CHANGING LIVES

PURCHASING AND PROCUREMENT POLICY

Policy Summary

- Aim of the Policy: The aim of a purchasing and procurement policy for a charity is to ensure that all purchases and procurement activities are conducted in a transparent, ethical, and cost-effective manner.
- Ensure Statutory Requirements: The policy must be compliant with;
  - **Charity Commission Guidance:** Charities must follow the guidance provided by the Charity Commission, which includes rules on charity purposes, managing charity finances, and making decisions.
  - **Public Benefit Requirement:** Charities must provide a clear benefit for a wide enough section of the public when delivering their purposes
  - **Fundraising Regulations:** Charities must adhere to specific regulations regarding fundraising activities, ensuring that they are conducted ethically and transparently.
- Review and Monitor Requests: The policy will be reviewed bi-annually with approval from SLT.

Document Name: Purchasing and Procurement Policy
Author: Lewis Murton, Finance Director
Approval Standard Required: SLT
Date of Approval: January 2025
Next Revision Date: January 2027 (Every two years)

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Revision	Date	Record of Changes	Approved by
1.0	23/08/2024	Initial Creation	SLT

1. Objective

1.1 — Managers have autonomy to make place-based decisions about how they purchase goods and services for Changing Lives projects, this policy details the actions and responsibilities for managers to ensure that procurement represents value for money.

Changing Lives buying policy is based on good practice and obtaining value for money (VFM), both in terms of price and quality. This can best be achieved by some form of cost validation i.e. price comparison or screening, obtaining three verbal or written quotes or via a more formal tender process. It also requires the establishment of a suitable number of approved and preferred suppliers to source from. The Procurement Team will provide separate guidance.

1.2 — The procurement team acts as a first point of contact for advice and support relating to all procurement matters.

2. Scope

2.1 — This policy applies to the procurement and purchase of all goods and services, this includes building and property activities.

3. Guidelines

Authority Levels and Thresholds

3.1 — All procurement spend on goods and services is governed by the existing authority levels for expenditure. The scheme of delegation and the actual delegated authority limits are outlined in the policy on reservations and delegation of authority.

3.2 — The following minimum procedures will support and help Changing Lives achieve value for money (VFM). These procedures will apply to all goods and services purchases. The degree of rigour required in the buying process should directly relate to the value, urgency and judgement of the buyer.

Value	Minimum Procedure	Authorisation
£1 — £1,000	Single quote* **whilst the minimum procedure is a single quotation buyers should undertake a best value comparison where time and resource allows.*	Project Managers/Leads — £1,000 See Reservation and Delegation of Authority Policy ("RDA").
£1,001 — £24,999	3 written quotes or verifiable evidence of price screening or comparison that demonstrates clear VFM.	Area/Service Managers — £2,000 Ops Leads — £5,000 Exec-Directors — £10,000 Finance Director —£50,000 See RDA
£25,000 and above	3 written quotes or Formal advertised tender.	Finance Director — £50,000 Operations Director — £100,000 Chief Exec — £250,000 Finance sub-c —£1m

3.3 — These thresholds apply to all goods and service purchases. Whilst these guidelines are intended to offer a flexible, user friendly and pragmatic approach to buying, it should be noted that the buyer and authoriser are ultimately responsible for the appropriateness of the method and it's fitness for purpose.

4. Purchase Value £1 — £1,000

4.1 — Whilst a single quote is acceptable, it is advisable to undertake some form of best value check if possible, using a like for like comparison. This applies to white goods and other goods and services which can have a wide variation in price, quality and specification. Buyers should avoid over specifying requirements. Internet search and comparison websites allow easy price screening and comparison.

4.2 — Process:

- Identify the goods or service to be purchased.
- Managers should confirm that there is no existing preferred single supplier contract in place or list of preferred suppliers. If there is a single or preferred supplier(s) then the manager should use this option.
- If there is no single preferred supplier then consider a single quote or where possible obtain comparative quotes from the approved list.

