



Colmore Business Improvement District Policy / Procedure

Title:	Principles of Procurement
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1.0	<u>General Principles of Procurement for Colmore Business Improvement District</u>	Link / Document
1.1	<p>Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process includes the whole cycle from identification of needs through to the end of useful life as an asset. It involves considering the options available and the critical “make or buy decision which may result in the provision of services in-house in appropriate circumstances” (National Procurement Strategy for Local Government 2003).</p> <p>It is noted that, as a private Not for Profit Company, Colmore Business District (Colmore BID) is not required to follow a specific procurement regime (unlike, for example, a local authority). As a small business it also does not have a central policy for procurement that must be adhered to.</p> <p>Colmore Business District does, however, have a regular need to procure goods and services. Effective procurement allows companies to minimise the cost of some transactions, and ensure that they obtain the best value for money from a supplier. It also helps to minimise risk in high risk, high value transactions.</p> <p>There is always a risk of there being a perceived bias towards purchasing from companies within the District, however, there are also times when this kind of bias is appropriate. There also may be times when this perception is reversed; where it is felt that Colmore Business District is deliberately looking outside of the District, which may cause detriment or disengagement from a Levy Payer.</p> <p>Whilst this document does not set out a formal procurement process for staff to follow, these general principles should always be considered. It is for staff to decide when it is appropriate to deviate from these principles, or, when applied, how rigorous this application should be.</p>	

2.0	<u>Aims of the Procurement Policy</u>	
	<p>The aims of this policy are as follows:</p> <ul style="list-style-type: none"> • To provide an efficient and transparent methodology for procuring goods and services for Colmore Business District • To ensure that Levy Funds are spent appropriately but obtaining value for money within transactions • To allow the BID to continue to be flexible and responsive • To improve the local economy, where possible, by sourcing products and services from within the District (subject to quality, price and availability) • Where the above isn't possible, to improve the wider Birmingham economy by sourcing products and services from within the city, where possible • To ultimately provide the best products and services, whilst ensuring value for money, sourcing nationally and internationally where appropriate. • To encourage strategic procurement of goods and services • To encourage sustainable procurement where possible. Sustainable includes being environmentally sustainable and to encourage community stability. <p>It should be noted that failure to follow any of the provisions of this Procurement Strategy will not invalidate any procurement or tender process nor will Colmore Business District, its Board of Directors, or staff be liable to any tenderer or any other party for any failure to comply in any way with the provisions of this Procurement Strategy.</p>	
3.0	<u>Identifying a need for procurement process</u>	Link / Document
3.1	<p>There is a wide range of goods and services that Colmore BID may need to acquire. This can range from small, one-off purchases, such as a train tickets or hospitality, to large purchases, such as consultancy and ongoing contractual purchases such as IT support and accommodation. Not all of these purchases require a procurement exercise. Making this a requirement would reduce the BID's ability to respond in a flexible and timely manner.</p> <p>However, where the following circumstances apply, consideration should be given to carrying out a procurement exercise:</p> <ul style="list-style-type: none"> • Where the one-off cost of a product is over £1,000 • Where the projected ongoing cost of a service is over £5,000 • Where a firm or individual is to be instructed for consultancy work where the cost will be over £5,000 • Where Colmore BID is going to make repeat high volume / low value transactions • Where Colmore BID is entering into a contract for utility services linked to the Overheads budget • Where Colmore BID is commissioning a piece of work or project <p>This list is not exhaustive. Staff should use their judgement to ensure that procurement is considered at appropriate times. It is also not the case that a</p>	

	<p>procurement exercise must be completed each time one of the above occurs. For example, if paying the Local Authority for a service which only they provide, there is no need to consider looking for other providers.</p> <p>It is envisaged that, where the kinds of circumstances outlined above occur, a general discussion about the expenditure will usually be had with the Working Group Champion. Where there is doubt on whether to proceed with a procurement exercise or not, this should form part of the discussions between the team and the Working Group Champion.</p> <p>Where Colmore BID is procuring with another partner, Colmore BID may follow that partner's procurement policy instead of this policy.</p>	
Ref: 4.0	<u>Tendering for Services</u>	Link / Document
4.1	<p>Where it is decided that a procurement exercise should be carried out, the team will prepare a brief that outlines the service required. This brief will include:</p> <ul style="list-style-type: none"> • The aim that Colmore BID is trying to achieve through the purchase of the product / service • Details on what, at a high level, Colmore BID expects from the product or service • Where appropriate, detail of the total budget available / proposed • A clear date for submissions of proposals <p>The brief may include other details, as appropriate.</p>	
4.2	<p>The Colmore BID team may identify providers (preferably 3 as a minimum) that they would like to approach to compete for the tender. The team will inform those providers that an opportunity is available for tender and invite them to engage in this process. The team should not provide any additional / inside information, beyond that which is in the brief that might unfairly prejudice one of the providers. If a question is asked by a provider, and a response given, a copy of the question and response must also be provided to any other provider.</p>	
4.3	<p>The tender should, ideally, be made publicly available for other companies to consider. The team should consider the most appropriate way to make the tender available. A preference will be shown, where appropriate, for advertising the tender openly on the Colmore BID website.</p> <p>Where a wider pool of tenders is sought, a preference should be given to advertising on Find it in Birmingham.</p>	
4.4	<p>Wherever possible, the tendering process should be overseen / administered by one member of staff. Usually this will be the person delivering the project. However, it may be appropriate for another team member to step in where their expertise is more relevant (e.g. industry experience). Where the value or the risk is high, the Chief Executive or Operations Manager may opt to run the tender process.</p>	
Ref: 5.0	<u>Reviewing Tenders and selecting providers</u>	Link / Document
5.1	<p>Once all tenders have been received, they will be shortlisted against an appropriate set of criteria. One of these criteria will be the value for money</p>	

	<p>that the tender represents.</p> <p>The Shortlisting exercise should usually be carried out by at least two people. One of those should be the member of staff administering the tender. The others could be appropriately informed members of the team, the Working Group Champion, or another Working Group member(s), agreed by the working group.</p> <p>If the Chief Executive is administering the tender process for core / essential services it might be appropriate for a member of the board to be part of the shortlisting group. This decision is at the discretion of the Chief Executive.</p> <p>Where a tender is being shortlisted for services or a product of over £100k, a board member should always be involved in the shortlisting. Usually this will be the appropriate Working Group Member.</p>	
5.2	<p>If, after the shortlisting exercise, more than one supplier has been shortlisted, the shortlisting group will need to consider a methodology for making a final decision on which supplier to choose. The group may wish to explore this before the shortlisting exercise begins. Options could include:</p> <ul style="list-style-type: none"> • A request for a short interview / presentation to the shortlisting group • A desktop comparison exercise • A telephone interview with a member of the shortlisting group, followed by a further discussion with the group • A request for a presentation to the working group • A group shortlisting / discussion exercise to choose between the final suppliers • A further brief with more detail against which the submissions can be judged 	
4.3	<p>Once the final supplier has been shortlisted, the Working Group Champion will briefly review the shortlisting and the recommendation and, unless there are issues, concerns or irregularities, agree the recommendation made.</p> <p>Where the services or product is over £100k the supplier must be agreed by the nominated board member.</p>	
4.4	<p>The successful supplier will be contacted in writing to confirm their success in the process.</p> <p>Unsuccessful suppliers will be sent a written response to inform them that they have not been successful. Feedback can be offered at the team's discretion, however, Colmore BID's standard position is that feedback is not available.</p>	