

Title: POL 021 Corporate Procurement Policy		Page: 1 of 16
Owner: BOS	Approved by: Audit Committee	Approval Date: 25.11.2014



CORPORATE PROCUREMENT POLICY

Mission Statement

“The Pre-Hospital Emergency Care Council exists to specify, review, maintain and monitor standards of excellence for the delivery of pre-hospital emergency care for people in Ireland.”

PHECC acknowledges its responsibility for ensuring that an effective system of internal financial control is maintained and operated, PHECC through the Director is responsible for monitoring the system of internal control and providing assurances to Council.

This procurement process will be based on the probity, transparency and accountability requirements which drive the whole ethos of Ethics in Public Procurement and that the entire process is carried out in compliance with all relevant guidelines.

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1 Procurement Process Overview.

1.1 The aim of this Policy

To ensure that the Pre-Hospital Emergency Care Council (PHECC) adheres to effective, strategic and professional procurement methods incorporating all relevant EU directives and Government legislation and recommendations. In doing so this will provide the best available value for money while at the same time it will also ensure that we will meet our obligations in terms of:

- Openness
- Transparency
- Accountability

One of the most basic and fundamental aspects of procurement within any organisation is that it must be carried out within agreed policies and procedures. Procurement within PHECC is centralised so it is vital that the principles of efficiency, effectiveness and better value for money are understood and adopted by those involved in the process.

Public Procurement operates under legislation which is driven by EU directives and in particular directive 2004/18/EC. This directive is based on four fundamental principles which are enshrined in the Treaty of Rome:

- Non discrimination on grounds of nationality
- Free movement of goods
- Freedom of establishment
- Freedom to provide services

These four principles are the drivers to ensuring that procurement is carried out in a manner that enhances the ethos of openness, fairness and accountability. Public Procurement throughout the EU is also subject to the Remedies Directive 2007/66, the aims of which were to clarify and improve the effectiveness of the review procedures and the safeguarding of the awarding of contracts. This directive was implemented in Ireland on the 25th March 2010. Public procurement must also enshrine the principles of the Disability Act 2005 in particular section 27 which relates to accessibility. Further National direction is given in the form of guidelines and circulars issued by various government departments.

1.2 Procurement Principles of Law

Under Article 2 of the EU Directive 2004/18 and governed by the Treaty of Rome the Awarding of Contracts is subject to certain General Principles of Law. These principles have emerged from the case law of the European Court of Justice (ECJ) and are very important. The four main principles are as follows:

Equal Treatment

- Applying the same rules to all
- Giving the same rights of access
- Using objectively fair decisions
- Equal treatment is a concept that generally requires identical situations to be treated in the same way or different situations not to be treated in the same way, and it requires the identical treatment of identical people.

Proportionality

- All measures must be necessary, proportionate and appropriate in relation to the objective, which is the award of the contract.
- No excessive or disproportionate conditions, criteria, or rules are to be applied.

Mutual Recognition

- Professional Qualifications, Nationality
- Standards and Specifications, Performance

Transparency

- Publication and accessibility of the legislation provides clarity and certainty for all stakeholders and enables contracting authorities and economic operators to be aware of the rules of the process.
- Requirements of advertising guarantee transparency in the discovery process.
- Publicising in advance the technical specifications and the selection and award criteria permits stakeholders to check that these are fair and non-discriminatory.
- Recording and reporting requirements ensure that the actions of PHECC may be verified where appropriate.

The other objective of transparency would be in relation to “accountability”. That is holding those involved in the procurement process accountable for their decisions and actions. Accountability is also often an explicit objective of national procurement systems, and the transparency provisions reinforce this accountability. The importance of the principle of transparency in the EU context, however, is that it applies independently of the legislation. So, if a particular procurement contracts falls outside the scope of the Directives the principle of transparency continues to apply so as to impose advertising requirements. The ECJ confirms that this is the case. These general principles apply independently of the Directives, so that even if the Directives do not apply, the principles still apply to the procurement and award of contracts by PHECC.

