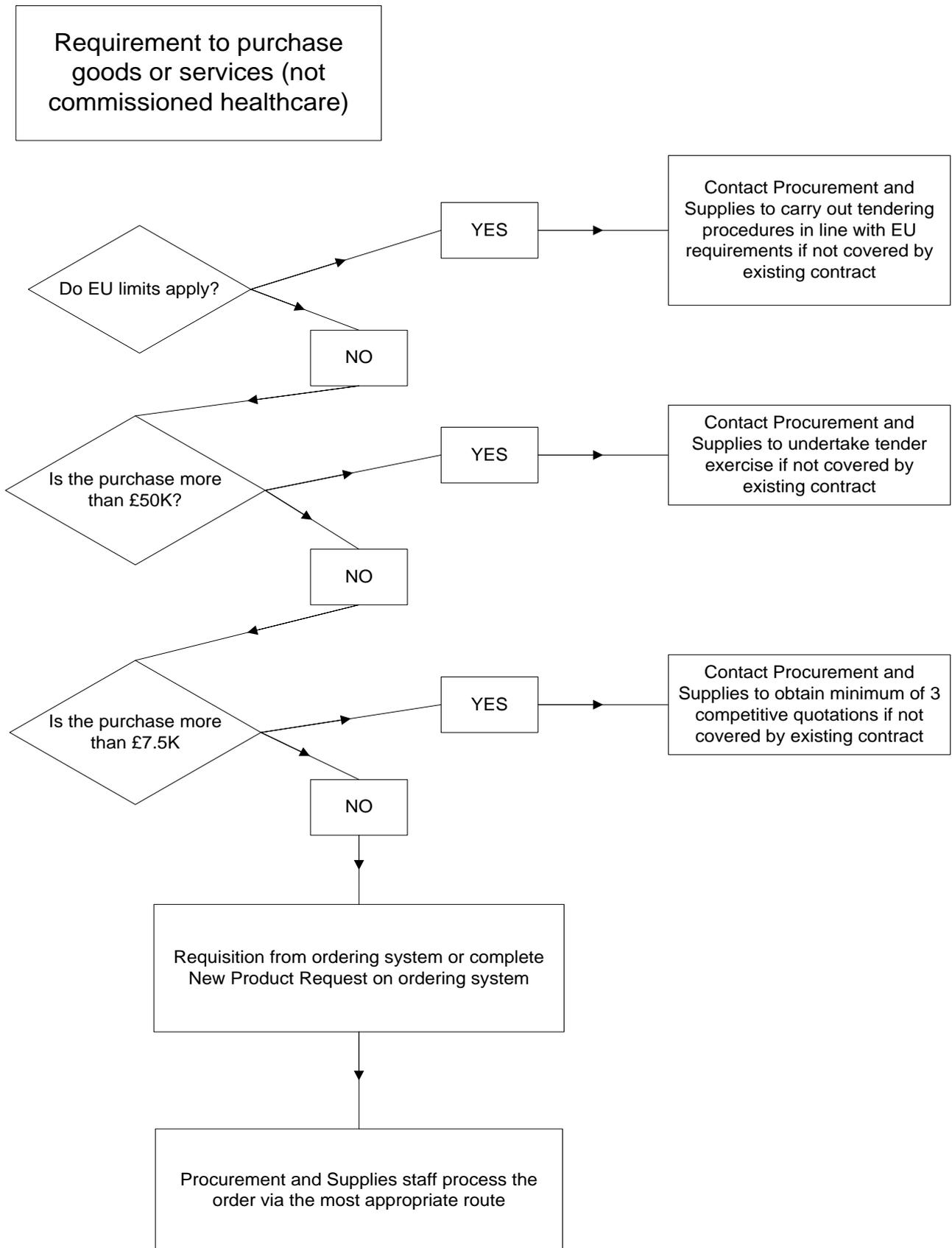


# **PROCUREMENT POLICY**

**V3.0**

**August 2015**

# Summary.



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# 1. Introduction

## Legal Obligations

1.1 All public bodies are responsible for ensuring that they comply appropriately with their legal obligations. The legal framework for public procurement includes:

- EC and other international obligations as implemented in UK legislation or by direct effect, including the Public Contracts Regulations 2015;
- specific domestic legislation, for example, on unfair contract terms;
- contract and commercial law in general;
- domestic case law;
- specific product legislation, e.g. medical devices to be CE marked;
- Freedom of Information; and
- Bribery Act 2010

**The Bribery Act 2010**, which repeals existing corruption legislation, has introduced the offences of offering and or receiving a bribe. It also places specific responsibility on organisations to have in place sufficient and adequate procedures to prevent bribery and corruption taking place. Under the Act, Bribery is defined as "Inducement for an action which is illegal unethical or a breach of trust. Inducements can take the form of gifts loans, fees rewards or other privileges". Corruption is broadly defined as the offering or the acceptance of inducements, gifts or favours payments or benefit in kind which may influence the improper action of any person; corruption does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another. To demonstrate the organisation has sufficient and adequate procedures in place and to demonstrate openness and transparency all staff are required to comply with the requirements of Standing Financial Instructions and Standing Orders policy. For a more detailed explanation see the Anti-Fraud and Bribery Policy. Should members of staff wish to report any concerns or allegations they should contact their Local Counter Fraud Specialist and/or Director of Finance.

