



PROCUREMENT POLICY

1. INTRODUCTION

1.10 Purpose/Scope

1.10.10 This document is the VLA's policy statement on Procurement and Materials Management. As such it applies to all members of staff, subcontractors, consultants and visitors to VLA.

1.20 General Statement of Intent

1.20.10 The Procurement Unit shall aim to add value to the VLA through the development and management of suppliers and by effective implementation of purchasing procedures. The Unit shall aim to support the Agency's objectives of providing customer service, quality and value for money.

1.20.20 The Procurement Unit shall be the central co-ordinating point for all tenders, contracts (including purchase orders) concerning the purchase, hire and/or lease of supplies and services other than Works.

1.20.30 VLA Procurement Unit shall comply with the National Call Off Agreements negotiated by DEFRA Procurement and Contracts Division (PCD) unless these cannot meet the technical specification required. The Unit shall aim to build on these agreements to optimise the service provided to VLA by the appointed suppliers and shall work with PCD to negotiate future agreements in the best interests of core DEFRA and its Agencies.

1.20.40 Where the potential exists to improve service performance and reduce costs, VLA Procurement Unit shall work with other Government and external bodies through the establishment of purchasing consortia,

networks and/or through benchmarking.

GENERAL

2.10. Training

2.10.10 The Procurement Unit's staff shall be trained to the appropriate level and in the appropriate competencies to enable them to carry out their duties effectively, efficiently and economically.

2.20. Ethics

2.20.10 Staff of the Procurement Unit shall abide by the Ethical Codes laid down by the Chartered Institute of Purchasing and Supply and by the Office of Government Commerce, and promote compliance with their guiding principles of impartiality, independence and integrity amongst the staff of VLA.

2.20.20 Any members of staff involved in a tender evaluation shall be required to declare any personal interest that may impinge or might reasonably be deemed by others to impinge on their impartiality. They shall be made aware that commercially confidential information shall not be disclosed outside the Agency without the client's consent and shall not be used for personal gain or to prejudice fair competition. Commercially sensitive documents shall be stored securely.

2.20.30 To assure propriety, separate staff shall be responsible for defining requirements, identifying sources, selecting suppliers, placing orders, receiving goods and paying invoices.

2.20.40 Issue of invitations to tender and receipt of bids shall be managed independently of staff involved in tender evaluation and contract award

2.30 Low Value Items

2.30.10 Desktop and Corporate Stationery products shall be purchased from the Agency's approved supplier who is authorised to accept stationery

orders only from designated individuals.

- 2.30.20 Purchasing cards shall be issued to designated users in each cost centre and shall be used for orders priced at up to the low value order limit provided the supplier is card capable. Purchasing cards shall be used in accordance with the Cardholder Administration Guide.

2.40 Direct Orders

- 2.40.10 Orders shall not be placed direct with suppliers by staff outside the Procurement Unit other than by authorised Purchasing Card holders. This contravenes VLA's accounting regulations, disrupts budgetary control and causes considerable unnecessary administration which is reflected in overhead costs. It may also represent a legal commitment to disadvantageous terms and conditions of contract. Payment to suppliers unable to quote an order number may be delayed, upsetting commercial relationships and reducing supplier commitment to us as a customer.

2.50 Delivery Notes and Invoices

- 2.50.10 Users confirming receipt/inspection of goods/services shall do so without undue delay to avoid withholding payment to suppliers.
- 2.50.20 Staff shall not advise receipt of goods that have not yet arrived. This is strictly in contravention of government accounting regulations. In particular, under no circumstances shall receipt be backdated to achieve accrual in a particular year.

3. SOURCING

3.10 Sourcing

- 3.10.10 The supplier database will be managed to provide a list of a limited number of approved suppliers for each of our major product areas. This list shall indicate to the Agency which suppliers shall be used for purchases in that product area.

- 3.10.20 Requests to use suppliers not on the Supplier Database for purchases in a designated product area must be supported by a case for the use of that supplier. Purchases from such suppliers may be delayed pending assessment of their financial position and their ability to fulfil the quality requirements of the Agency, and their use will depend on the outcome of these investigations.
- 3.10.30 Where necessary, Procurement shall amend the supplier suggested by the requisitioner to comply with designated suppliers, standing order and/or contractual arrangements.
- 3.10.40 Requisitioners shall not give suppliers any guarantee of business.

4. SUPPLIERS

4.10 Supplier Selection

- 4.10.10 Goods and services shall be purchased only from approved suppliers who have demonstrated their willingness and/or capability to supply to VLA requirements, adjudged on:-
- a) financial/economic standing,
 - b) technical capabilities,
 - c) technical support/expertise,
 - d) quality management system (including third party certification)
 - e) performance standards (including history of supply)
 - f) quality and technical characteristics of the product
 - g) organisational culture
 - h) commitment to VLA as a customer
 - i) price
- 4.10.20 VLA shall strive to maintain constructive and co-operative relationships with its suppliers.
- 4.10.30 Selection of approved suppliers for product areas shall be carried out jointly (where necessary) by users, Procurement and Quality Assurance.

