officer will be responsible for examining a supplier's conditions of sale to ensure they do not materially prejudice the Northfield BID.
- 6.3 Sourcing Locally – our philosophy is that Northfield BID will always try and source services and supplies within the BID area. Where a business which is liable to pay a BID levy can provide a service, this must be used in preference to other suppliers.

7. Quotations and Tenders

Purchases with a value of:	Process to be followed.
Under £4,999	Minimum of 1 written quote obtained
£5,000 - £24,999	3 written quotes obtained by BID Town Centre Manager
£25,000 +	Competitive tendering required

- 7.1 The above criteria may be varied according to the supply base and provider base for the required products and services. Where the product or service is specialist in nature with a limited range of suppliers or qualified providers, or a justifiable case can be made, a more limited comparison including single supplier sourcing can be accepted.
- 7.2 In circumstances where the procurement exercise is less extensive than is specified in the policy, and where the value is less than £20,000 the BID Board Chairman or a Director acting in that capacity, should put on file a record of the reasons for the deviation from the standard procurement policy. Where the value is greater than £20,000, the Board should be informed of any proposed deviation from standard procurement policy for ratification. Where a formal tender process is adopted, records will be kept to demonstrate the procedure undertaken and to evidence the basis of the selection of the chosen supplier or service provider.

The principal criteria for selection of suppliers and service providers will be:

- Affordability
- Value for Money
- Ability to deliver to specification / fitness for purpose

Where suppliers and service providers cannot be distinguished on these or other key criteria, preference will be given firstly to companies which are based in Northfield and fall within the scope of the BID. The BID will consider other suppliers and service providers who do not fall within the scope of the BID area, in place order:

- Northfield Constituency
- Birmingham
- Nationwide

7.3 Contracts / agreements with a value in excess of £5,000 cannot be awarded without at least three suppliers being invited to quote. In the interest of demonstrating best value and VFM the Northfield BID requires that quotes should be obtained for all supplies in excess of £100.

7.4 Tender and quotation evaluation should take account of all relevant costs, including acquisition, servicing, performance/maintenance and disposal.

8. Tendering Procedures

8.1 Competitive tendering must occur for all procurement exceeding £25,000 in value.

8.2 Tenders will be invited from a list of approved contractors or suppliers.

8.3 Except in the case of specialist supplies where alternatives are not available (or in emergency situations) at least 3 suppliers are required to tender.

8.4 Invitations to tender will be sent by letter by the BID Town Centre Manager or BID Operations Support Officer. Invitations will give particulars of the work or supply and will give a closing date and time for submission of the tender, including instructions for return.

8.5 The closing date must be strictly adhered to. Tenders received after the closing date will not be considered. Tenders received prior to the closing date and time will be held, unopened by the BID Town Centre Manager or BID Operations Support Officer.

8.6 Tenders will be opened by nominated individuals, who will ensure that on opening tenders are date stamped with the date of opening and signed by the persons present at the opening (of the tenders).

A record of tenders will also be completed and signed by the persons present at the opening (of the tenders).

- 8.7 The decision to opt for a particular supplier must be taken with due consideration to the tender price, whether they are a BID levy paying business or not, located within the BID area, quality of service and cost effectiveness. If the lowest tender price is not accepted a written record of the reason will be recorded.

Post tender negotiations may be conducted in limited circumstances to benefit the Northfield BID, and only in such a manner as to be equitable to all tenderers.

- 8.8 Successful tenderers will be informed in writing and standard documentation will be used to inform unsuccessful tenders.

9. Sustainable Purchasing

- 9.0 The Northfield BID will consider environmental and social responsibility as a factor in all of its purchasing decisions, and recognises its responsibility to carry out its purchasing activities in a sustainable manner.

- 9.1 Before buying any product or service the following questions should be asked;

- Is the product or service required?
- Can the need be met in any other way?
- Can we meet this requirement by renting, leasing or sharing rather than buying?
- Is the specification right? Is it “fit for the purpose”, the appropriate quality (not over or under specified) and the correct quantity?
- Can the product serve any useful purpose after its initial use?

Wherever possible the Northfield BID will give preference, where items are of a similar cost, to those that are;

- Manufactured with a high-recycled content;
- Biodegradable or able to be recycled or reused;
- Energy, water and resource efficient;
- Packaged appropriately, not excessively using packaging that is recyclable or re-usable;
- Non-polluting during production, working life and on disposal;
- Durable, easily upgraded and repairable;
- Not categorised as “Special Wastes” entailing additional disposal costs and procedures;

From suppliers

- who are based locally, and particularly those who are BID levy payers and if not, subsequently within the BID area but not a BID levy payer;
- who are committed to environmental transparency and improvement;

- who do not exploit child labour or labour and economies in the developing world and adhere to Fair Trade Standards;
- who supply environmental handling and disposal information.