1.3 Competitive Process Guidelines

The Irish Government have published an updated set of guidelines called “Public Procurement Guidelines – Competitive Process” to replace “The Green Book”. These guidelines outline the different approaches that can be taken in different circumstances by all those involved in the procurement process. The guidelines can be viewed by staff at [Public Procurement](#) The main principles of the Guidelines to be noted are as follows:

- Competitive Tendering should always be used unless exceptional circumstances apply.
- The EU Public Procurement Directives have legal force and must be adhered to
- EU and National Thresholds for Contracts apply and are reviewed on an ongoing basis (updated limits can be found on the eTenders site and in our Procurement folder).
- Contracts above the stated thresholds must be advertised on eTenders and/or OJEU – The Official Journal of the EU (both ads can be placed via the eTenders site).
- National Guidelines apply, not only to formal, written contracts, but also to all procurements and disposals.
- Contracts below the EU threshold that are part funded by more than 50% by EU institutions come within the scope of the EU Directives.

The National Procurement Service (NPS) came into effect in March 2009. The unit was established in the Office of Public Works (OPW) on foot of a Government decision of June 2008. The Minister of State in the Department of Finance was assigned responsibility for Procurement. PHECC fully commits itself to working closely with the NPS and to use national contracts which offer value for money.

The successful implementation of any procurement policy will very much depend on the commitment of all those concerned with procurement throughout the organisation in relation to embracing the concept of efficiency and the sharing of information and ideas in order to achieve better value for money. PHECC must always strive to be cost effective and efficient in the use of its resources while upholding the highest standards of probity and integrity. Procurement practices are subject to audit and scrutiny under the Comptroller and Auditor General (Amendment) Act 1993, under which the Director of PHECC is publicly accountable for expenditure incurred.

1.4 Procurement Process

The steps involved in the procurement process can be summarised as follows:

Identification of needs:

- Gather information.
- Identify possible source of supply.
- Determine the overall value of the contract.
- Clarify Budget availability.

Preparation of Tender or Quotation:

- Form a procurement team if required.
- Look for specialist advice if necessary.
- Agree exact descriptions and specifications.
- Determine if a formal tender is required based on thresholds.
- Agree on qualification and award criteria.

Advertising:

- Determine the most relevant method of advertising eTenders / OJEU.

Evaluation:

- Procurement team evaluates responses.
- Score responses.
- Produce short-list of suppliers if required.
- Produce recommendation report and sign off on evaluation process.

Award Stage:

- Advise potential supplier of intention to award contract.
- Advise unsuccessful applicants by letter outlining reasons.
- Allow adequate standstill period.
- Check and agree Terms and Conditions / Service Level Agreement.
- Provide adequate debriefing if requested.
- Award contract / Raise Purchase Order as required.

Delivery of Goods or Service:

- Confirm delivery of goods and sign invoice – Authorisation to Pay Supplier.

Payment:

- Confirm invoice as per Purchase Order.
- Pay the supplier in compliance with the Prompt Payment guidelines.

Contract Management:

- Ensure all aspects of the Contract in relation to terms and Conditions are being adhered to.
- Advise supplier of any possible problems.
- File all relevant details in relation to non-conformance.

Review:

- Review the Contract in terms of Value for Money. Consider the possibility of contract extension if the option was already flagged in the tender document.

2 Procurement Procedures

2.1 Steps in conducting a competitive process for contracts below EU thresholds.

- Value less than €5k
 - obtain at least 3 verbal quotes
 - select lowest price/ most suitable
- Value between €5k to €25k
 - send brief specification by email/ fax to at least 3 suppliers seeking written quotes
 - consider advertising on etenders / other relevant media
 - evaluate offers objectively against specified requirements (use a scoring sheet)
 - notify/ debrief unsuccessful bidders
- Value between €25k and EU Threshold
 - draw up tender documentation
 - set basis for award (lowest price/ most economically advantageous tender-MEAT)
 - for MEAT set award criteria (weighted)
 - advertise on etenders, relevant media or voluntarily in OJEU and/or invite suitably competent candidates
 - if price is basis for award, select lowest compliant bid and notify unsuccessful bidders
 - if MEAT is basis for award, evaluate tenders using weighted scoring sheet based on award criteria (including price)
 - invite most competitive to present on bids if necessary
 - select highest scoring tender
 - award contract based on successful tender
 - Debrief unsuccessful tenderers

Note: All ICT procurement projects above €10k must be by open tender process.

