

Document Ref	QP036	Document Title	Procurement Policy			
Owning Department	Finance	Effective Date	01-Apr-19	Review Date	01-Apr-21	

1. Background

London and Partners (L&P) has reviewed its position as being a 'Contracting Authority' as part of an initiative to increase transparency and accountability, and as such has fully aligned L&P procurement procedures with the Public Contracts Regulations 2015.

The Regulations do not apply to our commercial subsidiaries, L&P Ventures and Dot London Domains as they do not receive any public funds. However, the procurement processes, as laid out in this policy, still apply to the commercial subsidiaries with the exception of the Official Journal of the European Union (OJEU) regime. This will ensure consistency, transparency and value for money.

As a result, from April 2019 we will publish notifications of tenders issued by L&P over the threshold in an OJEU Notice on the Tenders Electronic Daily (TED) website and on the Contracts Finder website. Where we advertise contracts below the threshold but over £25,000 (exc VAT) we will advertise them on Contracts Finder.

2. Scope

The purpose of the Procurement Policy is to set out the principles, policies and procedures on which procurement activity within L&P and its subsidiaries will be based.

This policy governs all procurement activity, irrespective of the source of funds, undertaken by L&P. Failure to comply with this policy may be dealt with under L&P disciplinary procedures and, in serious cases may be treated as gross misconduct.

The day to day responsibility for adherence to these procedures rests with the Managing Director, Operations & Governance. The ultimate responsibility rests with the Board who are responsible for setting the authorisation limits.

Whilst this policy is prescriptive in parts, it has not been possible to cover all eventualities. The Procurement team will assist colleagues requiring a purchase to be made, to determine the appropriate course of action in accordance with the spirit of the policy.

L&P attaches great importance to controls over procurement and value for money and as such any employee breaching them may be liable to disciplinary action. This Policy gives guidance to L&P employees involved in the procurement of goods and services to ensure that purchasing, related contracts and tendering complies with Public Procurement Regulations and Government Transparency Guidelines.

This Policy details mandatory procurement procedures, expenditure levels at which quotation, tender and EU Regulations apply and acts to remind L&P employees that only authorised persons may action requisitions within L&P's agreed approvals hierarchy. It is the role of L&P employees, supported by the Procurement Team, to ensure that those procedures relating to procurement are followed. L&P's standard terms and conditions for the procurement of goods, services or works shall be followed unless varied by the agreement of the Procurement Team.

L&P staff should not depart from the policy without the prior written approval of the MD, Operations & Governance.

3. Procurement

Procurement is the acquisition of goods and/or services at the best possible total cost of ownership to meet the needs of the purchaser in terms of specification, quality, time and location.

We will aim to maximise the value for money and ensure L&P adheres to the UK Public Contract Regulations 2015 (PCR2015).

L&P adheres closely to the three principles that underpin public procurement. These are:

- Openness
- Fairness
- Transparency

These are enshrined in the Public Contracts Regulations 2015 which provide the legislative framework and guidance upon which the Procurement Team undertake to deliver L&Ps requirements.

3.1. An Overview of Procurement Routes based on whole contract value

Table 1 below identifies routes to procure goods and services, for full details and processes please refer to Procurement Process Guidance.

If there is a procurement need for goods, services or works it is important to initially estimate the value of this requirement, consider if other areas of the organisation are already utilising the same or similar services (by contacting the Procurement Team) and establish if this is a one-off or recurring requirement. When estimating the value of a contract you must consider its whole life and other connected elements as it is the accumulated value that affects which route to Procurement applies. Then use the route for Procurement in the table below.

