

# PROCUREMENT POLICY

## Policy Statement

Westminster Foundation for Democracy (“WFD”) is committed to ensuring that, in relation to its procurement activities, WFD:

- Has a **transparent and accountable** process
- Funds are used effectively to deliver **maximum benefit**
- Minimises the risk of fraudulent activities and accidental errors
- Is **compliant with donor requirements**, minimising the risk of ineligible spend

This policy applies to all procurement activities relating to:

- **Goods** – tangible products or items, such as stationary or furniture
- **Works** – such as repairs to property
- **Services** – support or activities provided by another organisation, such as conference/meeting facilities, audit or legal work, or consultancy/ experts

WFD may, from time to time, determine that in order to secure a procurement arrangement for specified goods and/or services that offers flexibility to WFD staff **and** demonstrates good value for money, it will put in place a Framework Agreement. This Procurement Policy will apply to the process to select and contract the supplier(s) under such a Framework Agreement. Once in place, the suppliers under the Framework Agreement may be directly contracted to deliver relevant goods and/or services without any further procurement process.

## Policy Principles

WFD’s Procurement Policy is based on several principles. All WFD procurement activities must be:

- **Fair** – treating all suppliers and potential suppliers equally throughout all procurement activities.
- **Transparent** to all parties involved. All steps in the procurement process must be documented appropriately to provide a clear audit trail, evidencing decisions made.
- **Compliant** with requirements of donors as well as any relevant legislation. Correct process must be followed, and appropriate authorisation given.
- **Ethical** - Procurement activity must not support organisations involved in criminal activity such as fraud, corruption, forced labour (modern slavery) and other human rights abuses. **Due diligence** should be carried out on potential suppliers and business relationships responsibly managed with appropriate action being taken where unethical practices come to light.
- **Value for Money** - This is not to be confused with the cheapest option. Value for Money can be defined using 3 E’s
  - **Economy** – best value
  - **Efficiency** – maximising outputs
  - **Effectiveness** – outputs deliver the desired outcome(s)

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## Policy Implementation Framework

### 1. Governance accountability

The Board of Governors of WFD is ultimately accountable for overseeing the enforcement of this Policy and ensuring the proper management of WFD’s arrangements to manage procurement activities. The Board may delegate responsibility to the Audit & Risk Committee from time to time.

### 2. Management responsibility

The Finance Director of WFD holds overall management responsibility for developing and implementing this Policy.

As a core Corporate policy, each of the Finance, Operations, and HR Teams has a role in supporting the implementation of the Policy. All three teams will promote good practice in procurement. In particular:

- The Finance Team will provide an orientation on this policy as part of the induction process for new joiners and support procurement planning by Programme teams;
- The Operations Team will provide technical advice on procurement processes and contracting; and
- The HR Team will provide support on sourcing experts.

### 3. Scope and application

This Policy applies **globally** to **all individuals** procuring on WFD’s behalf. This includes contractors, agency workers, and other individuals temporarily undertaking work for WFD under a contract of service. It also applies to implementing partners.

The Policy covers any procurement by WFD for the supply of goods and services around the world, including consultants and experts. It does not apply to any grants or sub-grants made by WFD to partners.

### 4. Stakeholder roles and responsibilities

(a) *Internal stakeholders must:*

- read and comply with this Policy. Failure to comply with this Policy will be treated as a serious matter and may result in disciplinary measures being taken;
- undertake any mandatory training as may be required under this Policy;
- act ethically, impartially and objectively in all their purchasing activities; and,
- ensure any additional requirements per the donor’s contract terms are met when conducting work on a third-party contract.

(b) *Stakeholders must not:*

- be involved in selecting suppliers or overseeing procurement if there is a real or perceived conflict of interest. This includes situations where the employee, any member of the employee’s immediate family, or employee’s partner has a financial or other interest in the organisation selected.

