1 Introduction

The purpose of this policy is to provide clear guidance for GTCS staff involved in any procurement activity, ensuring best practice is followed. It also aims to ensure that our procurement activity is sustainable and meets the longer terms needs of GTCS and its Registrants.

2 Scope

This policy applies to all GTCS employees who procure goods and/or services.

Support and advice is available from the Finance and Procurement team. This policy should be read in conjunction with the Procurement Procedure and any referenced guidance notes/templates.

3 Purpose

This policy aims to:

- Provide best value for money (VFM) for GTCS
- Ensure best practice is followed in relation to procurement legislation and procedures
- Ensure GTCS procurement activity is conducted in a fair, objective and transparent manner
- Ensure all suppliers are treated equally
- Ensure the tendering exercise follows due diligence and is not vulnerable to challenge by unsuccessful suppliers
- Actively promote sustainable procurement

4 Legislative requirements

GTCS does not meet the definition of a “contracting authority” as defined in The Public Contracts (Scotland) Regulations 2016, therefore, there is no legal requirement for GTCS to comply with EU procurement legislation.

However, the process for procuring goods and/or services must be fair, transparent, non-discriminatory, and open to audit and accountability.

It is therefore GTCS policy to follow best practice and proactively promote equality, sustainability and diversity.

GTCS will only contract with suppliers who are aligned with, and can meet, GTCS standards and those set by the most current legislation including, but not limited to:

- Health and Safety Act 1974
- Equalities Act 2010
- Data Protection Act 1998
- Bribery Act 2010
- Freedom of Information Act 2000
- Modern Slavery Act 2015
- General Data Protection Regulation (GDPR)
Specifying goods and services

When identifying a need for goods or services it is GTCS policy to consider the use of internal resources in the first instance. If the goods or services cannot be delivered in house, then an external supplier should be sourced.

A specification document should be produced detailing the essential characteristics of any requirement.

Specification formats are detailed in the procurement templates, and guidance on how to write a specification is available from the Finance and Procurement Team.

A specification should allow for a clear and precise understanding of what is required but should be flexible enough to allow for innovation and diversification.

A specification should be written in plain English, and should encourage suppliers to:

- Diversify from the specification and offer alternatives as well as the specified product and innovation
- Use (if sub-contracting) small and medium-sized enterprises and companies that are classed as supported business and factories (these are companies that have more than 50% of disabled employees)
- Use sustainable materials in their production and to act responsibly in disposing of their waste
- Specify Fair and Ethically Traded Products, if applicable

6 Procurement routes

The procurement route applicable will be determined by the following:

- Whether any appropriate GTCS Contracts, or Scotland Excel Framework Contracts, already exist to meet the requirement
- The level of spend, exclusive of VAT

If the requirement is not covered by an existing contract, the total value of the contract will determine which procurement route to follow:

<table>
<thead>
<tr>
<th>Procurement Threshold exclusive of VAT</th>
<th>Lead Role</th>
<th>Process</th>
<th>Contract Documentation Required?</th>
<th>Timescales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £300</td>
<td>Requisitioner</td>
<td>Direct to supplier <em>To be used for one off purchases and not for repeat orders</em></td>
<td>NO – Purchase Order acts as contract</td>
<td>N/A</td>
</tr>
<tr>
<td>£301 - £5,000</td>
<td>Requisitioner</td>
<td>3 verbal/email quotes required</td>
<td>NO – Purchase Order acts as contract</td>
<td>1-20 days</td>
</tr>
<tr>
<td>£5,000 - £10,000</td>
<td>Requisitioner</td>
<td>3 written quotes required</td>
<td>NO – Purchase Order acts as contract</td>
<td>10-20 days</td>
</tr>
<tr>
<td>£10,001 - £50,000</td>
<td>Finance &amp; Procurement</td>
<td>Invitation to Quote (ITQ)</td>
<td>YES – Contract Number* provided by Finance and Procurement</td>
<td>15-25 days</td>
</tr>
<tr>
<td>&gt; £50,000</td>
<td>Finance &amp; Procurement</td>
<td>Invitation to Tender (ITT)</td>
<td>YES – Contract Number* provided by Finance and Procurement</td>
<td>30 days plus</td>
</tr>
</tbody>
</table>
Procurement thresholds apply to the aggregate (total) value of all requirements for the purchase of goods and services of a similar type across GTCS. In judging whether supplies/services are “of the same type”, account should be taken, for instance, of whether they would normally be ordered together and/or from the same supplier.

Aggregate values may be calculated by one of the following methods:

- The estimated value of separate contracts for meeting a single requirement; or
- The total value of goods and services purchased during the last financial year; or
- The estimated total value of all contracts/orders expected to be placed in the next financial year or during the term of the contract is that is longer; or
- Where contracts have no definite duration, 48 x the monthly value

*All contracts with a potential spend greater than £10,000 should be discussed with the Finance and Procurement Team.