Table 1 – Routes To Procurement For Goods And / Or Services

Route 1	Route 2	Route 3	Route 4
Under £4,999K ↓	Between £5K - £24,999K ↓	£25K - OJEU threshold ↓	Over OJEU Threshold ↓
<p>Staff can undertake to buy direct without recourse to Procurement but should ensure that they can confirm their solution reflects value for money – most effective method being to obtain competitive quotes.</p> <p>Quote must be obtained in writing</p>	<p>Staff can discuss requirement with Procurement Team and Staff should obtain a minimum 3 competitive quotes using standard templates.</p>	<p>Formal procurement process to be followed. Procurement Team must be involved.</p> <p>Minimum 5 proposals if a closed category.</p> <p>Formal contract to be established</p> <p>Requirements above £25K require a <u>Procurement Initiation Document (PID)</u> with the relevant approvals</p>	<p>Formal procurement process to be followed and PCR2015. Procurement lead by the Procurement Team</p> <p>Formal contract to be established</p> <p>Requirements above OJEU threshold require a <u>Procurement Initiation Document (PID)</u> with the relevant approvals</p>

3.2. Exemptions – Direct Awards

As stated above, it is L&P’s policy that value for money is best achieved through competitive tendering. However, there may be certain very limited circumstances where competitive tenders or quotes for goods or services cannot be obtained and/or only one provider is available. These are Direct Award instances.

Acceptable circumstances may include:

- Sole supplier or contractor (no alternative supplier can supply the goods, services or works you require).
- Proprietary product (the product you require is protected by copyright, patent or licence).
- Operational urgency (due, for example, to a safety hazard).
- NOTE: Urgency due to bad planning and time constraints imposed by budget limitations are not acceptable reasons for adopting a single source approach. All single source requirements must be discussed with the Procurement team prior to making a commitment.

The rationale and approval must be captured using the [Direct Award Form \(DAF\)](#). The authorisation levels for PIDs is applicable to DAFs. In circumstances where you are using a DAF a PID is not required.

4. Compliance

All procurement conducted by L&P which exceeds the relevant thresholds as noted in the table below, must comply with the legal and regulatory framework as set out, as well as L&P policies and procedures.

If there is any conflict or contradiction between EU / UK legislation and L&P policy and procedures then EU / UK legislation will always prevail over L&P policy.

4.1. Public Contract Regulations 2015

All spend above the threshold set out in the table below must be advertised via the Official Journal of the European Union (OJEU) [TED](#) and [Contracts Finder](#) and follow strict processes around qualifying potential suppliers, tendering, evaluation and awarding of contracts, including mandatory standstill periods. During the standstill period suppliers are given the opportunity to challenge the contracting authority's decision if they judge the procurement process has not met the EU criteria in any way.

OJEU thresholds

	Supply, Services and Design Contracts	Works Contracts	Social and other specific services
Contracting Authorities	£181,302 €221,000	£4,551,413 €5,548,000	£615,278 €750,000

- Where spend is expected to be less than the EU procurement thresholds but exceeds £25,000 (excluding VAT) and the contract opportunity is to be advertised to a **closed category of suppliers for example calling off from a framework then there is no requirement to advertise on Contracts Finder. If not using a framework a minimum of 5 suppliers must be asked to participate in the tender exercise. However, the award of the contract must be published on Contracts Finder.
- Where spend is expected to be less than the EU procurement thresholds but exceeds £25,000 (excluding VAT) and is not advertised to a **closed category the contract opportunity is to be put into the public domain to an open-ended class of suppliers, then this should be advertised through Contracts Finder, a Government backed online opportunity advertising portal and the award published on Contracts Finder
- All award of contracts over £25,000 (excluding VAT) will need to be published on Contracts Finder regardless of whether procured through a framework or in compliance with this procurement policy.
- All contracts awarded over £150,000 will also be published on the L&P website.
- Procurements over the OJEU threshold will also be submitted to the L&P Board for approval.