### 5. Procurement thresholds

Estimated value	Procurement method
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<b>Up to £100</b>	Petty cash (cash & receipt process)
<b>£101- £1,000</b>	Single quote process – written
<b>£1,001 - £3,000</b>	Informal three quote process – minimum of 3 written quotations requested
<b>£3,001 - £15,000</b>	Formal three quote process – minimum of 3 written quotations requested <b>based on a written specification</b> of requirements
<b>£15,001 and above</b>	Formal tender process open to a minimum of 3 bidders
<b>£189,330 and above</b>	Formal tender process in accordance with EU law, please inform the Director of Operations

The **total value** of the purchase (inclusive of VAT), including possible contract extensions, must be taken into consideration when deciding which threshold applies.

Procurements **must not** be artificially split into separate orders to avoid the processes and signatories associated with a higher threshold.

If the final cost of the service/ goods procured is 50% or more higher than the quoted price, the reasons for this must be reviewed by the original committee plus a member of the Procurement Working Group.

Donor procurement thresholds, if lower, must be adhered to for all spend on a given grant or contract.

## 6. Three quote process

### Formal (£3,001 to £15,000)

1. Potential suppliers should be **equally informed in writing** (e.g. an email) of WFD's requirements. A "Request for Quote" template is available [\[LINK\]](#)
2. Request a minimum of three written quotations from different suppliers.
3. Suppliers should be given a minimum of 7 days to submit a quotation.
4. Evaluate the quotations using a **Comparison Form** [\[LINK\]](#). **Evaluations must be conducted by a committee of at least 2**, usually the staff member who has completed the procurement exercise and the budget holder (or their line manager if the budget holder is the one initiating the procurement).
5. Select supplier based on this evaluation. The justification for the selection must be clearly documented on the Comparison Form.
6. If only one or two suppliers respond you can proceed if you are able to conclude that they will deliver the service/ goods required effectively and offer good value for money. This should be recorded on the comparison form. If you do not feel you can reach this decision, you should send the request for proposals to additional suppliers.

### Informal (£1,001 to £3,000)

Follow steps 2 to 5 above. The level of detail and form in which WFD's specifications are provided to the supplier will be enough to obtain reliable and comparable quotations.

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## 7. Tender process (£15,001 and above)

1. **Finalise specification** of exactly what is needed including why (outputs and outcomes), when, where and within what budget.
2. **Advertise tender opportunity** (in newspapers, noticeboards, online, WFD website, etc) and on Contracts Finder. In the UK, Government guidance on procurement applies: <https://www.gov.uk/government/collections/procurement-policy-notes#2017>  
Suppliers should submit a written Expression of Interest by the given deadline.
3. Issue an **Invitation to Tender** [LINK] to eligible suppliers (target minimum of 5). Suppliers should be given a minimum of 14 days to return a completed tender. A minimum of 2 tenders must be received or the process may need to be restarted.
4. In some cases, staff members may proceed directly from step 1 to step 3 above, provided that the Invitation to Tender is advertised through appropriate channels and on Contracts Finder.
5. Evaluate tenders received using the **Comparison Form** [link]. **Evaluations must be conducted by a committee of at least 3**, usually the staff member who has initiated the tender, the budget holder (or their line manager if the budget holder is the one initiating the procurement), and a member of the Procurement Working Group. Additional members should be included as required to enable an informed decision – for example, a colleague with knowledge / expertise relevant to the tender (Programmes, TAU, MEL).
6. Scored **presentations/ interviews** may be used as part of the tender process. All suppliers must be invited, and all evaluation committee members must be present.
7. **Negotiation** may be carried out during the tender process. Suppliers must be treated equally – if some suppliers are given the opportunity to amend their quality or price, all other suppliers must also be given this opportunity. Any agreement reached during negotiation must be documented in writing and signed by the supplier.
8. **Justification** for the **selected supplier** must be clearly documented on the Comparison Form and signed by all members of the evaluation committee.

**A tender is not required for hotel or travel bookings of more than £15,000 if using WFD's preferred suppliers, or for a supplier under a Framework Agreement.**

- For hotel bookings three or more quotes should be requested from WFD's preferred suppliers and the formal three quote process followed.
- For travel bookings using Key Travel a range of suitable options should be obtained and travel policy complied with.