1.2 This version supersedes any previous versions of this document.

## 2. Purpose of this Policy/Procedure

- 2.1. To ensure that the Trust operates within a statutory framework covering all aspects of procurement of goods and services.
- 2.2. To protect the Trust and minimise risk through means of appropriate managerial and contractual arrangements.
- 2.3. To obtain value for money whilst providing the best service.
- 2.4. To ensure the Trust's approach to procurement provides the maximum benefit in both cost, service, quality and safety to the Trust, its service users and staff.

- 2.5. To provide users with the most appropriate goods and service, when they need them and at the best value for money.
- 2.6. To comply with legislative and regulatory requirements relating to the procurement of goods and service.
- 2.7. To ensure that all procurement activity is covered by the appropriate terms and conditions of contract.
- 2.8. To support the delivery of patient care by ensuring goods and services procured are fit for purpose and meet relevant quality standards.

### **3. Scope**

- 3.1 The policy applies to Royal Cornwall Hospitals NHS Trust and covers procurement of all goods and/or services including secondary commissioning of health and social care services, temporary staffing and capital expenditure, irrespective of funding source, procurement route or personnel involved in the procurement.

### **4. Definitions / Glossary**

CE Marking - CE marking is a declaration by the manufacturer that the product meets all the appropriate provisions of the relevant legislation implementing certain European Directives. CE marking gives companies easier access into the European market to sell their products without adaptation or rechecking. The letters CE stand for "Conformité Européenne" which means "European Conformity". They are a declaration by the manufacturer that his product meets the requirements of the applicable European Directive(s).

OJEU - Official Journal of the European Union

EROS - Electronic Requisitioning and Ordering system

### **5. Ownership and Responsibilities**

#### **5.1. Role of the Director of Finance**

The Director of Finance has overall responsibility for ensuring good procurement practice throughout the Trust.

#### **5.2. Role of the Head of Procurement and Supplies**

5.2.1 The Head of Procurement and Supplies will report to the Director of Finance on procurement performance.

5.2.2 The Head of Procurement and Supplies is responsible for ensuring that the procedures following by the procurement team meet the legislative requirements and Trust Standing Orders and Standing Financial

Instructions.

- 5.2.3 The Head of Procurement and Supplies will act as the Trust's procurement representative with other organisations, e.g. NHS Supply Chain, Peninsula Purchasing and Supply Alliance, Cornwall Council, other health organisations, and suppliers to the Trust.

### **5.3. Role of Trust Managers and Budget Holders**

Trust Managers and Budget Holders have a key role in ensuring good procurement practice and must be conversant with Standing Orders, Standing Financial Instructions, the Code of Conduct for NHS Managers and requirements of the Bribery Act, and seek involvement of the procurement team at an early stage when purchasing and services.

### **5.4. Role of the Medical Devices, Clinical and Non-Clinical Products Group**

- 5.4.1 The role of the Medical Devices, Clinical and Non-Clinical Products Group is to monitor and advise on all aspects of the management of Medical Devices, Clinical and Non-Clinical Products in the Trust, to ensure best value for money from the choice and range of all medical devices, clinical and non-clinical products by the Trust and support implementation of best practice.

- 5.4.2 Duties of the Group include:

- Formulating and ratifying equipment management policies;
- Helping achieve compliance with external standards;
- Advising on training requirements and monitoring training programmes;
- Receive report/issue action or recommendation where necessary on Safety Action Bulletins and other guidance;
- Receive exceptions report on equipment incidents to see if lessons can be learnt;
- Exchanging information on problems with Medical Devices, Clinical and Non-Clinical Products;
- To act as a link between users and service organisations;
- Review proposals from Divisions in respect of new medical devices, clinical and non-clinical products wishing to be purchased, including pre procurement checks and decontamination suitability;
- To authorise, support and monitor product evaluation of new/replacements products on the Trust premises;
- To ensure, following successful evaluation of any products, that implementation is monitored, a training schedule is agreed and protocols are produced for correct use, including any contracts for maintenance, etc;
- To identify opportunities for rationalisation and standardisation of products and suppliers and, where appropriate, make use of national and regional consortia (i.e. Peninsula Purchasing and Supply Alliance, SW Purchasing Consortium, Renal Network, etc.) research findings;
- Provide advice on equipment purchase and to review and ratify the recommended equipment list;
- Present audit plans and feedback from audits undertaken;

- To review and monitor medical device related entries on the risk register;
- Risk Management: The chair of the committee is responsible for raising any identified risk onto the Trust Risk Register where it will be reviewed as part of the risk management process; and
- To note Medical Device Alerts.

## **5.5. Role of the Non-Pay Board**

The purpose of the Non-Pay Board is to:

- Identify the Non-Pay savings opportunities in accordance with the Project Brief;
- provide direction and support to the Trust's plans to generate savings, in particular around product standardisation and rationalisation;
- make decisions with regard to product choice and selection subject to be required clinical sign-off;
- liaise with clinical colleagues both within and external to the Trust regarding product selection;
- to ensure that there is organisation and clinical buy in to the project and the associated change management challenges that will be associated with the project;
- to ensure that project risks and issues are identified, managed and escalated where appropriate; and
- to ensure that a communication process is in place that deals with the impact of the product standardisation and rationalisation.

