



JBG Procurement Policy

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Review/Revise	Feb 2019	<ul style="list-style-type: none"> Updated <i>Advertising Contracts & Delegated Authority to Procure</i> section: Direct Award and Extraordinary Contract Extension. Updated Delegated Authority Levels and clarified Minimum Number of Bids Required in <i>Appendix 1 (Financial Thresholds & Delegated Authority)</i>
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1. Introduction

The Company

Jobs & Business Glasgow (JBG) is a company limited by guarantee (SC108565) with charitable status (SC023930). The head office is located at Ladywell Business Centre, 94 Duke Street, Glasgow, G4 0UW.

The organisation was established in 2011 as one of Glasgow City Council's Arm's Length External Organisations (ALEOs), to deliver economic development activity on behalf of the city. JBG's strategic planning process has identified our contribution to this objective as being based on two key themes.

1. Increase the competitiveness of Glasgow's residents in the labour market by equipping them with the skills that employers value in the workplace.
2. Work with the small business base to increase the number of start-ups and help improve their resilience, in order to create more jobs.

JBG offers a range of services from community-based venues located throughout Glasgow. We deliver a range of contracts and projects on behalf of organisations such as: Glasgow City Council and Skills Development Scotland.

The Policy

The purpose of the Procurement Policy is to set out the general operating principles covering the procurement activities and objectives within JBG.

The document seeks to explain in broad terms the principles under which procurement will be undertaken and proactively managed within JBG. The intent is that stakeholder requirements for supplies, works and services are efficiently and effectively met, providing JBG with the best possible value for money (i.e. the optimum balance of cost, quality, and sustainability).

All JBG staff are required to comply with the Procurement Policy and the corresponding procedures, as may be updated and amended from time to time. To ensure consistency of approach and application across the company, there is no scope for local variation in this policy.

2. Principles, Aims & Objectives

All Procurement activity aims to achieve the best possible value at the lowest possible cost. Cost includes not only the initial purchase price, but also continuing costs over the lifetime of the equipment, materials works and services (e.g. financing and depreciation, maintenance requirements and energy usage). Value includes the quality and reliability of the supplies, works or services and the timeliness and reliability of their delivery.

JBG will work with our suppliers and, wherever possible, create positive relationships with them. We will support and encourage suppliers to better understand our requirements, and to refine and improve their products, prices, quality, and service levels accordingly.

JBG will work with government bodies, other public sector bodies, and third sector organisations to utilise collaborative procurement arrangements where they offer value for money.

Standard procurement exercises at JBG are based on a sequential approach.

1. Clearly establish the business need for the goods or service, and the appropriate approval for it to be fulfilled.
2. Define the business need in terms that can be clearly understood by stakeholders and potential suppliers.
3. If possible, meet service requirements by using in-house expertise.
4. If in-house expertise cannot meet the need, fulfil the requirement through a suitable contract that has already been established by JBG.
5. If in-house expertise cannot meet the need, and a suitable contract has not already been established by JBG, the Council Family will normally be used in preference to an external supplier.
6. If neither JBG's in-house expertise nor the Council Family's provision is suitable, existing contracts or framework agreements normally take precedence when sourcing an external supply.
7. If the need still cannot be satisfactorily met, a suitable external supply will be procured.

All procurement activity that JBG undertakes must comply with the applicable laws and regulations, and conform to the highest possible ethical, social and environmental standards.

JBG's procurement activities must comply with all applicable laws and regulations, in particular: Procurement Reform Act (Scotland) 2014; Procurement (Scotland) Regulations 2015; Procurement (Scotland) Regulations 2016; Concession Contracts (Scotland) Regulations 2016; and Utilities Contracts (Scotland) Regulations 2016.

3. Equal Opportunities Statement

JBG is committed to providing fair and equal treatment for all our stakeholders. JBG will not discriminate against anyone on the grounds of race, colour, ethnic or national origin, language, religion, belief, age, gender, sex, sexual orientation, marital status, family circumstances, employment status, physical ability, or mental health.

JBG may carry out Equality Impact Assessments on our policies and activities to consider potential negative equality and diversity implications. We will take appropriate action to address inequalities likely to result or resulting from the implementation of the policy and procedures.

Fair and Equal Treatment of Suppliers

The Treaty on the Functioning of the European Union applies to all JBG procurement activity, regardless of value. Fundamental principles flowing from the Treaty include:

- transparency (contract procedures must be transparent and contract opportunities should generally be publicised);
- equal treatment and non-discrimination (potential suppliers must be treated equally);
- proportionality (procurement procedures and decisions must be proportionate); and
- mutual recognition (giving equal validity to qualifications and standards from other Member States, where appropriate).

All Procurement will be conducted such that all suppliers with the necessary abilities have a fair and equal opportunity to secure JBG business. In particular, JBG will endeavour to ensure that its procedures do not place unnecessary burdens or obstacles in the way of small companies or new companies.

Approaches by suppliers will be carefully managed to minimise the risk of providing them with a competitive advantage or discriminating against other suppliers. Relationships with potential and incumbent suppliers will be formally managed via meetings and written correspondence.

Any potentially improper approaches, including but not limited to inducements or threats from suppliers, must be reported to line management or the board as appropriate, even if such an approach is sufficiently ambiguous to allow for an innocent interpretation.

Communication with suppliers during a tendering process will be conducted in an open and fair manner so that all suppliers are treated the same throughout the process.