2.2 Steps in conducting a competitive process for contracts above EU thresholds.

2.2.1 Open Procedure

A notice is placed in the Official Journal of the European Community (OJEC) giving all interested suppliers the opportunity to tender. **52 days** (45 days) must be allowed from despatch of the notice to receipt of tenders.

(Reduced time in brackets using electronic means)

Contract documents must be sent to suppliers within **4 days** of receiving their request. Additional information must be provided to tenderers at least **6 days** before the final date of receipt of tenders.

2.2.2 Restricted Procedure

A notice is placed in the OJEC, allowing **37 days** (30 days) for interested suppliers to respond. Invitations to Tender are sent only to selected tenderers, allowing **40 days** (33 days) for their response.

Contract documentation must be sent to suppliers within **4 days** of receiving a request. Any additional information must be provided at least **6 days** before the final date of receipt of tenders.

2.2.3 Accelerated Restricted

Where compliance with the minimum time limit of 37 days (30 days) referred to above is rendered impractical for reasons of urgency, it will be possible to substitute for that time limit:

- A time limit of not less than 15 days from the date of despatch of the contract notice

or

- Where PHECC has transmitted the contract notice by electronic means which entitles the reduction in timescales: a time limit of not less than 10 days from the date of despatch of the contract notice.

2.2.4 Negotiated Procedure

Where a prior publication can be placed, the notice is placed in the OJEC, allowing a minimum of **37 days** (30 days) for the receipt of requests to be selected to negotiate. The negotiation process is complex and should be avoided unless exceptional circumstances prevail. Advice should be sought if this route is followed.

2.2.5 Negotiated procedure without prior publication

One or more suppliers of choice are approached, the terms of contract negotiated with them, and a Contract Award notice placed in the OJEC. Except under provision **1** below, **no prior OJEC notice is required**. This procedure may be used in the following circumstances:

1. Open or restricted procedures have been used and produced no acceptable tenders.
2. Extreme urgency exists for unforeseeable reasons beyond the control of PHECC
3. Goods are purely for research or development.
4. Only one supplier is available for technical, artistic or copyright reasons.
5. Goods manufactured solely for the purpose of research, experiment, study or development.

6. Partial replacement or additions to existing goods which requires technical compatibility.

It is important to note however that “urgency” and “exceptional circumstances” are very narrowly interpreted by the European Court and the EU Commission. The instances where resort to these provisions is justified will be very rare and maximum care must be taken before availing of them. The exceptional circumstances / urgency must have been unforeseeable and must not have arisen due to any action or inaction on the part of the contracting authority.

Justification in writing is required in circumstances of 2 – 6.

2.2.6 Competitive Dialogue

A notice is placed in the OJEC, allowing **37 days (30 days)** for interested suppliers to respond. Competitive dialogue is used where discussions with selected suppliers is required to develop one or more suitable solutions to meet the specific requirements of PHECC and on which bidders will be invited to tender. This procedure is used in situations where there is a particularly complex contract which requires development of the specification. It is important to ensure accurate use of this procedure.

2.3 Order Approval / Responsibility.

The Director has prime responsibility in ensuring that procurement is carried out in full compliance with PHECC’s internal financial procedures, Government Guidelines, and EU Directives. Purchase Order approval is driven by means of an agreed approval hierarchy.

Under no circumstances should any member of staff raise and approve their own Purchase Order

2.4 Purchase Orders

The raising and approval of Purchase Orders is critical to ensuring the smooth and accurate administration of the entire Accounts Payable and Purchase to Pay Systems. It is vital therefore that a number of simple steps are strictly adhered to:

- Select the correct supplier, using the Framework Agreements as appropriate. [Framework Agreements](#)
- The Finance Officer will be consulted prior to any commitment to purchase, loan or hire.
- A PHECC credit card facility enabling electronic commerce transactions will be available to (and approved by) the Director and/or Deputy Director for executive efficiency.

2.5 Code of Ethics

PHECC is fully committed to upholding the highest possible standards in relation to ethical behaviour. It is important that staff involved in the procurement process make themselves fully aware of the probity, transparency and accountability requirements which drive the whole ethos of Ethics in Public Procurement. It is imperative that management ensure that a proper focus is maintained in relation to all aspects of procurement and to ensure where possible that the process is carried out in compliance with all relevant guidelines. The Ethics in Public Procurement document of June, 2005 is available at www.etenders.gov.ie.