## **5.6. Role of Individual Staff**

5.6.1 All staff involved with procurement have a responsibility to strive to achieve best value and comply with Standing Orders, Standing Financial Instructions, Procurement legislation, Code of Conduct for NHS Managers, Standards of Business Conduct, the Bribery Act, and be guided by the Chartered Institute of Purchasing and Supply (CIPS) Code of Ethics (copy available via the CIPS website <https://www.cips.org/CIPS-for-Business/supply-assurance/Corporate-Ethical-Procurement-and-Supply/Corporate-Code-of-Ethics/> ).

5.6.2 In applying the above, all those involved in the procurement process:

- Must never use their authority or office for personal gain and should maintain an unimpeachable standard of integrity in all their business relationships;
- Should foster the highest possible standards of professional competence;
- Must optimize the use of resources for which they are responsible to provide the maximum benefit to their employing organisation; and
- Must comply both with the letter and spirit of the law and contractual obligations.

5.6.3 Staff involved in making procurement decisions must declare any personal interest they may have in the subject matter. All staff (not just those

involved in the procurement and supplies team) must declare any offer of gift(s) and/or hospitality from a supplier or potential supplier to their line manager and no such offer (other than trivial items such as inexpensive desktop stationery) should be accepted without line management approval, in accordance with the Trust's Policy on Declaration of Interests, Hospitality, Acceptance of Gifts and Sponsorship.

- 5.6.4 All staff have a role in ensuring that the Trust's official ordering systems are used.

## 6. Standards and Practice

### Competition/Sourcing

- 6.1. All procurement throughout the Trust will be conducted in accordance with the professional and ethical guidance provided by the Chartered Institute of Purchasing and Supply. Public Contracts Regulations will be adhered to, in conjunction with the Trust's Standing Orders and Standing Financial Instructions Section 13 – Allocations, Planning, Budgets, Budgetary Control and Monitoring, and Section 17 – Tendering and Contracting Procedure. See guidance and flowchart at page 2 for decision making process, and the Trust's Tenders and Quotations – Financial Procedures on the Document Library.
- 6.2. Suppliers and general items approved for use by the Trust are set up on the EROS procurement system by procurement staff. Trust policy is that these approved suppliers should be used in preference to other companies. If a member of Trust staff is unable to use the approved supplier/items then they must contact the Procurement Department prior to any commitment being made. Requests for items not available on the EROS catalogue should be submitted on the New Product Request (NPR) section within EROS.
- 6.3. Standing Orders and Standing Financial Instructions require that all goods and services purchased in excess of £7,500 including VAT are subject to competition, unless covered by 6.5 below. The following minimum levels of competition will apply and the maximum number will be dependent on the level of competition available in the market:
- |                                   |                                     |
|-----------------------------------|-------------------------------------|
| £7,500 - £50,000 inc VAT          | Minimum of 3 competitive quotations |
| £50,000+ inc VAT – OJEU Threshold | Minimum of 3 competitive tenders    |
- 6.4. Trust staff should seek advice from the Procurement and Supplies Department before embarking on seeking competition, as they will check to see if the goods or services required are available through existing contract arrangements which may have been negotiated nationally, regionally or locally, negating the requirement for seeking further competition.

- 6.5. Subject to 6.7 below, NHS Supply Chain will be a prime provider of consumable items to the Trust as this consolidated service provides benefits in terms of efficiency, delivery, process and reduced carbon impact. Procurement and Supplies staff will be responsible for benchmarking NHS Supply Chain costs to ensure that they provide value for money to the Trust.
- 6.6. The supply chain and route into the Trust for products and/or services varies according to the requirement. The over-riding principle is that the supply chain must complement the aims of achieving value for money in process as well as product or service cost, e.g. purchasing from a particular supplier may not be the lowest priced product but, when taking the cost of process, delivery and administration into account, may provide the best value for money.
- 6.7. If Procurement and Supplies staff establish that specific goods or services cannot be reliably and competitively sourced through the above routes, the Trust should seek to obtain best value for money through competition and Procurement and Supplies staff will assist in this process.
- 6.8. The Manager or Budget Holder requiring the goods or service for which competition is to be sought is responsible for:-
- Identifying the budget available;
  - Aggregating requirements whenever possible to ensure that low value orders (below £50) are the exception and avoided whenever possible, in order to reduce processing costs;
  - Contacting the Procurement Contracts/Operations Manager to identify the requirement and seek advice on the way forward;
  - Producing a specification of requirements;
  - Liaising with Procurement and Supplies staff to ensure that all services procured are contractually based and, where appropriate, have the relevant Information Governance and Data Protection Clauses included;
  - Agreeing a timetable with Procurement for the exercise;
  - Drawing up evaluation criteria and a scoring mechanism to ensure that whole-life costs are evaluated (with assistance from Procurement and Supplies staff) – the ability to decontaminate reusable equipment should be a consideration in the evaluation criteria, as well as the carbon efficiency where it is appropriate and legally compliant to do so;
  - Liaising with relevant Trust colleagues regarding the procurement exercise;
  - Arranging evaluation of the bids received;
  - Producing a recommendation for award for consideration by the Trust in accordance with Standing Orders and Standing Financial Instructions – business will be awarded to the bidder achieving the highest score, provided that the total costs fall within the agreed budget;
  - Debriefing unsuccessful suppliers (with assistance from Procurement and Supplies staff);
  - Monitoring of the contract performance;
  - Ensuring that authority for the expenditure is in accordance with the Delegated Approval Limits and Cost Control arrangements (Trust's Scheme of Delegation) issued by the Director of Finance; and

- Declaring any offer of gift(s) or hospitality – see 5.6 above.