The Northfield BID will strive to;

- Comply with all relevant environmental legislation;
- Encourage and persuade suppliers to operate environmentally friendly processes and supply environmentally friendly products;
- Educate its suppliers concerning the Northfield BID's sustainability objectives;
- Work with key suppliers to bring about changes and thereby spread sustainability improvements throughout the supply chain;
- Ensure that suppliers' environmental credentials are, as far as legally practicable, considered in the supplier appraisal process;
- Ensure that, where appropriate, environmental criteria are used in the award of contracts;
- Encourage internal purchasers to review their consumption of goods and materials, in order to reduce usage and adopt more environmentally friendly products, including the use of recycled products as appropriate;
- Specify, wherever possible and reasonably practicable, the use of environmentally friendly materials and products;
- Ensure that consideration is given to inclusion, within all specifications, of a facility for suppliers to submit offers for environmentally friendly alternatives;
- Ensure that appropriate consideration is given to the costs and benefits of environmentally friendly alternatives;
- Explore opportunities for recycling of materials as appropriate.

Further Environmental considerations:-

- Sources of raw materials (i.e. wood from sustainable forests);
- Will the supplier remove their packaging or are they obliged to remove it under the Producers Responsibilities and Packaging Waste Regulations;
- Consolidation of deliveries, reducing transport costs.

10. Stores and Stockholding

10.1 The Northfield BID aims to reduce stockholding to an optimum level compatible with operational requirements. Holding excessive or unnecessary stock can result in a cost to the BID and this should be minimised.

The Northfield BID should only store those items where their immediate availability is considered essential to maintain an efficient service.

10.2 Stocks must be held in;

- A secure place commensurate with the value of the stocks;
- An environment, which will minimise degradation and maximise shelf life;
- In line with relevant H&S legislation, including the storage and handling of stocks.

10.3 Obsolete Stocks

Shelf life and stock levels and consumption should be regularly reviewed with a view to reducing waste, capital invested and space. The BID should consider selling or scrapping obsolete or slow moving stock.

11. Contractor Selection

11.1 Careful selection of contractors should be done to ensure that best possible price, quality and delivery time available within the markets is obtained. A list of suitable contractors for each type of goods and services should be based on letters of introduction/reference and past performance shall be maintained. This will make the process of contractor identification much easier.

11.2 The contractor list shall be reviewed and updated periodically to ensure that current known factors are taken into consideration. Once the previous year's list of contractors has been updated and approved by the BID Management Team, procurement of goods and services can be effected. Contractor selection for inclusion on the list of contractors will take place once per year and will be done in conjunction with the BID Management Team and the BID Board of Directors.

12. Contract Selection Criteria

The following set of criteria is essential for deciding on choice of contractors:

- i) Price.
- ii) Quality of goods/services provided.
- iii) Availability of goods/services to be delivered within the required timescale.
- iv) After sale services, including availability of parts/supplies (if applicable).
- v) Supplier's previous records of performance and service.

- vi) Ability of the supplier to render satisfactory service in this instance.
- vii) Financial stability of the supplier.
- viii) Availability of supplier's references to be call upon and consulted with.
- ix) Their payment terms.
- x) Warranty offered (if applicable).
- xi) Ability to provide a demonstration/sample of product (if applicable).

13. Procedure for Tender

The BID Management Team in consultation with the BID Board of Directors may recommend suppliers but the selection of those invited will be left to the discretion of the BID Manager. The BID Management Team will send an "invitation to tender" to each supplier listed to be invited to submit an "expression of interest". The electronic mail will specify details of the proposed contract and will specify the goods and details required by the BID. The BID will then be able to obtain the relevant and accurate information required so that an informed decision can be undertaken by the BID Board of Directors. All suppliers must receive the same information.

14. Code of Ethics

- 14.1 Any personal or family interests which may impinge, or might reasonably be deemed by others to impinge, upon the impartiality, of any matter relevant to purchasing duties should be declared.
- 14.2 The confidentiality of information received in the course of duty should be respected and specific details of suppliers offers must not be divulged to competitors. Information given in the course of duty should be true and fair and never designed to mislead, and must not be used for personal gain.
- 14.3 Whilst bearing in mind the advantages to the Northfield BID in maintaining a continuing relationship with a supplier, any arrangement, which might, in the long term, prevent the effective operation of fair competition, must be avoided.
- 14.4 Business gifts, other than items of small intrinsic value such as business diaries or calendars should not be accepted. Items for personal use may not be accepted.

Modest hospitality is an accepted courtesy of a business relationship. The recipient should however be conscious of the need to avoid a position where they might be, or appear to be, influenced in making a business decision by such hospitality. The frequency and scale of such hospitality should not be significantly greater than the Northfield BID would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality the offer should be declined or advice sought from the BID Chairman.

14.5 For the protection of those involved the BID Town Centre Manager will maintain a register of all gifts and hospitality received. Members of staff in receipt of such gifts or hospitality are obliged to notify the BID Town Centre Manager immediately.