7 Advertising

It is GTCS policy to advertise all contracts over £50,000 on the GTCS website and in trade journals/newspapers where appropriate in order to ensure as wide an awareness of and participation in our tenders as possible. The Finance and Procurement team is responsible for preparing and publishing these advertisements.

For contracts between £10,000 and £50,000, it is GTCS policy to issue an Invitation to Quote to a sufficient number of identified suppliers which will result in at least three submissions being received.

8 Consultancy contracts

GTCS is required to report details of consultancy spend under the Public Service Reform Act 2010. The table below shows which external resources must be reported according to the Act.

<table>
<thead>
<tr>
<th>Consultancy</th>
<th>Not consultancy</th>
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</thead>
<tbody>
<tr>
<td>Services that support business improvement and</td>
<td>Services that support normal, recurring core activity, e.g.:</td>
</tr>
<tr>
<td>development of management strategy, e.g.:</td>
<td></td>
</tr>
<tr>
<td>1. Advice on setting corporate strategy</td>
<td>1. Professional services for legal or accountancy services</td>
</tr>
<tr>
<td>2. Advice on setting specific strategy e.g.</td>
<td>2. IT systems development</td>
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<tr>
<td>IT, marketing</td>
<td></td>
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<tr>
<td>3. Performance improvement and</td>
<td></td>
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<tr>
<td>business transformation advice</td>
<td></td>
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<tr>
<td>4. Irregular or one-off specialist advice and</td>
<td></td>
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<tr>
<td>guidance</td>
<td></td>
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<tr>
<td>5. Advice and guidance on business best practice</td>
<td></td>
</tr>
<tr>
<td>and efficiency</td>
<td></td>
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</table>

9 Tender evaluation

GTCS will always evaluate the tenders by the most economically advantageous tender received in terms of quality and price.

GTCS evaluate the tenders using an evaluation tool which allows all parties to score the criteria set out in the tender. These scores are used to form a consensus score agreed by all evaluators. GTCS will retain this score for public record.
If a consensus score cannot be reached, the Scheme of Delegation will determine who makes the final decision.

10 Contract terms, documentation and endorsements

It is GTCS policy that all contracts should be based on GTCS standard terms and conditions of contract. Terms and Conditions are available for download from the GTCS website.

Any alteration to standard documentation should be discussed with the Finance and Procurement Team before a supplier is engaged.

GTCS employees must not endorse any products or services. Individual requests received for endorsement must be referred to the Senior Strategic Manager: Finance and Procurement.

11 Contract and supplier management

GTCS recognises the importance of managing relationships with suppliers to optimise their performance in the delivery of goods and services to allow GTCS to perform its duties.

GTCS is proactive in working with suppliers through the life of the contract and categorises contract management into four categories:

<table>
<thead>
<tr>
<th>Level of CM by Finance &amp; Procurement</th>
<th>Decision Matrix</th>
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</table>
| High                                | • Strategic to the delivery of GTCS’s goals and objectives. Failure to deliver would result in harm to GTCS in performance and reputation.  
  • Single Source supplier  
  • Infrastructure/process changes required to service the contract  
  • Cost savings and process improvements required to be executed during the life of the contract |
| Medium                              | • Failure to perform would result in some loss in performance but recoverable without serious harm  
  • Cost savings and process improvements may be achievable during the life of the contract  
  • Multi supplier base |
| Low                                 | • Failure to perform would result in no loss of performance and recoverable without harm  
  • Cost savings and process improvements cannot be achieved during the life of the contract  
  • Multi supplier base |
| None                                | • Low value non-essential goods/services |

The end user (staff member receiving the goods/services) will agree the level of contract management with the supplier at the beginning of the contract. This will be measured by SLA’s against key performance indicators. The SLA’s will be mutually agreed between the supplier and GTCS. The Finance and Procurement Team will, where required, be involved with review meetings on a frequency agreed between GTCS and the supplier.

GTCS is committed to developing additional opportunities for GTCS to contribute to the achievement of GTCS’s environmental objectives by:

- Developing environmentally friendly alternatives to the goods or services specified
- Adopting sustainable processes, goods and services
- Extending sustainability improvements throughout the supply chain
- Provide suppliers with feedback and assistance to improve their own sustainable performance.
Review

This policy will be reviewed every two years.

<table>
<thead>
<tr>
<th>Policy owner</th>
<th>Director of Corporate Services</th>
</tr>
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<tbody>
<tr>
<td>Policy author</td>
<td>Senior Strategic Manager: Finance and Procurement</td>
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<tr>
<td>Document version no.</td>
<td>0.1</td>
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<tr>
<td>Revisions approved by</td>
<td></td>
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<td>Date revisions approved</td>
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<tr>
<td>Next review date</td>
<td>Oct 2020</td>
</tr>
<tr>
<td>Is/should this be on GTCS’s website</td>
<td>Yes</td>
</tr>
<tr>
<td>Are any forms on the Hub linked to this document? Please list here.</td>
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</tbody>
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