3 Methods of Procurement

3.1 Value for Money

A key economic driver underlying procurement processes is the need to ensure that all purchasing represent “**value for money**”. The EU Directives do not specifically address this issue but it is important not to lose sight of the need to ensure that value for money is one of the main outcomes of the procurement process. The term value for money means the optimum combination between the various cost-related and non-cost related factors that together meet the contracting authority’s requirements. The elements that constitute the optimum combination of these various factors differ from procurement to procurement and depend on the outputs required by the contracting authority for the procurement exercise concerned.

3.2 Quotations

A quotation is a relatively straightforward exercise of seeking a price and delivery time for goods or services which are easily specified and normally of a low value. All quotations should preferably be in writing as this provides both the buyer and the seller with a clear definition of what is required and will form the basis of any subsequent Purchase Order. However quotations for goods with a value of under €5,000 may be requested verbally.

3.3 Tenders

A tender is a more formal detailed exercise of obtaining sealed bids for goods or services with a medium to high value and where the exact specifications, details and terms and conditions are more complex. The tender procedure is designed not only to obtain the best value for money but also to protect PHECC in the event of any subsequent dispute or challenge by a potential bidder. It is imperative that all aspects of the tendering procedure are strictly adhered to. A Request for Tenders (RFT) should always be made available to all potential bidders at the same time and must contain identical information in all cases. The normal listing of any RFT would be as follows:

- Introduction – Identifying the requesting Authority
- Scope of the tender
- Detailed specification of requirements
- Tendering instructions including selection and award criteria and in the case of contracts above the EU threshold the weightings must also be furnished
- Relevant information in relation to the tender e.g. contact information, invoicing arrangements, delivery etc.
- Pricing Schedule
- Declaration Forms for signing by the tenderer re Bona Fides and compliance with Statutory Obligations
- Information in relation to Closing Date and Times

Under no circumstances should late Tenders be admitted to the Tender Process.

4 Tender Receipt, Opening and Recording

All Tenders should be addressed to the person or section named in the RFT. The opening and recording of tenders brings together the principles of Openness, Transparency and Accountability. It is important therefore that all those involved in the procurement process have a full understanding of the procedures involved.

4.1 Receipt of Tenders:

Staff accepting tenders shall:

- Check that the package is marked “Tender”
- Check that the job being tendered is indicated on the package.
- Ensure the package is fully sealed.
- Initial, Date Stamp and Record the Time of Receipt on the package.

4.2 Storing Tenders:

All Tenders duly received or delivered should be stored securely and the addressee informed of their receipt.

4.3 Opening Tenders

- The Finance Officer or Procurement Lead shall be responsible for the opening of tenders and for ensuring that the correct procedure is observed.
- The details of all tenders received on time should be listed and the sheet signed by those present.
- Tenders should never be opened in advance of the closing date or time.

5 Evaluation Process

5.1 Quotations

The Director or designate should evaluate **quotations** and select the one that offers the best value for money taking into account things such as Whole Life Costs, Green Advantages, Delivery times and any other pertinent factors.

5.2 Tenders

The evaluation of Tenders should preferably be carried out by a team or group, most of whom should have considerable knowledge of the goods or services being procured. The Finance Officer can be added to the group or contacted if additional procurement advice is required. It is good practice that the evaluation team be involved in the preparation of the Tender Document so that they get a full understanding of exactly what is required. The criteria to be applied in determining the award of contract should be clearly stated in the tender documents and should normally be “the most economically advantageous tender” (MEAT). Tender award criteria listed in the tender documents for contracts above the EU contract threshold must be weighted. The scoring methodology must also be prepared in advance and stated in both the advertisement and the RFT documents.

Where the “**Lowest Price Tender**” is used, then no other factors can be evaluated for the basis of award.