6.9. Procurement and Supplies staff will be responsible for:

- Providing advice and guidance throughout the process, to ensure that statutory and Trust requirements are met;
- Issuing quotation and tender notices and relevant documents via the electronic tendering system;
- Risk assessing whether or not a credit rating check is required for new suppliers before business is awarded;
- Arranging opening of the submitted bids;
- Assisting the Trust Manager/Budget Holder with the evaluation process;
- Communication with bidders;
- Awarding the contract to the successful bidder;
- Assisting the Trust Manager with debriefing unsuccessful suppliers;
- Retention of the tender documentation electronically;
- Where appropriate, issuing a reminder when contract renewal is due
- Assisting with contract monitoring; and
- Setting up suppliers and items approved for use within the Trust on the EROS procurement system.

6.10. All purchases/contracts which exceed the European financial thresholds (except those covered by existing contracts as per 6.5 above) will be advertised in the Official Journal of the European Union (OJEU) – such adverts will be placed by the Procurement and Supplies department.

6.11. The financial threshold is normally amended every two years. The Public Contracts Regulations 2015 effective from 26th February 2015 removed the distinction between the previous Part A and Part B services, and introduced a new threshold for NHS Trusts for both Supplies and Services, i.e.

Supplies and Services	£111,676 exc VAT*
Works	£4,322,012 exc VAT

\* As an NHS Trust, Royal Cornwall Hospitals NHS Trust has a lower threshold than NHS Foundation Trusts.

6.12. In addition, the Public Contracts Regulations 2015 include a requirement that all documentation, including specification and evaluation criteria, must be made available free of charge to any interested parties at the time of the advert being published.

6.13. With the removal of Part A and Part B Services, the Public Contracts Regulations 2015 introduced a new “Light Touch Regime” for a very limited number of services. The threshold for advertising such services is £625,000 exc VAT.

6.14. These limits apply across the total cost of a project, e.g. if the individual purchase price of a piece of equipment is £30,000 + 4 years consumables at estimated £25,000 per annum = £130,000 this would require advertising.

- 6.15. Procurement and Supplies staff can advise on the thresholds current at the time a requirement is identified, and which Services fall within the “Light Touch Regime”.
- 6.16. The OJEU process has minimum timescales that have to be applied – see flowchart attached at Appendix 1. The Trust normally uses the Restricted Procedure which requires the following minimum number of days:
- |  |                               |
|--|-------------------------------|
| From issue of OJEU notice to receipt of expressions of interest from suppliers | 30 days if electronic process |
| From issue of tender documents to closing date for receipt of bids             | 25 days if electronic process |
| Standstill period from notification of Proposed award to award of contract     | 10 days                       |
- 6.17. Failure to plan in time to allow these timescales is not accepted under the Public Contracts Regulations as a reason for not following the process.
- 6.18. Failure to comply with Trust rules could result in disciplinary action and potentially criminal action in respect of any fraudulent behaviour or offences of bribery.
- 6.19. Under the Bribery Act a criminal prosecution carries a sentence of up to 10 years imprisonment for Directors and senior management. The Trust can receive an unlimited fine and disbarment from EU contract tenders. The Trust’s reputation is ruined by allegations of bribery and corruption. For staff, it carries on indictment up to 10 years imprisonment and/or an unlimited fine.
- 6.20. Failure to comply with EU and UK Public Contracts Regulations could result in:
- The High Court setting aside a contract;
  - High Court claims for damages from companies denied the opportunity to participate in competitive tenders; and
  - Infringement proceedings in the European Court of Justice
- 6.21. Under no circumstances will requirements be split to circumvent the regulations.
- 6.22. The use of single quotation/tender waivers will be the exception (and cannot be used where the OJEU threshold applies) and can be authorised only by the Chief Executive or Director of Finance. Single tender waivers are monitored by the Audit Committee. Competitive quotations and tenders should be sought whenever possible.

## **Contract Monitoring**

- 6.23. Key contractors will be regularly monitored to ensure that the Trust gains full value from the supplier, ensuring that suppliers adhere to agreed policies and performance indicators and work with the Trust to achieve continuous improvement and cost benefits.
- 6.24. Trust Managers will ensure that Procurement and Supplies staff are involved in the formal contract monitoring process and that appropriate monitoring records are retained.

## **Equality and Diversity in Procurement activity**

- 6.25. All contracts must be awarded and delivered in a way which is non-discriminatory, and promotes equality of opportunity for staff, service users, the general public and businesses.
- 6.26. There must be consistency in approach at all stages of the procurement process
- 6.27. There must be a level playing field for all potential contractors, regardless of size or ethnicity of ownership
- 6.28. Terms and Conditions of Contract will include clauses with regard to Equality and Diversity, and the Trust will work with its suppliers so that they are aware of and understand the Trust's requirements, and have the appropriate policies and practices within their organisation.
- 6.29. The Trust will promote its commitment to diversity, equality, human rights and social inclusion through the procurement activity.

## **Sustainable and Local Procurement**

- 6.30. This policy complements and supports the aims incorporated within the Sustainable Procurement Policy (see Appendix 2). The Trust will consider the use of reusable products wherever possible in order to reduce the waste generated, and will introduce low carbon criteria into its procurement decisions where appropriate.
- 6.31. The Trust is mindful of its position in the local health economy and will encourage local suppliers to bid to supply goods and services, promoting the use of local businesses whenever possible and cost effective, but ensuring that any such activity is within the Public Contracts Regulations.