*** opportunity only available to a number of particular economic operators who have been select for that purpose*

To ascertain the value of a particular contract as to whether it exceeds the thresholds set out, the following rules should apply. If there is any doubt, please refer to the Procurement Team for advice:

- The value of the contract is the value of the consideration (price) to be paid under the contract, including the cost of any materials, labour, overheads etc., as well as any consideration paid by third parties to the contractor. It is the total amount payable over the life of the contract, not the annual value. It is also recommended that a contingency sum is built in to cover overspend and any inflationary increases.
- The valuation should be made at the time the OJEU notice would be published, had the relevant threshold been exceeded.
- The value of a services or supply contract for an indefinite period, or for a period of more than 4 years should be calculated as the expected monthly consideration multiplied by 48 a contingency sum is built in to cover the overspend and any inflationary increases.
- The value of a framework agreement should be the value of the goods, services L&P is/are likely to purchase under the framework.
- The value of the contract should include the value of any extension period included in the contract.

Failure to comply with PCR2015 means a supplier not included in the tender process can legally challenge the process and/or subsequent contract award. If the legal challenge is successful, the contract can be set aside, and the procurement must be run again. The supplier who challenged will be eligible to claim damages and we would be exposed to unlimited civil financial penalties as well as reputational damage.

To ensure that procurements are run compliantly the Procurement team must be involved in all procurements over £25,000 in line with Table 1 above.

It is essential that all procurements meet the required laws and regulations and we treat all participants equally, fairly and in a consistent and transparent way.

In the event of a challenge to a procurement process or any indication that this may occur, staff must contact the Procurement team in the first instance who will develop a response, obtaining legal advice where required.

4.2. Public Services (Social Value) Act 2012

This Act places a duty on L&P to consider how the services they commission and procure might improve the economic, social and environmental well-being within their areas of operation.

The Act applies to services contracts and framework agreements where services are likely to make up the majority of the contract by value. The act does not apply to contracts solely relating to goods and work contracts, although there is an expectation that all contracts should consider social value.

Where possible, tenders should include opportunities such as:

- Creating skills and training opportunities (e.g. apprenticeships or on the job training);
- Creating employment opportunities for the long-term unemployed or NEETs (those not in education, employment or training);
- Offering work placements to school children and young adults;

- Providing career advice and information for young people on specific careers, such as construction, architecture or engineering;
- Offering curriculum support to schools, with contractors sharing knowledge and expertise about their discipline;
- Providing additional opportunities for individuals or groups facing greater social or economic barriers.
- Creating supply chain opportunities for SMEs and social enterprises;
- Creating opportunities to develop third sector organisations.
 - Improving market diversity;
 - Encouraging community engagement;
- Supporting initiatives like targeting hard to reach groups;
- Making facilities (such as school libraries, leisure facilities or computers) available to targeted groups that otherwise would struggle to access such facilities; and
- Encouraging ethical and fair-trade purchasing

4.3. Modern Slavery Act 2015

The act places an obligation on suppliers of goods, works and services to comply with the [Modern Slavery Act 2015](#). Any commercial organisation carrying on a business in the UK with a total annual turnover of £36 Million or more is required to produce a slavery and human trafficking statement for each financial year.

In order to manage the risk of slavery and human trafficking occurring in our supply chain we have a flow down obligation that all sub-contractors comply with the Modern Slavery Act 2015 and have a requirement for suppliers to report on steps they have taken to ensure slavery and human trafficking is not taking place in its supply chain where applicable.

4.4. Living Wage Foundation

L&P is committed to ensuring payment of the Living Wage and we are accredited by the Living Wage Foundation. This means where applicable, L&P must ensure that all their contractors pay their staff the London Living Wage, otherwise L&P will not be meeting their obligations in respect of the accreditation process.