4.20 Supplier Assessment and Grading

- 4.20.10 Supplier assessment and grading shall be carried out according to local Procurement Unit procedures.

5. TENDERING

5.10 Choice of tendering procedure

- 5.10.10 An appropriate level of competition shall be applied to all requirements by tendering for specific goods or services requirements, by arranging call off agreements for product groups or by collecting and comparing prices / quotations.

5.20 The Tendering Process

- 5.20.10 The tender process shall be co-ordinated by staff of the Procurement Unit, in conjunction with scientific/technical specialists as appropriate. Users will be responsible for technical evaluation; Procurement for commercial evaluation and price negotiations and QMG for quality related matters including assessment of supplier quality management procedures.
- 5.20.20 Tender evaluation criteria and weightings shall be agreed in advance of opening any bids
- 5.20.30 In addition to compliance with specification, the evaluation shall take account of existing contractual arrangements, the supplier evaluation criteria listed above, the acquisition cost of the item and the estimated running cost over its useful life.

5.30 EU / GATT Procurement Regulations

- 5.30.10 The Agency shall adhere to the Public Procurement Regulations with respect to tendering procedures.
- 5.30.20 Any proposed purchase of goods and/or services on which the anticipated total expenditure excluding VAT **may** exceed the financial

limits, as set out and amended from time to time in the regulations, shall be discussed with the Procurement Unit **before** potential suppliers are approached. This shall apply to a single item, to a number of similar or related items purchased in a single calendar year, or to the total cost over the life of a contract.

5.30.30 Purchase orders or commitments to purchase exceeding this financial threshold shall not be placed under any circumstances without the Procurement Unit ensuring that these rules have been followed.

5.30.40 Works contracts are subject to a higher threshold and are handled through Site Facilities and/or Defra ESSD.

5.40 Social, Ethical, Environmental Improvement Criteria and Sustainability

5.40.10 Social, ethical, environmental and sustainability objectives shall be pursued in accordance with

a) Government public procurement policy, which is to achieve value for money having due regard for propriety and regularity, and

b) the legal framework set by the European Treaty, the EU Procurement Directives and the UK regulations.

5.40.20 Social, ethical, environmental and sustainability objectives and the means for achieving them through procurement shall be communicated to all staff involved in procurement activities including senior officers responsible for approving business cases and members of project teams

5.40.20 Subject to the above, VLA shall promote the pursuit of sustainability and environmental improvement through its procurements. Buyers shall follow the instructions provided by relevant environmental management procedures and best practice guidance wherever possible.

5.40.30 Where social and environmental criteria cannot be used directly, buyers shall utilise as far as possible within the legislation, freedom to seek variants to specifications that support social, sustainability and

environmental improvement objectives including the use of these criteria in the award of a contract where two bids are equivalent in value for money terms.

- 5.40.40 VLA promotes equality for all, including race, gender, disability and sexual orientation. Suppliers and contractors must comply with their legislative and voluntary obligations in this area. Any firm convicted of an offence or guilty of grave misconduct in relation to discrimination will be excluded from contracts, taking into account any remedial action.

6. FINANCIAL CONTROL

6.10 Authorisation of Expenditure

- 6.10.10 All paper or E-Procurement requisitions shall be approved by an authorised person. The authorised signatory panel shall be maintained by the Procurement Unit, to whom advice of additions, amendments and deletions shall be advised.

- 6.10.20 Weybridge Warehouse issuing staff shall refuse to issue against a requisition not signed by an authorised signatory. Prescription Only Medicines shall not be issued unless the requisition has been made or approved by a Veterinary Surgeon

7. STOCKHOLDING

7.10 General Stockholding Policy

- 7.10.10 The Weybridge warehouse shall hold a selection of items that are used commonly across the Agency. Stockholding shall only be used where there is a clear case in terms of the reduction of transaction costs, assurance of supply, and/or cost benefits due to bulk purchase. In each case the cost of holding the stock shall be considered against the benefits. The general policy shall be to develop supply chain logistics to minimise the value of stock held in support of the ongoing requirements of the Agency.

7.20 Stock Lines

- 7.20.10 Cases for inclusion of new items as stock must be made to the Procurement Unit. Acceptance of an item as a new stock line shall be on the basis of the commercial benefits of stocking against direct ordering and on the shelf capacity available.

- 7.20.20 The stockholding policy shall also apply to specially ordered goods if these are to be stored in the warehouse. Owing to limitations on storage capacity, staff may only utilise warehouse shelf space on a temporary basis with the written advance agreement of the Materials Manager or his deputy.