## **Collaboration with other Trusts and organisations**

- 6.32. In order to achieve maximum value for money and cost improvements, the Trust needs to take advantage of any economies of scale offered by

collaborating with other Trusts and organisations, both within and outside the Cornwall Health Community.

- 6.33. The Trust is a member of the Peninsula Purchasing and Supply Alliance and has access to other collaborative arrangements, and the policy is to participate fully in multi-organisation contracting where there is benefit to the Trust.

### **Standardisation and Rationalisation**

- 6.34. The benefits of standardisation, rationalisation and commitment of products have been recognised across various commodity ranges. The policy is to support any recommendations made by the Medical Devices, Non-Pay and Divisional Groups in respect of product standardisation and rationalisation.
- 6.35. Standard recommended products/services will be selected with the involvement of appropriate professionals, e.g. Clinical, Health and Safety, Estates, Occupational Health, Infection Control, Hotel Services, Medical Physics, Tissue Viability, Procurement, Finance, IT (this list is illustrative but not exhaustive and will be dependent on the nature of the goods and/or service under consideration).
- 6.36. The policy is that the lowest total cost product/service that is clinically acceptable will be used in the Trust. Products in wide use in other Trusts will be deemed as clinically acceptable, and further trials within Royal Cornwall Hospitals NHS Trust will not be required. Should a member of Trust staff have concerns regarding acceptability any appeal against using the product/service should be addressed to the Medical Director and Finance Director, with full details of rationale and supporting evidence.

### **New Products**

- 6.37. In any progressive organisation, there will be a need to introduce new products or services or to change existing products or services. This must, however, be undertaken in a controlled manner to ensure that unfunded development does not take place, and that staff receive the appropriate training in the use of new products or guidance on the new service.
- 6.38. In order to maintain a level of control, the Trust must be assured that new products services or changes to products or services are fully supported and have been evaluated rigorously to ensure cost effectiveness. Evaluation of new reusable products and equipment must include the ability to decontaminate.
- 6.39. The policy is that all new products and/or services to be introduced should be subject to scrutiny by the appropriate procurement committee or nominated sub-group, which comprises the relevant skill mix to make informed decisions.

- 6.40. Where Trust premises and Trust staff are involved in services being provided by external contractors, it is essential that new equipment and products are not introduced until the relevant safety testing and staff training has been undertaken - failure to do so could put patients and staff at risk.
- 6.41. The policy is that any trial or evaluation of products/services must be endorsed by the appropriate senior manager, undertaken in accordance with the Trust's Policy for the trial and evaluation of Medical Devices, and the results of the evaluation provided to the appropriate Medical Devices Group. Notifications of intended trials or evaluations should be made on the appropriate documentation, and the Procurement and Supplies team approached to check indemnity prior to any trial taking place. Failure to ensure that the necessary indemnity is in place can put the Trust at significant risk, as it will hold liability for the equipment or goods and their performance. Liaison must take place with relevant professional advisers before commencing trials and evaluations.

## **E-Commerce**

- 6.42. All goods and services should be covered by an official purchase order raised in advance via the appropriate system - Pharmacy, Catering, Estates and EROS (Electronic Requisitioning and Ordering System).
- 6.43. There are a few exceptions to this requirement, namely:
- Rent and rates
  - Utilities
  - Service user placements
- 6.44. Telephone orders will be used only in the case of genuine emergency to facilitate patient care, and followed up by a confirmation order.
- 6.45. Authorisation of non-pay expenditure is as per Standing Financial Instructions Section 13 : Allocations, Planning, Budgetary Control and Monitoring and in accordance with the Trust's Scheme of Delegation.
- 6.46. The Trust will submit procurement and non-pay data for inclusion in the agreed spend analysis tools in order to assist with price benchmarking, production rationalisation and identification of savings opportunities.
- 6.47. Tenders will be issued using the electronic system whenever possible or utilising the e-tendering portal on the Crown Commercial Services website when inviting bids against their frameworks.
- 6.48. Global Standards (GS1) and PEPPOL standard messaging  
The Trust is setting out the strategic context along with activities and high-level plans required to deliver the initial recommendations of the NHS e-Procurement Strategy (May 2014) relating to the consistent adoption of GS1 and PEPPOL standards.

GS1 defines standards and produces corresponding barcodes to enable the clear identification of such things as patients, caregivers, locations, products, assets and patient records. The scanning of the barcodes provides for the accurate management and tracking and tracing of medicines, medical devices and instruments throughout the hospital and the individual patient health record. PEPOL is a standard messaging service to transfer data between systems.

### **Receipting of Goods and Services**

- 6.49. Goods and services will be receipted promptly by receiving departments in order to ensure that prompt payment can be made to suppliers.
- 6.50. Managers should ensure that the goods and services that have been received are exactly as ordered and the resulting invoice accurately reflects the goods or services actually supplied. Any suspicion of impropriety must be referred to the Trust's Counter Fraud Specialist.