4.5. Fairness, Inclusion and Respect (Diversity)

L&P will strive to exceed the requirements of the [Equality Act 2010](#) and meet the General and Specific Public Sector Equality Duties, not only where we have a legal responsibility to do so, but in all aspects of our work. We will pay 'due regard' to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Where possible L&P will:

- be clear about the reasons for incorporating diversity considerations into a contract and look at the relevance of diversity to each contract in its own right. This ensures contracts focus on delivering more meaningful outcomes for service users.
- develop outcome-based contracts that give bidders scope and flexibility to propose innovative ways of promoting equality and diversity through the delivery of public services. Actively seek new thinking from bidders, to encourage them to apply their experience and expertise to suggest new delivery methods.
- establish the desired outcomes early in the procurement process and communicate these outcomes clearly to potential bidders. This helps ensure bidders understand the requirements of the contract and can determine their capacity to meet these before they commit their resources to prepare a bid.
- be prepared to invest to achieve better outcomes on diversity and equality. Good service delivery and achieving value for money is about more than just lowest cost.
- communicate regularly with contract partners, to develop a genuine partnership approach to contract delivery that encourages honest exchange and promotes continuous improvement.
- include a system of review and evaluation in contracts which enables diversity targets to be changed over time in response to changing demographics

4.6. GDPR

L&P is required by law to comply with data protection legislation. The UK's regulator for the legislation is the Information Commissioner's Office. It is the commitment of L&P to ensure that all current employees and suppliers comply with this Act to ensure the confidentiality of any personal data held by L&P and suppliers, in whatever medium. [This Act](#) came into force on 25 May 2018.

The 6 Principles of GDPR are that data is:

1. processed lawfully, fairly and in a transparent manner in relation to individuals ('lawfulness, fairness and transparency');
2. collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes shall not be considered to be incompatible with the initial purposes ('purpose limitation');
3. adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed ('data minimisation');
4. accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay ('accuracy');
5. kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organisational measures required by the GDPR in order to safeguard the rights and freedoms of individuals ('storage limitation');
6. processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss,

destruction or damage, using appropriate technical or organisational measures ('integrity and confidentiality').

To manage the risk of GDPR breaches occurring in our supply chain we have an obligation to ensure our relevant suppliers comply with the GDPR 2018 legislation and incorporate appropriate questions into the tender and contract documentation.

For more information on GDPR please click [here](#).

5. Governance: Roles and Responsibilities

Governance procedures for procurement run alongside other internal governance procedures, e.g. budget settings/ reviews and approval or project approval procedures. The procurement team must be engaged at an early stage to be able to inform the other internal governance procedures of procurement implications such as costs and time scales when business activity is taking place.

The table below shows the authorisation levels required for expenditure, however please refer to the full authorisation list on SharePoint. Please ensure at the start of the procurement you have all the relevant authorisation to proceed.

	Limits
Board	No limit
Chairman	£180,000
CEO (or MD Operations & Governance)	£100,000 (and higher if pre-approved by the Board or chairman)
Management Committee	£50,000
Directors and Chief Reps	£25,000
Heads *	£10,000
Others *	£5,000
Exceptions *	TBA

* As delegated by Sponsors and Leads

When signing contracts, the relevant **budget sponsor / lead / delegate will sign to confirm they have the authority to spend the money and that they are satisfied that the procurement process has provided goods/services that represent VFM.

** only those Directors with Legal training or above can sign contracts up to their authorisation level

5.1. Procurement Methodology

All procurements over £25,000 (excluding VAT) must be overseen by the Procurement Team and have a Procurement Initiation Document (PID) completed and authorised. Please engage the Procurement Team as early as possible to allow them to support you with the approval process and provide guidance on procurement route options and risk associated with the procurement.

Once you have all the appropriate approvals a specification of requirements must be developed along with an evaluation criteria and any other associated documents in readiness to go to market via the agreed procurement route that was agreed. If spend is over £25K for the lifetime of the contract this would have been agreed at PID stage.

The Procurement Team are responsible for reviewing and challenging the specification. They will seek to ensure that it contains sufficient information to enable the suppliers to understand the requirement and to be able to submit a response that is able to be compared to the other bids, while at the same time not over specify the requirement. The Procurement Team are unable to advertise any tender opportunities without a fully completed and agreed specification and tender documents.