## 8. Exceptional circumstances

In certain exceptional circumstances it may not be possible to comply with WFD's procurement requirements.

**Single source procurement** is one example. Single source procurement may be appropriate when:

- there is either very limited or no competition;
- the item or service is truly unique and available only from a single source that has the expertise to do the work or produce the product or with capacity to complete in the time and at the scale required;
- for technical or artistic reasons or because the supplier owns exclusive intellectual property rights that WFD needs to use;
- the donor has stipulated or authorised that a particular supplier should be used for the purchase;
- a competitive process did not result in three quotes or the minimum number of tenders;
- WFD requires legal advice or services;
- WFD requires document certification or authentication services;
- WFD intends to contract the supplier via an HMG or WFD framework agreement.

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Single or sole source procurement is receiving increasing donor scrutiny as there is a perception that it is used inappropriately. Applying it without strong justification will damage WFD’s reputation and potentially result in the associated expenditure being disallowed by the donor. All single source procurement over £15,000 must be reported annually to the FCO.

Unless one of the specific exceptions above applies, the previous use of a supplier, or knowing that a supplier has relevant knowledge/ experience does not qualify for single source procurement. The appropriate procurement process should still be followed, to benchmark the supplier against the market, and the comparison form completed and approved in line with policy.

A case of **genuine urgency** is another example where the normal competitive process cannot be followed. This would apply in circumstances where there are genuine reasons for extreme urgency; the events that led to the need for extreme urgency were unforeseeable; it is impossible to conduct a competitive process; and in cases where WFD has not caused or contributed to the need for extreme urgency. For example, a waiver may be sought in the event of a natural disaster, outbreak of disease, act of terrorism, or where immediate action is required to preserve the health, safety, and security of WFD staff or partners or to address a gap in existing provision at short notice.

The comparison form [\[LINK\]](#) should be completed for any exceptional procurement to document why this exception has been necessary. The form should be signed by the individual proposing the procurement, the budget holder (or their line manager if the budget holder is the one initiating the procurement), and a waiver secured in advance as follows:

Estimated value	Authoriser
Up to £3,000	Regional Director or Director of Operations (for UK)
Between £3,001 and £15,000	Director of Programmes or Director of Operations
Over £15,001	Chief Executive

## 9. New suppliers, sanctions checking, and due diligence

**For third-party funded sub-contracting, staff should consult the Partnering Policy [\[Link\]](#) in the first instance.**

**In all cases** where procurement processes result in WFD purchasing goods or services from a new supplier, a **new supplier form** [\[LINK\]](#) must be filled out by the supplier and sent to the [accounts.payable@wfd.org](mailto:accounts.payable@wfd.org)

All suppliers must have passed a vetting check, guidance on this can be found [here](#) For new suppliers this check must be completed before a commitment to purchase has been made. Staff should send the name of the supplier, in advance of contracting, by email to Lizzy Millar on: [lizzy.millar@wfd.org](mailto:lizzy.millar@wfd.org). No contract should be entered into unless the contract manager has received confirmation that the vetting check has been cleared.

If the intention is to procure goods or services of a value totalling **£15,000 of more**, further due diligence must be carried out on suppliers in advance of placing orders or entering contracts.

A good due diligence assessment will:

- be **proportionate** to the expected spend
- be **risk** based
- provide a better **understanding** of the supplier/ partner
- support procurement **decision** making

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The assessment will include:

- checking necessary **registrations**
- verifying **ethical** criteria have been met (e.g. anti-fraud bribery and corruption, safeguarding, terrorism, and other social responsibility expectations as set out in the WFD standard contracts)
- verifying the supplier's **financial** standing (see below)
- checking **references**

See Partner Due Diligence Questionnaire for further information [[Link](#)]. There is an abridged version of the Partner Due Diligence Questionnaire for small grants and a separate Due Diligence form for consultants/experts.