### **Risk Management**

- 6.51. In order to minimise risk, all electro medical products must be subject to a Pre Purchase Questionnaire (PPQ) approved by Medical Physics or Estates personnel as appropriate, dependent on the nature of the equipment.
- 6.52. Managers should ensure that electrical goods are subject to Portable Appliance Testing (PAT) arranged via the Estates department before use.
- 6.53. All goods purchased for use on Trust occupied premises must meet the relevant fire retardancy, safety, COSHH and any other relevant legislation requirements.
- 6.54. Staff will receive training in The Bribery Action 2010 and how to be aware of the indicators of bribery, in order to manage the risk of bribery.

### **Stockholding**

- 6.55. The policy is that stockholding will be kept to a level sufficient to provide safe patient care but stockholding levels should be monitored regularly by user departments in order to ensure excess stock is not held at any location, and that stock is rotated to minimise obsolescence.
- 6.56. The Trust will take advantage of consignment stock where appropriate and cost effective to do so in order to reduce the money tied up in stock.

## Best Practice/Benchmarking

- 6.57. The Trust will adopt World Class Supply Chain techniques to ensure that best practice is implemented.
- 6.58. The Trust will participate in benchmarking and exchange of best practice and value for money with NHS and other organisations in order to deliver continuous improvement, efficiency and cost benefits within its procurement practices.

## Help and Guidance

Assistance in procuring goods and services is available as follows:-

### General Goods and Services

Procurement and Supplies Department, Tel: 01209 310041

### Tendering and Contracting for Goods and Services

Head of Procurement and Supplies or Supplies Contracts Manager

Tel: 01209 310043 / 01209 310040

## 7. Dissemination and Implementation

- 7.1 The policy will be placed on the Document Library within the Finance section, and can be found by searching under the keyword Procurement. This document replaces the previous version which has been removed from the Document Library.
- 7.2 As this is an updated version of an existing policy, there should be no additional training required in its use. However, particular reference will be made to the updated policy during budget holder workshops.

## 8. Monitoring compliance and effectiveness

Element to be monitored	Review of expenditure via the EROS procurement and other ordering systems and finance system.
Lead	Head of Procurement and Supplies
Tool	Internal and external audits, spend analysis benchmarking reports.
Frequency	Monitoring of expenditure and spend analysis will be undertaken on a monthly basis, as part of the Cost Improvement Programme activity, and as part of procurement audits as and when they are undertaken.
Reporting arrangements	Results of the monitoring will be reported to the Non Pay Board and Medical Devices, Clinical and Non-Clinical Products Group.
Acting on recommendations and Lead(s)	Recommendations from internal and external audits will be actioned within the timescales stated in the report

Change in practice and lessons to be shared	Changes to practice required due to changes in legislation will be identified and actioned within the legislative requirements. Changes to practice required as a result of audit comment will be completed within the timeframes stated in an audit report. A lead member of the procurement team will be identified to take each change forward where appropriate. Lessons will be shared with relevant stakeholders.
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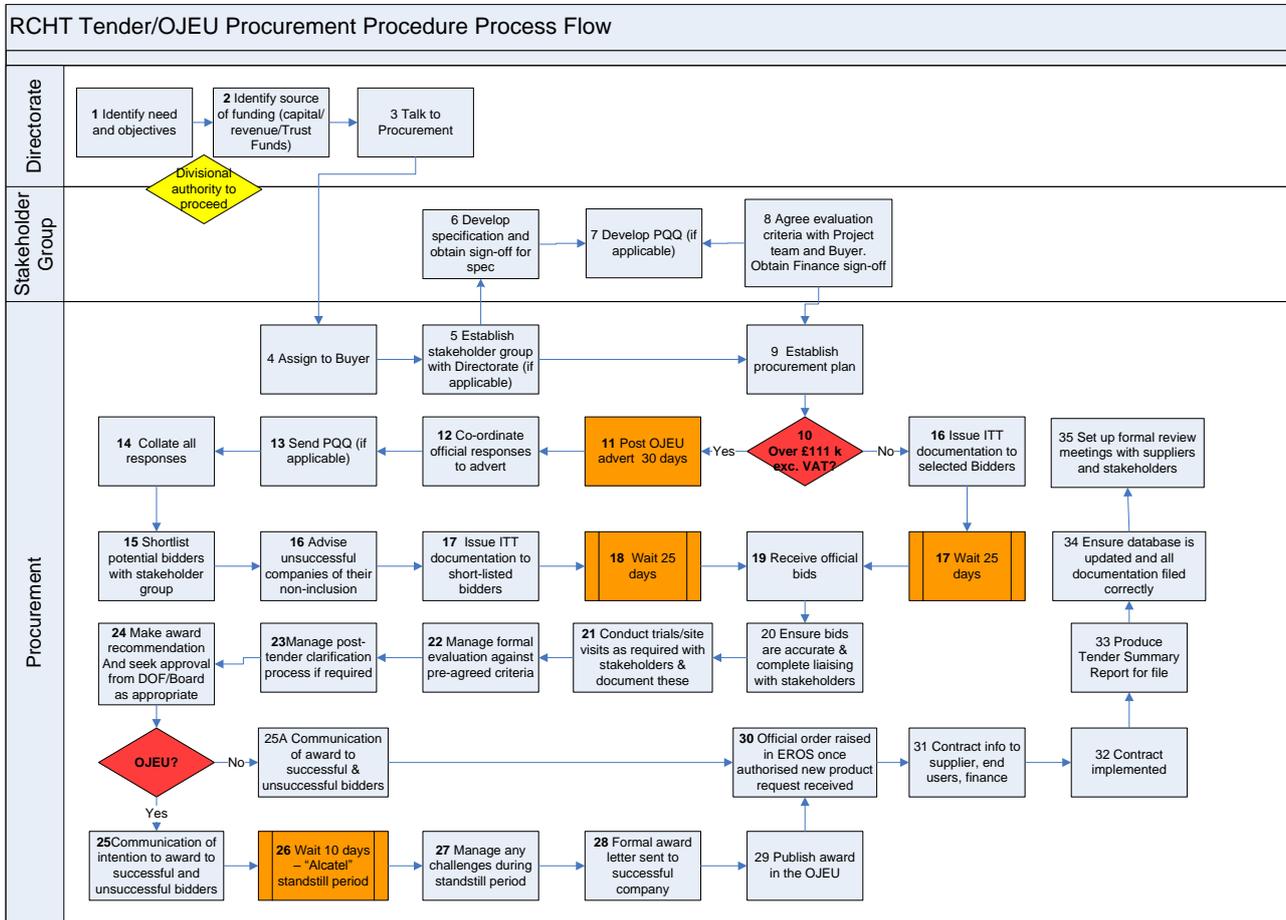
## 9. Updating and Review