[Procurement templates](#) and [guidance](#) can be found in the procurement folders

5.2. Procurement Principles

We promote openness and clarity in our procurement processes by demonstrating:

- clearly defined contract objectives, requirements or outputs
- an accessible contact point for the procurement and as much information as tenderers reasonably need to respond to the bidding process
- tender documentation which states the evaluation criteria, suitably weighted in order of importance, which will be used to identify VFM
- compliant procurement process in following the UK / EU public contract regulations 2015

We will ensure all procurements are subject to competition unless there are compelling and proportionate reasons to the contrary. Competition remains the best way of achieving value for money and also demonstrates transparency and integrity.

- All financial commitments must be accommodated within the available budget
- All procurement must be conducted using the appropriate procurement route
- Purchases must not be divided to avoid the application of thresholds
- All financial commitments must be authorised in advance by the budget sponsor/lead/delegate in line with the appropriate authorisation thresholds
- All invoices, request for payments and expense claims must be authorised by the person with the appropriate authorisation thresholds
- Where an existing supplier or contractor provides a good level of services, this must never be used as a justification for not going out to tender from time to time

5.3. Risk Management

Effective risk management is to be embedded within the whole life cycle of each specific requirement from inception of procurement strategy and throughout the life cycle including:

- contract implementation,
- performance management
- exit management risks
- need assessment
- ongoing management to ensure the best balance of assurance, cost, quality and scope.

5.4. Document Storage

SharePoint will be the central repository for all Contracts and contract change notices and they will be retained in line with the document retention and Data Protection policies.

Please ensure that any contracts you have awarded are put into the contracts file and added to the [contracts register](#).

It is important that the Procurement Team is also provided with copies of any contracts that they may not have historically been involved with, so that a central database of contractual commitments can be maintained and addressed when due for renewal.

5.5. Contract & Supplier Management

We value our existing relationships with suppliers and encourage active contract management. This is a key element of our overall approach to Contract and Supplier relationship management.

At the end of the contract the contract management process will feedback into the business requirements to start the procurement process again if there is an ongoing requirement.

The Procurement Team will work with the business to identify the level of performance or quality required through discussion around the specification and then ongoing management required for each contract.

The Procurement Team will support all strategic and critical supplier relationship and contract management activities.

Where changes are required to the scope of an existing contract or demands increases the value of the contract by more than 10% The Procurement Team must be engaged to ensure it remains compliant with the original contract and associated process of procurement. Failure to do so may lead to challenge.

5.6. Integrity

It is our policy to conduct all our business in an honest and ethical manner. We have a zero tolerance to money laundering, bribery or corruption. This includes consultants, brokers, agents and all such similar organisations providing a service to L&P.

In addition, as part of a tender submission, we have strict guidelines in place in the form of non-collusion and non-canvassing certificates to confirm whether bidders have contravened the procurement process.

We also have a [Gifts & Hospitality](#) Policy which you should make yourself familiar with.

5.7. Reciprocal Trading

Reciprocal trading is strictly prohibited. We acknowledge that contracts may be placed with suppliers who are also customers. All decisions to award a contract must be taken based purely on the commercial merit of each individual contract.

5.8. Payment Terms and Insurances

We have standard payment terms that are detailed in L&P terms & conditions. These cannot be varied without prior approval from the Director of Finance.

To uphold fair treatment principles, we will ensure that agreed payment terms are passed down the supply chain.

Our suppliers are legally required to hold a minimum level of insurance. We reserve the right to require additional insurance, depending on the level of risk and liability involved. Procurement will work with the business stakeholders to assess the levels of additional insurance required and will build this into the specification of requirements when approaching suppliers.

Consultants must carry a minimum of £1M Professional Indemnity (PI) insurance cover.