5.3 Selection and Evaluation Criteria

Selection / Qualification Criteria concern the Bidder/Tenderer. They would normally consist of –

- **Exclusion or rejection -**
Bidders may be disqualified on various grounds.
- **Economic and financial standing -**
Bidders may be eliminated if they do not meet the minimum financial thresholds set out in a Pre-Qualification Questionnaire (PQQ) or RFT It is important to ensure that the threshold is proportionate in each case, rather than using the same threshold for each procurement, to ensure that bidders are not excluded from participation unnecessarily.
- **Technical and professional ability -**
The PQQ or RFT may specify minimum technical standards, skill levels and experience **but** only as relevant to the purpose, nature, quantity or importance of the contract.

5.3.1 Evaluation / Award Criteria concern the bid / tender.

There is no definitive list of quality criteria that should be applied to all procurements, but they must be linked to the subject matter of the contract, that is directly related and proportionate to the contracting authority's requirements. The following may be appropriate:

- Cost
- Fit for purpose
- Quality
- Timing / Delivery date or period and ability to deliver
- Capability.
- Capacity.
- Technical merit.
- Aesthetic and functional characteristics.
- Performance standards and quality control.
- Sustainability issues and environmental characteristics.
- Skills level of the workforce.
- Aftersales service.
- Technical assistance.
- Equal opportunities.
- Continuous improvement.
- Customer care policies.

All Evaluation / Award criteria must be weighted.

A Sample evaluation sheet is at Appendix 2.

5.4 Awarding Marks based on Price

There are a number of different methods used in calculating marks based on the Pricing Structure at the Award Stage. The most popular and widely used method however is as follows:

(Total Marks Allowed × Lowest Price Tendered) ÷ Actual Price Tendered

Award criteria, weighting and scoring methodology to be used should be disclosed at the Invitation to Tender (RFT or PQQ) stage.

6 Credit Card Policy

Government policy to promote and embrace e-commerce necessitates the requirement to purchase goods and services electronically. To this end, PHECC maintain credit card facilities for the Director and the Deputy Director. These credit cards are used to facilitate and enable electronic transactions where appropriate and available and in order to increase efficiency and effectiveness.

The cards may be used for two purposes:

- To meet expenses incurred by the holder in respect of carrying out his/her duties
and
- As a procurement card to facilitate relevant purchases in support of PHECC business activities.

The current credit card agreements will specify the purchase limits on each card.

6.1 Governance and Reconciliation

- A monthly reconciliation or balancing statement will be drawn up for each credit card.
- The monthly statements will be approved and signed by the holder of the card.
- Where a credit card is used:
 - to meet expenses incurred by the holder, such expenditure shall be appropriately approved by a superior officer
 - to procure items on behalf of the organisation, the holder of the card will approve and authorise such payments on a monthly basis
- The holders of credit cards are responsible for the physical security of both the card and the account numbers.

7 Contract Review and Management

A key component of any successful contract is the method by which a contract is reviewed and managed. Contracts with ongoing deliveries or continuation of services need to be controlled and monitored otherwise they risk losing efficiency and value for money.

Where possible, Service Level Agreements should be put in place or at least some method of measuring performance should be agreed with the supplier. It is only then that both the buyer and the supplier can fully understand as to what is expected.

Regular meetings or communications are very important so that any required corrections can be put in place. It is advisable that any deviations from the agreed contract in terms of delivery of service or quality issues are fully documented and made available to the supplier. The proper filing of documentation on contracts is vital in terms of possible future competitions or contract extensions.

Appendix 1: Authorised Spend Limits

PHECC authorised staff to spend resources with limits and required authorised officer when over limit

Officer of the Board	Authorised Limit (000s)	Approval Required
Director	50	As per Council resolution
Deputy Director	25	As per Council resolution/ Director
Finance Officer	2	As per Deputy Director
ICT	2	As per Deputy Director

Appendix 2: Sample Evaluation Sheet

Title of tender

Evaluation of responses to XXXXXX request for tender

As per the RFT requirement	Price	Item #	Item #	Item #	Item #	Item #
Company Name						
Company Name						
Company Name						
Total						

Signatures of evaluation Team.....

Appendix 3: Service Level Agreement

A Service Level Agreement typically has the following information contained in each agreement:

- Parties to and period of the agreement
- A description of the services being provided to the customer
- A description of the performance service levels used by the provider to demonstrate the quality of customer service
- Roles and responsibilities of Service Provider
- Roles and responsibilities of the Customer;
- Rates for services provided and billing process
- Dispute resolution and escalation procedures
- Variations