- 9.1 The procurement policy documents will be reviewed no less than every three years.
- 9.2 Revisions will be made ahead of the review date when the procedural document requires updating. Where the revisions are significant and the overall policy is changed, the author will ensure the revised document is taken through the standard consultation, approval and dissemination processes.
- 9.3 Where the revisions are minor, e.g. amended job titles, financial limits, or changes in the organisational structure, approval will be sought from the Executive Director responsible for signatory approval, and the revised policy will be re-published accordingly without having gone through the full consultation and ratification process.
- 9.4 Any revision activity will be recorded in the Version Control Table as part of the document control process.

## 10. Equality and Diversity

- 10.1 This document complies with the Royal Cornwall Hospitals NHS Trust service Equality and Diversity statement which can be found in the ['Equality, Diversity & Human Rights Policy'](#) or the [Equality and Diversity website](#).
- 10.2 **Equality Impact Assessment**
- 10.3 The Initial Equality Impact Assessment Screening Form is at Appendix 4.

# Appendix 1 – OJEU PROCESS



## Appendix 2 – Sustainable Procurement Policy

In pursuit of the objectives relating to sustainability, it is necessary that the Trust recognises the critical need to act as a role model, by carrying out procurement activities in an environmentally responsible manner.

We will:

- comply with all relevant environmental legislation;
- encourage and persuade suppliers to investigate and introduce environmentally friendly, low carbon and sustainable processes and products;
- educate our suppliers concerning the Trust's sustainable procurement activity;
- consider suppliers' environmental credentials in the supplier appraisal process wherever possible and legal to do so;
- include environmental/sustainable criteria in the award of contract whenever possible and within the restrictions of public procurement regulations;
- specify, wherever possible and reasonably practicable, the use of environmentally friendly and low carbon materials and products;
- ensure that whenever possible suppliers have a facility to submit prices for environmentally friendly and low carbon alternative products;
- ensure that appropriate consideration is given to the costs and benefits of environmentally friendly and low carbon alternatives;
- ensure that whole life costs are taken into account when awarding contracts;
- publicise all local tenders on the Cornwall Enterprise website in order that local businesses are aware of the opportunities;
- support local Meet the Buyer events and workshops to assist local businesses in understanding the requirements of tendering for our business;
- work with Department of Health to take forward the sustainable procurement agenda both at a national and local level;
- work with local suppliers to encourage them to work with and supply our contracted suppliers;
- work with our suppliers to reduce packaging and waste material wherever possible and practicable;
- review our supply chain with a view to reducing road miles and carbon impact wherever practicable;
- report our activity via the Environment Committee and Procurement Groups;
- work with local businesses and other local public bodies to help promote local businesses and their products both within and outside the county; and
- provide training on sustainable and low carbon initiatives to our staff.

## Appendix 3 Governance Information

<b>Document Title</b>	Procurement Policy			
<b>Date Issued/Approved:</b>	01 August 2015			
<b>Date Valid From:</b>	01 August 2015			
<b>Date Valid To:</b>	31 July 2018			
<b>Directorate / Department responsible (author/owner):</b>	Lisa Symons Head of Procurement and Supplies			
<b>Contact details:</b>	01209 310040			
<b>Brief summary of contents</b>	The policy describes the Trust's requirements to ensure that all procurement activity is undertaken in accordance with the relevant legislation, ensures value for money is achieved, and provides guidance on the process involved.			
<b>Suggested Keywords:</b>	Procurement, Purchasing ,Supplies, Ordering, Buying, Tenders, Tendering, Contracts, Contracting			
<b>Target Audience</b>	RCHT ✓	PCH	CFT	KCCG
<b>Executive Director responsible for Policy:</b>	Director of Finance			
<b>Date revised:</b>	31 July 2015			
<b>This document replaces (exact title of previous version):</b>	Procurement Policy			
<b>Approval route (names of committees)/consultation:</b>	Medical Devices, Clinical and Non Clinical Products Group			
<b>Divisional Manager confirming approval processes</b>	Director of Finance			
<b>Name and Post Title of additional signatories</b>	Not Required			
<b>Name and Signature of Divisional/Directorate Governance Lead confirming approval by specialty and divisional management meetings</b>	Not Required			
	Not Required			
<b>Signature of Executive Director giving approval</b>	{Original Copy Signed} Karl Simkins			
<b>Publication Location (refer to Policy on Policies – Approvals and Ratification):</b>	Internet & Intranet	✓	Intranet Only	