5.9. The Procurement Process

Before you embark on a procurement process, please consider if there is already a contract in place for the services/goods you require. If you are unsure, please contact the Procurement Team for assistance.

All procurements must be conducted using the appropriate procurement route. Please note the financial thresholds **exclude VAT**.

Requirements must not be divided into smaller requirements just to avoid the application of thresholds.

ROUTE 1

(Contracts valued at under £4,999K)

Where goods and services required are expected to be **below £4,999** excluding VAT, the L&P employee can source a supplier and determine value for money without recourse to the Procurement team.

It is strongly recommended that the L&P employee obtain competitive quotes from alternative suppliers for transparency and good practice. All quotes obtained must be in writing.

At all times the employee should consider whether their procurement is a one off or may be duplicated elsewhere within the business. If in any doubt, Route 2 should be followed, and the Procurement Team should be contacted to discuss.

There is no requirement to publish requirements on Contracts Finder or TED

ROUTE 2

Quotations (Contracts valued between £5K - £24,999K)

Where goods and services required are likely to be between **£5,000** and **£24,999** excluding VAT. The employee may source their own quotes using template quotation documentation (a draft written brief detailing your requirements) together with instructions on how to engage with suppliers. As a minimum, it should identify the key requirements, outputs, consider how the responses will be objectively evaluated and include estimated timescales for the requirement. It should also detail how the contract is to be managed in terms of Quality, Service, Cost and Delivery. The details should be discussed with the Procurement team if there is any doubt. All contracts should be sent to the Procurement team and saved in the contract folder.

There is no requirement to publish requirements on Contracts Finder or Tender Electronics Daily) TED.

ROUTE 3

Competitive tendering – Request for Proposals (RFP) (Contracts valued between £25K - £OJEU Threshold)

PID to be completed.

To achieve value for money we use a range of methods to procure goods and services. The choice of method depends on the type of product or service and its overall value. However, competitive tendering is utilised when the value of the goods and services to be purchased exceeds **£25,000** excluding VAT (but this does not prohibit the exercise happening with contracts below this value) It is required that a minimum of 5 proposals are sought for requirements in this route if it is a closed category procurement, consider the use of a Framework. The following should be included in your RFP:

- Specification of Requirement (stating the technical, quality and operational requirements).
- Form of Tender (inc. Pricing Schedule).
- Instructions to tenderers (Detailing administrative procedures relating to the tender e.g. dates and times, method of tender return, evaluation criteria and where tender queries should be directed).
- Model L&P Terms and Conditions (these can be tailored to suit each procurement with input from the Procurement team).

All requirements should be advertised on Contracts finder under route 3 if you are not using a framework or closed category.

All awards of contracts under route 3 must be published on Contracts Finder and on the L&P website if over £150,000.

If you have a requirement under Route 3 contact the Procurement Team as soon as you are aware that you may have a requirement. All procurements under this Route must be managed with the assistance of the Procurement Team using the following documentation:

- [PID](#)
- [RFP](#)
- [T&Cs](#)
- [Evaluation Sheet](#)

ROUTE 4

EU tendering (Contracts valued over £OJEU threshold)

The following information is provided as guidance. If you have a requirement under Route 4 contact the Procurement team as soon as you are aware that you may have a requirement. All procurements under this Route must be managed by the Procurement Team.

PID to be completed.

Where the overall value is likely to exceed certain financial thresholds, L&P is required to follow procedures laid down in the EU and Public Procurement Regulations.

In some circumstances it may be appropriate to use a Government framework to purchase services and goods over the OJEU threshold and this can be discussed with your Procurement Team, this route is legally compliant and can reduce the time to Market.

The following documents are usually used as part of the process for route 4:

- Specification of Requirement (stating the technical, quality and operational requirements).
- Supplier Questionnaire
- Form of Tender (inc. Pricing Schedule).
- Instructions to tenderers (Detailing administrative procedures relating to the tender e.g. dates and times, method of tender return, evaluation criteria and where tender queries should be directed).
- [Model L&P Terms and Conditions](#) (these can be tailored to suit each procurement with assistance from the Procurement team).