### Financial checks

These are carried out to ensure WFD does not enter into a contractual relationship with a supplier who is financially unsound and may be unable to fulfil the contract. The supplier must provide:

- Latest financial statements
- Cashflow forecasts
- Any other financial information which facilitate this assessment (i.e. as appropriate in local context. In the UK financial statements filed accounts should be available)

Your local finance team member will be able to assist with conducting this assessment. Please contact your Finance Business Partner for additional support.

### 10. Contracts

WFD must not pay any party, or allow any party to start work for us, until we have an **appropriate, written contract** in place, which has been reviewed, authorised, and signed in accordance with this Policy.

Any change, extension or renewal to an existing contract must be reviewed and approved in accordance with this Policy, as if it were a new contract.

The authority to approve and sign a contract will depend on the level of expenditure:

Estimated value	Requirements
Up to £250	N/A
Between £251 and £3,000	Contract signed by the <b>relevant SRO</b> and by supplier.
Between £3,001 and £15,000	A contract <i>should be</i> signed by the <b>relevant budget holder</b> and by the supplier. If this is not possible reasons must be clearly documented and the Regional Director / Director of Operations must approve
Over £15,001	A contract <b>must be</b> signed by the Chief Executive or Director of Operations and the supplier

WFD standard contract templates [[LINK](#)] should be used wherever possible. If a supplier prefers to use their own contract template, this should be reviewed and approved by the Director of Operations prior to signature. If any changes are requested to the WFD standard contract by a supplier, the changes should be reviewed and approved by the Director of Operations prior to signature.

**Timing(s) of payment** should be stated in the contract. Ideally payment should only be made following the receipt of goods or services.

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Payment should only be made in advance on an exceptional basis. Where payment is to be made to a supplier in advance, appropriate financial checks must be made on the supplier (see Due Diligence section). This should only be undertaken by prior approval from Finance, to be secured via the Finance Business Partner.

## 11. Contractors

A contractor is a person or a company which performs a service or undertakes a job for WFD, but is not a member of WFD’s staff. Contractors can be short-term or long-term. They may be used for programme delivery (often referred to as “experts”) or to support corporate functions.

This section of the procurement policy relates only to **short-term consultants** used to support the delivery of WFD programmes.

For the purposes of this policy, short-term will generally be services for up to two weeks at one time, on a one-off or ad hoc basis.

For guidance on recruitment of **long-term consultants or temporary/ agency staff**, please contact WFD’s **HR** team.

For procurement of contractor services to support corporate functions (for example, an IT specialist to deliver a system upgrade), this procurement policy applies in the ordinary course – i.e. the appropriate procurement process will be followed in each case, depending on the expected value of the contract.

One of WFD’s unique selling points is its access to consultants/ experts. WFD will operate an “Expert Roster” of relevant contractors who have agreed to offer their expertise to WFD, from time to time, to support programme delivery. Each expert listed on the roster has been subject to a due diligence process.

WFD may, from time to time, establish a framework agreement for a pool of selected consultants for a particular theme or area of expertise. In such a case, the experts would be selected following a procurement process in accordance with the requirements of this Policy and is subject to a Framework Agreement. This allows an Expert to be “commissioned” from time to time directly without a further procurement process for that assignment. If no relevant Framework Agreement exists, an ordinary procurement process must be initiated to select an Expert for any assignment.

Experts are often willing to provide their services at a reduced rate. Wherever possible we should be seeking to secure short-term consultants at below market rates, whether as part of a Framework Agreement or following a specific procurement process – this enhances value for money and public perception of WFD’s good use of public money.

For short-term consultants, the following maximum rate should be adhered to:

- Daily rate: **up to £250**

In addition:

- Travel costs can be covered by WFD. Costs must be compliant with WFD’s Travel policy
- Expenses are reimbursable in line with WFD’s Expenses policy

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If a short-term expert cannot be secured at the maximum rate, a higher rate can be agreed but the supporting justification and value for money considerations must be clearly documented.

If a short-term expert is delivering services in relation to a third-party programme, for which all costs will be met by the donor, then the budget rates agreed with the donor apply.

**This policy is effective from April 2019 and replaces all other WFD procurement policies.**

**The policy was revised and reissued on 29 April 2020.**

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