



## Rural Arts' Procurement Policy (Method Statement)

Issue date	March 2019	Review date	Mar 2020 or within one month following any incident pertaining to the policy
Version	1.0	Issued by	Chief Executive Officer
Scope	Whole company and relevant partner organisations.		
Appendices	Appendix 1		
Approved by	CEO – Max May		
Date	March 2019		
Review and consultation process	Every year / within one month following any incident pertaining to the policy / at the updating of EU procurement rules and regulation.		
Responsibility for Implementation & Training	Chief Executive Officer		

### 1. Introduction

- a. Rural Arts pays for many things in the course of its business including but not limited to equipment, construction, refurbishment and repairs, supplies, consultants, partner delivery, venue hire and services
- b. To ensure that this happens within the ethical and legal bounds that Rural Arts work within, this policy has been created.

### 2. Aim and Scope

- a. This procurement policy and toolkit has been designed for Rural Arts staff to follow to ensure the proper sourcing and payment of products and services.
- b. This policy should be seen as an integral part of ensuring that Rural Arts uses funds to procure delivery, services or goods in an appropriate way. The Policy commits the organisation, and every individual involved in purchasing and supply management processes within the organisation, to use their best endeavours to ensure that our purchasing and contracting activities are:
  - legal
  - accountable and auditable and comply with contract needs
  - ethically, environmentally and socially responsible
  - economically effective (achieve best value for money)
  - highly efficient to meet programme and organisation need



- capable of identifying, minimising and managing risks that may threaten the supply chain or the wider organisation
  - open to continuous improvement and development, in particular by the training, development and support of staff
- c. All public procurement must be based on value for money, which is defined as 'the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought'
- d. This should be achieved through competition, unless there are compelling reasons to the contrary.
- e. We recognise that 'best value for money' does not necessarily mean that which has the lowest price at the point of purchase as the whole lifespan of the product/service plus the quality and effectiveness of the product/service must also be considered
- f. Public sector procurement is subject to a legal framework which encourages free and open competition and value for money, in line with internationally and nationally agreed obligations and regulations.
- g. This means we seek competitive tenders or quotes and are able to demonstrate our selected option provides best value for money.
- h. We will satisfy any funders or other public bodies that we have undertaken a compliant process

### **3. Responsibilities**

- a. The responsibilities within this policy are company-wide, however only Senior Managers can sign off Payment Authorisations and therefore this policy has particular responsibilities for:
- Chief Executive Officer Max May
  - Operations Manager Angela Holt

### **4. Training**

- a. Training shall be conducted by the CEO with all managers
- b. Refreshers and external training, such as ESIF Technical Assistance will be accessed to ensure staff are up to date with any changes in ESIF, EU and general procurement protocol.

### **5. Procurement Thresholds**

- a. Procurement includes all purchases, contracts and hire.
- b. Staff need to be aware that the threshold values and therefore the required actions differ slightly between Rural Arts' standard procurement



procedures, and the procurement procedures required when finance is being provided by the European Union.

3. Where finance is provided by the European Union, EU thresholds should be used
4. Values are for the life of a contract therefore calculations should be made to ensure that the value will not exceed a particular bracket and require different procurement routes.

Rural Arts (Non EU funds)	European Union funds
<p><b>£0.01 - £199.99 inclusive</b></p> <p>Simple research and purchase within Rural Arts' overall values.</p> <p>No record needed other than Purchase Authorisation.</p>	
<p><b>£200 - £2,499.99 inclusive</b></p> <p>3 written quotes or prices sought from relevant suppliers of goods, works and services.</p>	
<p><b>£2,500 - £24,999.99 inclusive</b></p> <p>Value for money must be demonstrated by obtaining 3 quotes or prices from relevant suppliers of goods, works and services</p> <p>Where practicable an eligible quotation must be sought from at least one local supplier based within the Yorkshire area.</p> <p>More than one senior manager must review the decision making.</p>	<p><b>£2,501- £24,999.99 inclusive</b></p> <p>Value for money must be demonstrated by obtaining 3 quotes or prices from relevant suppliers of goods, works and services</p>
<p><b>£25,000 to EU Threshold</b></p> <p>Re-check EU thresholds</p> <p>A minimum of 4 competitive quotes must be sought in advance.</p>	<p><b>£25,000 to Relevant Public Contract Regulations threshold</b></p> <p>Re-Check EU Thresholds and Public Contract Regulations</p>

Where practicable an eligible quotation must be sought from at least two local suppliers based within the Yorkshire area.	<p>Advertise on a platform such as Contract Finder, Compete For or equivalent</p> <p>Advertise the opportunity on Rural Arts website for a reasonable period of time</p>
<p><b>Above EU threshold</b></p> <p>Follow EU procedure as set out in Public Contracts Regulations 2015.</p>	<p><b>Over Relevant Public Contract Regulations threshold</b></p> <p>Full advertisement in OJEU.</p>

## 6. Regular Purchases

- a. Room Hire (below £25000 threshold)
  - i. Rural Arts will maintain a list of approved room hire venues with records of quotes and decisions made for delivery areas
  - ii. These will be reviewed annually or when hire prices change
  - iii. Decisions can take into account geography and best value
- b. Stationary/Consumables Supplies or other regular suppliers (below £25000 threshold)
  - i. These suppliers will go through annual best value comparisons in line with ESIF best practice.

## 7. Rural Arts' Authorisation Limits

- a. To enable managers to undertake and progress with their procurement exercise they need to ensure that they have the appropriate authority.
- b. The procurement must be initiated by senior manager
- c. Any amount above £200 must be authorised by the CEO unless already part of a project authorised budget.
- d. Where there is any uncertainty regarding the life of the project and potential value authorisation must be sought from the CEO.


## 8. On-going monitoring of procurement compliance for EU funded projects

- a. Compliance with procurement requirements are checked at various points throughout the lifetime of the project and post funding. These include but are not limited to:
  - Claims
  - Project Inception Visit (PIV)
  - Project Progress and Verification Visit (PAV)
  - EU Audit visits



- b. Rural Arts will keep documentation in line with DCLG Aide Memoir as listed in Appendix 1
- c. Each applicable EU project will have it's own Procurement File containing procurement information for each project.
- d. Records must be maintained for verification in line with each project's retention dates.
- e. No documents will be destroyed unless authorised to do so by the Management Authority.
- f. Rural Arts recognises the EU Commission's interest in compliance with procurement regulations and highlights to staff and partners that non-compliance could result in some or all grant monies having to be re-paid

## 9. Policy Approved

Name	Max May
Position	Chief Executive Officer
Signed	
Date	22/03/2019

## 10. Appendix 1: ESIF Procurement Aide Memoire