All requirements under route 4 must be published on Contracts Finder and TED unless it was competed under a framework. All awards must be published on Contracts Finder and TED unless using a framework. In such cases it only needs to be published on Contracts Finder. All contracts in this category will be published on the L&P website.

5.10. Venue Booking

When booking a venue for an event the following process must be followed. This will ensure that we are compliant with PCR2015 but still have the flexibility to book venues as and when needed: Contact minimum 3 potential venues in the general location you are looking for a venue asking them for a quote based on a number of factors that should include but not limited to:

- date
- location
- capacity
- accessibility
- cost

For bookings that may exceed £24,999 please obtain minimum 5 quotes as per Route 3 and publish award on Contracts Finder

Once you have received your quotes please complete the venue booking evaluation form so that you can compare the offerings and make a decision based on best fit / cost for L&P. Copies of the quotes and evaluation forms must be retained for audit purposes.

5.11. Travel & Accommodation

Travel and accommodation expenses are subject to the [QP035 Travel & Expenses Policy](#) and as such are not subject to the procurement policy.

5.12. Purchasing Process

Both process below must be completed before an order is placed or any work commences. Failure to do so may result in non-payment of invoices.

5.13. New Suppliers

In the first instance please check Microsoft Navision (NAV) to ensure the supplier isn't already set up and if not complete the new supplier form and follow the [new supplier process](#).

When you require a new supplier to be added to the system to enable you to create a PO you must complete the [New Supplier Form](#) and submit to Supplierinvoices@londonandpartners.com. **Consider whether a new supplier is necessary or whether there is an existing contract / supplier already in place.**

5.14. Raising Purchase Orders and Approvals

Once you have been through the most appropriate procurement process the next step will be to raise a purchase order for your requirement.

	Limits for approval of purchase orders and invoice payment (exc VAT)
Board	No limit
Chairman	£180,000
CEO (or MD Operations & Governance)	£150,000 (and higher if pre-approved by the Board or chairman)
Management Committee	£50,000
Directors and Chief Reps	£25,000
Heads *	£10,000
Others *	£5,000
Exceptions *	TBA

* As delegated by Sponsors and Leads

Only certain individuals will have access to raise a purchase order as approved by the management committee. Please direct requests to amend or add users to the Financial Controller.

To create a purchase order, log onto Microsoft Dynamics NAV and complete the L&P purchase order form. The purchase order is then sent to the relevant authoriser for approval. A more detailed guide on raising a purchase order can be found [here](#).

- A Purchase order must be created and authorised before an order is placed with the supplier. Any invoice without an authorised PO number quoted on it will not be processed for payment
- Please also ensure that those responsible for the budget ensure the relevant commitment record is updated to include the order. These records are established by the finance department, but it is the responsibility of the budget sponsor/lead/delegate to ensure that they are kept up to date.

5.15. Invoice Authorisation

When you have placed your order please ensure that the supplier sends the invoice to supplierinvoices@londonandpartners.com - this will ensure prompt payment.

Once an invoice has been received from the supplier, finance will check that the invoice matches the purchase order. If the invoice matches the PO the finance team will send a copy of the invoice to the buyer to check the invoice, once this is done the buyer will ask the budget sponsor / lead / delegate to authorise the invoice and include the budget code.

The invoice must then be recorded on the commitment record and passed back to finance for payment. If the invoice does not match the purchase order the finance team will discuss the issue with the buyer and the invoice will not be paid until the problem is resolved.

For the full process please click [here](#).

6. Change History

This document has been fundamentally updated as part of a review by L&P to increase transparency and accountability to fully align procurement procedures with the Public Contracts Regulations 2015.

7. Training Requirements

All staff must be aware of this policy

8. Appendices

None