- If there are none of the above then it is deemed a spot purchase*.
- If it is a spot purchase then obtain single quote or preferably validate the value of the purchase through internet price screening/google search. Managers need to be able to demonstrate that they have sought value for money.
- Ensure the purchase authoriser is content with the option chosen.
- Make purchase in accordance with current purchase order guidance.

4.3 — A spot purchase is normally a new or irregular purchase.

5. Purchase value £1,001 — £24,999

5.1 — Whilst three written quotes are expected, depending on the type and the perceived level of risk, a more rigorous quotation or tender procedure might be utilised. Advice and assistance with the purchase can be sought directly from the Procurement Team.

5.2 — Process

- Identify the goods or service to be purchased
- Confirm that there is no existing preferred supplier contract in place, if there is then it should be used.
- If no preferred supplier, check if there is an approved supplier list and obtain three written quotes from the approved list
- If no approved list, you can spot buy and source three suppliers and obtain three written quotes.
- Seek Procurement advice if you require sourcing assistance or any advice particularly around tendering or contracting options.
- Note the decision and result and document the rationale to justify your decision
- Ensure the purchase Authoriser is content with the option chosen.
- Make the purchase as per current purchase order guidance.

6. £25,000 and Above

6.1 — Individual purchases likely to be in excess of £25,000 should go through a more considered process. This should involve a formal tender exercise or a more rigorous quotation/selection process. Advice should be sought from the Procurement Team, who will advise and where necessary manage or complete the process for the client.

6.2 — Considerations to be made by the Procurement Team in conjunction with the client will include:

- The type of purchase, is it goods or services
- The actual category and risk and how best to achieve value for money
- The recurring nature of the requirement, aggregation and the type of enabling arrangement, contracting strategy which may or may not be appropriate

7. Purchase Orders

7.1 — Changing Lives uses a purchase order system to manage the finances around procurement ensuring that purchases are approved by the appropriate accountable person as per the RDA rules. This is done to help ensure value for money and establish assurances around financial responsibilities and accountabilities.

Training on the purchase order is available for all staff regularly via CLIVE & L&D.

7.2 — Key points:

- Purchase orders should be raised for all services and supplies unless otherwise agreed by the Procurement Team or Finance.
- All PO requisitions should be authorised by the appropriate budget holder in advance of any goods or services being ordered.
- PO number should be provided to the supplier at the time of ordering.
- Suppliers must quote relevant PO number on invoices.
- All supplier invoices should be sent directly to Finance at Head Office, not the Project.
- All invoices linked to a PO should be receipted by the originating authority
- Any queries around the purchase order process should be addressed to Finance@changing-lives.org.uk

8. Nominated Buyer

8.1 — In larger teams, or projects where there is a significant amount of purchasing, it is recommended that the manager appoints a nominated buyer to administer local procurement. The nominated buyer will act as the project liaison point with the Procurement Team.

9. Retaining Evidence

9.1 — Managers should retain paper or electronic evidence of procurement decisions, above £1,000 this means keeping evidence of alternative prices available for goods and services.

10. Maintenance and Improvement of Premises

10.1 — Property maintenance activities as with all general goods and services purchases need to be conducted with a view to securing value for money and the thresholds included in this standard equally apply.

11. Fairness, Transparency and Ethics

11.1 — Changing Lives will where possible proactively encourage local suppliers to partake in tendering or quoting for work. In accordance with appropriate legislation and best practice relating to our procurement process, Changing Lives will be transparent, objective, and non-discriminatory in the selection of suppliers. In the process of obtaining new quotes from suppliers we need to be open and transparent about the way we procure our goods and services and be able to justify the decisions taken. We will also when formally tendering include where appropriate environmental and ethical policies as part of the appraisal and selection process.

Contact details for the department or individuals responsible for this policy or any sections noted in this policy;

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CHANGING LIVES

Changing Lives is the operating name of The Cyrenians, registered Charity Number: 500640 and registered Company Number: 995799 in England.