



Procurement Policy

July 2018

1.0 OBJECTIVE

EMSH aims to achieve value for money via efficient and effective procurement of works, goods and services to meet its operational and administrative requirements.

2.0 EXECUTIVE SUMMARY

EMSH procurement activities include works, supplies and services required to enable project and programme delivery, provide corporate services and manage our premises.

EMSH is committed to achieving value for money, in terms of quality and price, for all its procurement activity. In order to achieve value for money, EMSH will endeavour to clearly communicate our requirements and evaluation criteria, as an informed purchaser, and to establish levels of competition appropriate to the size and complexity of the purchase. Throughout the competitive process, EMSH will also seek to adopt the highest possible standards of probity.

EMSH is committed to ensuring that its public procurement obligations are complied with, including references included within the Financial Framework and Public Contract Regulations 2015 and to ensure conflicts of interest are handled transparently.

The corporate procurement function provides advice and operational support to EMSH and acts as a gateway to ensure probity and value for money considerations are adequately addressed wherever required. A wide range of corporate functions exist which support the procurement process and where appropriate framework agreements (or panels) have been established for professional and technical consultants. The requirements of this procurement policy and detailed procedures apply whether procurement is being administered directly by EMSH staff, on its behalf by a public sector partner or by external consultants.

3.0 PROCUREMENT ACTIVITY

The main areas of procurement activity are as follows:

- Works
The partnership working of EMSH means that subsidised Works contracts can arise where EMSH will need to rely on the procurement arrangements of public and private sector partners. The nature of these arrangements will depend on nature of the Works contract and local arrangements adopted by partners.
- Services
EMSH's business involves or will involve the procurement of significant levels of consultancy advice across a wide range of disciplines including legal, economic evaluation, property, master planning and engineering professional services. In order to ensure EMSH maintains strong working relationships with these suppliers and is able to access high quality services and competitive prices, national framework agreements have been established.

Mini-competitions are widely used for instructions via these framework agreements. This has established clear benefits in improving the fairness, transparency and robustness of appointment decisions within the panels. It is envisaged that the framework agreements will continue to provide EMSH with the vast majority of

services required to support project delivery.

The main panels are summarised as follows:

- Property
- Multidisciplinary
- Economics
- Legal
- Land and Risk Management
- Rural
- Security

EMSH does not have its own arrangements for the procurement of financial services. These are procured via frameworks procured by CCS and other central purchasing bodies.

Other elements of EMSH's activities involve procurement of other services such as security, site maintenance and cleaning. Site security has recently been brought into a national framework, with site specific maintenance and cleaning requirements procured on a site by site basis.

EMSH also procures relatively modest levels of services in relation to administrative or staffing matters.

- Supplies

The business activities of EMSH do not normally require significant amounts of supplies. There can be significant one-off supplies purchases EMSH will procure these requirements itself in accordance with its public procurement obligations.

The operation and maintenance of an office requires the purchase of goods and supplies to ensure smooth operation. Other than the purchase of IT equipment, photocopying, utilities, stationary, cleaning and security, which are procured, the purchase of such goods and services are delegated to the any member of the Board.

The procurement of supplies is an area where EMSH is likely to continue to take advantage of collaborative purchasing agreements and national frameworks operated by the Crown Commercial Service (CCS), and other public bodies where permitted.

4.0 COMPETITION

EMSH's Financial Framework, in conjunction with the EU procurement thresholds, provides a mechanism for increasing the level of competition based on whole life valuation of costs. A particularly complex procurement may lead to higher levels of competition being adopted.

Expenditure below £5,000

Small value requirements do not require competition, but staff and consultants acting on behalf of EMSH have a duty to achieve value for money and must retain

appropriate evidence of this.

Expenditure in excess of £5,000 and below £10,000

This requirement is subject to competition. This may take the form of written quotations where a formal competitive tender situation would result in disproportionate administration costs, unacceptable delays or inefficiencies. Either three or four such quotations should be sought. This quotation process will be administered locally.

Expenditure in excess of £10,000 and below the EU threshold

The Financial Framework establishes the need for full competition which will usually be via Contracts Finder.

EU Threshold and above

All procurement activity must be in accordance with the European Communities Public Procurement Regulations. Where the life cycle costing of a contract indicates that the expected costs will equal or exceed these limits for Supplies, Services or Works, EMSH will comply with these requirements.

Furthermore, EMSH is committed to aggregating the values of contracts to comply with these thresholds.

For the avoidance of doubt EMSH is committed to achieving value for money both in terms of quality and in terms of price. With reference to procurement (rather than disposal of land) both quality and price factors will be considered together with quality/ price ratios being used to help decision making. Details of any relevant ratios and evaluation methodology will be disclosed in the tender documentation.

5.0 REGULATORY REQUIREMENTS

The Board requires that the Procurement Policy of EMSH conforms to relevant HM Treasury guidance documents including Procurement Policy Guidelines and that account is taken of all relevant EU and other international procurement rules. Further details can be found from the Cabinet Office and Crown Commercial Service (CCS) websites.

In order to satisfy the Financial Framework commitments, procurements valued over £10,000 will normally be subject to an assessment of the company's financial strength and capacity by our Customer Due Diligence Team.

6.0 OTHER MATTERS

Collaborative Purchasing

EMSH will typically take the lead and ownership of procurement activities directly linked to delivery of projects. Where appropriate, such procurement arrangements are open to project partners and other public bodies to utilise.

As noted previously EMSH has its own or makes use of collaborative purchasing

solutions for professional services. EMSH is committed to making sensible use of solutions established by CCS and other central purchasing bodies and increasing our use of such solutions. Specifically EMSH makes use of CCS solutions for energy, banking, fleet, stationary and digital activities.

Sustainability

EMSH is committed to sustainable development and as such our procurement arrangements are under continual review to ensure that they support these wider aspirations. Environmental sustainability forms part of our shortlisting arrangements and where appropriate forms a key part of specifications and evaluation criteria for the award of contracts.

As with all public bodies, EMSH is obliged to establish increasing levels of understanding and application of environmental sustainability across our business and management of our premises.

Equality and Diversity

In line with the Government's policy on Diversity, EMSH will, as part of competitive procurements, establish arrangements bidders for Equality and Diversity and where appropriate provide evidence of this technical ability within their organisations. Depending on the nature of specific procurements specifications specific diversity requirements may be included and form part of the final award decision.

Small and Medium Size Companies (SME)

The procurement arrangements of EMSH have the primary purpose of meeting its continuing business needs. However EMSH recognises the need to ensure that, where possible, SMEs are able to access and compete for procurement opportunities as they arise. The nature of EMSH's procurement arrangements are such that SMEs represent a key part of our supply chain. As part of this commitment EMSH will continue to adopt the key practices and government guidance.

EMSH consistently achieves expenditure in excess of targets which reflects the existing and continuing importance of SMEs to EMSH's continuing business needs.

Standards Terms and Conditions

Larger value and sector specific contracts will be used and clearly established at the relevant stage of each procurement. For minor and low value procurements of services and supplies, standard terms and conditions (based on those established by the Crown Commercial Service) will apply.