<b>Document Library Folder/Sub Folder</b>	Finance / Procurement
<b>Links to key external standards</b>	Key Governance Document
<b>Related Documents:</b>	Standing Orders, Standing Financial Instructions, Scheme of Delegation
<b>Training Need Identified?</b>	No

### Version Control Table

<b>Date</b>	<b>Version No</b>	<b>Summary of Changes</b>	<b>Changes Made by (Name and Job Title)</b>
10 Jun 10	V1.0	Previous changes not known.	
27 Jul 12	V2.0	Updated financial limits and process included, reference to Bribery Act	Lisa Symons Head of Procurement and Supplies
13 Jul 15	V3.0	Updated into new Policy template. Section 5 updated to include the Roles of the Medical Devices, Clinical and Non-Clinical Products Group, plus the Non Pay Board. Section 6 and Flowcharts updated to include changes as a result of Public Contracts Regulations 2015.	Lisa Symons Head of Procurement and Supplies

**All or part of this document can be released under the Freedom of Information Act 2000**

**This document is to be retained for 10 years from the date of expiry.**

**This document is only valid on the day of printing**

#### **Controlled Document**

This document has been created following the Royal Cornwall Hospitals NHS Trust Policy on Document Production. It should not be altered in any way without the express permission of the author or their Line Manager.

## Appendix 4 Initial Equality Impact Assessment Form

Name of Name of the strategy / policy /proposal / service function to be assessed (hereafter referred to as <i>policy</i> ) (Provide brief description):	
Directorate and service area: <b>Finance</b>	Is this a new or existing Policy? <b>Update of existing</b>
Name of individual completing assessment: <b>Lisa Symons</b>	Telephone: <b>01209 310040</b>
1. Policy Aim* Who is the strategy / policy / proposal / service function aimed at?	To ensure that the Trust complies with legislative and regulatory requirements relating to the procurement of goods and services.
2. Policy Objectives*	To ensure that the Trust operates within a statutory framework covering all aspects of procurement of goods and services.  To protect the Trust and minimise risk through means of appropriate managerial and contractual arrangements.  To ensure the Trust's approach to procurement provides the maximum benefit in terms of cost, service, quality and safety to the Trust, its service users and staff.
3. Policy – intended Outcomes*	Clarity of the process to ensure that all procurement activity is in accordance with the regulations and supports the delivery of patient care by ensuring goods and services procured are fit for purpose, provide best value, and meet relevant quality standards.
4. *How will you measure the outcome?	Internal and external audits, reports to the Medical Devices, Clinical and Non Clinical Products Group, and the Non Pay Board.
5. Who is intended to benefit from the policy?	Trust service users, staff and suppliers to the Trust.
6a) Is consultation required with the workforce, equality groups, local interest groups etc. around this policy?	No
b) If yes, have these *groups been consulted?	
C). Please list any groups who have been consulted about this procedure.	n/a

<b>7. The Impact</b>			
Please complete the following table.			
Are there concerns that the policy <b>could</b> have differential impact on:			
Equality Strands:	Yes	No	Rationale for Assessment / Existing Evidence
<b>Age</b>		<b>X</b>	The policy requires that all procurement activity is in accordance with Public Contracts Regulations (which require that all suppliers are treated fairly and equitably) and is covered by appropriate terms and conditions of contract (which include clauses in respect of equality).
<b>Sex</b> (male, female, trans-gender / gender reassignment)		<b>X</b>	As above
<b>Race / Ethnic communities /groups</b>		<b>X</b>	As above
<b>Disability -</b> Learning disability, physical disability, sensory impairment and mental health problems		<b>X</b>	As above
<b>Religion / other beliefs</b>		<b>X</b>	As above
<b>Marriage and civil partnership</b>		<b>X</b>	As above
<b>Pregnancy and maternity</b>		<b>X</b>	As above
<b>Sexual Orientation,</b> Bisexual, Gay, heterosexual, Lesbian		<b>X</b>	As above
You will need to continue to a full Equality Impact Assessment if the following have been highlighted:			
<ul style="list-style-type: none"> <li>• You have ticked “Yes” in any column above and</li> <li>• No consultation or evidence of there being consultation- this <u>excludes</u> any <i>policies</i> which have been identified as not requiring consultation. <b>or</b></li> <li>• Major service redesign or development</li> </ul>			
8. Please indicate if a full equality analysis is recommended.			<b>No</b>
9. If you are not recommending a Full Impact assessment please explain why.			
There are no concerns that the policy could have differential impact on any equality strand.			
Signature of policy developer / lead manager / director <b>Lisa Symons</b>		Date of completion and submission <b>31 July 2015</b>	
Names and signatures of members carrying out the Screening Assessment	1. Lisa Symons 2. Garry Cooper		Head of Procurement and Supplies Senior Finance Officer

**Keep one copy and send a copy to the Human Rights, Equality and Inclusion Lead,**  
c/o Royal Cornwall Hospitals NHS Trust, Human Resources Department, Knowledge Spa,  
Truro, Cornwall, TR1 3HD

A summary of the results will be published on the Trust’s web site.

Signed \_\_\_\_\_

Date \_\_\_\_\_