4. Ethical, Social & Environmental Responsibility

Ethical Standards of Staff

JBG expects adherence to ethical standards and behaviour from its suppliers, and in return JBG will be fair, honest and transparent in all dealings with suppliers and avoid any conduct which may be adversely interpreted. Persons engaged in any aspect of procurement on behalf of JBG will not use their position for personal gain.

Conflicts of Interest

When dealing with suppliers, potential conflicts of interest can sometimes occur. Such potential conflicts must be reported to the Senior Management or appropriate line manager as soon as they are identified. This will not necessarily prevent JBG trading with the supplier concerned, but it may be necessary to arrange for the procurement activity to be handled by someone else.

Sometimes former employees may be potential suppliers. In such circumstances it is important that no former employee expects or receives special consideration; appropriate steps should be taken to ensure there is fair competition between all potential suppliers.

Employees should avoid interacting with JBG's suppliers in a private capacity if this could place the employee and/or supplier under any (perceived or actual) obligation in respect of the relationship or any transaction(s) between JBG and the supplier. In circumstances where the employee's private interaction with a supplier to JBG is legitimate and unavoidable, it is essential that the employee does not act in any way which could be interpreted as influencing or otherwise affecting that supplier's relationship or interactions in respect of JBG.

Gifts & Hospitality

All staff involved in procurement will comply with JBG's Business Gifts Policy.

Fraud & Anti-Competitive Behaviour

From time to time individuals involved in procurement activity may become aware of supplier organisations that are apparently acting together in order to fix prices or divide up markets. Any such arrangement is illegal.

Individuals may also become aware of potentially fraudulent activity. This should be reported and in line with the Fraud and/or Bribery Policy. In the case of a complaint, the Head of Finance will investigate however should there be an instance which is any way connected with but not against the Head of Finance, the Managing Director will nominate another Senior Manager to act as an alternative investigator.

Complaints against the Managing Director should be passed to the Chair of the Jobs & Business Glasgow Board who will nominate an appropriate investigator.

All investigation & reporting of anti-competitive behaviour and fraud will be dealt with in accordance with JBG's Whistleblowing Policy.

Grounds for the Exclusion of Economic Operators

JBG will actively avoid using, and will exclude from procurement exercises, organisations that do not consistently demonstrate competent, ethical and lawful business behaviour and/or who demonstrate an otherwise irreconcilable conflict of interests. Prior to being excluded, a potential supplier (or subcontractor) will be given the opportunity to prove it has taken sufficient measures to demonstrate its reliability (i.e. 'self-cleansing').

Permitted exclusion grounds relate to such matters as: criminal offences; employment blacklisting; tax/social security breaches; breach of environmental, social or labour laws; bankruptcy/insolvency; professional misconduct; unlawful distortions of competition; significant non-performance of a previous contract; misrepresentation; and conflicts of interest that cannot otherwise be resolved.

For regulated procurements above the OJEU threshold, JBG will evaluate potential suppliers (and their subcontractors) against the mandatory and discretionary grounds set out under Regulation 58 of The Public Contracts (Scotland) Regulations 2015. For other procurements, whether regulated or not, JBG will evaluate potential suppliers (and their subcontractors) against the mandatory and discretionary grounds set out under Regulations 8 and 9 of The Procurement (Scotland) Regulations 2016.

The Procurement Team will manage the exclusion process in respect of potential suppliers.

Sustainable Procurement Duty

JBG shall consider how its procurement processes can facilitate the involvement of Small and Medium Enterprises (SMEs), Third Sector bodies, and Supported Businesses.

Before undertaking a procurement exercise, JBG shall consider whether it can be used to improve the social, environmental and economic wellbeing of Glasgow (with a particular focus on reducing inequality).

Before undertaking a regulated procurement exercise, JBG shall consider whether innovation can be promoted in the procurement process and/or the way in which the requirement is fulfilled.

Fair Work Practices

Before undertaking a procurement exercise, JBG shall consider whether it is relevant and proportionate to include a question on fair work practices (including, but not limited to, payment of the Glasgow Living Wage). If included, fair work practices shall be evaluated along with other relevant criteria.

Community Benefits

JBG will actively consider including proportionate community benefit requirements in any procurement, dependent upon the nature of the work.

Environmental Wellbeing

Through its procurement processes, JBG will endeavour to minimise and mitigate the environmental impact of its business activities.

5. Advertising Contracts & Delegated Authority to Procure

Advertising Contracts

Contracting opportunities will be advertised in accordance with the procedures set out in JBG's Procurement Process (as summarised in Appendix 1).

Delegated Authority to Procure

The Minimum Level of Authority required to initiate a procurement exercise of a given type and value is set out in JBG's Procurement Process (as summarised in Appendix 1).

Approval must be obtained from the Board of Management in order to initiate procurement activity for the first time in respect of a particular supply where 'Board of Management' is the relevant Minimum Level of Authority. However any subsequent re-letting of the contract(s) in respect of this supply is not subject to further approval from the Board of Management.

Approval from the Board of Management is not required to appoint the relevant supplier(s), either in respect of the first procurement activity or any subsequent re-letting.

Procurement Procedures

Procurement activity will be undertaken in accordance with the procedures set out in JBG's Procurement Process.

Direct Award

A Direct Award without inviting competition may be made under certain circumstances. Without being limited to or required to reflect the following examples, this may include circumstances where it can be evidenced that:

1. there is only a sole supplier in respect of the relevant provision;
2. there is an urgent requirement that could not be foreseen or avoided; and/or
3. the requirement is in respect of services within the scope of the 'Schedule 3' Light Touch Regime which is applicable to certain Health & Social Care procurement exercises.

Under such circumstances, the Procurement Team may request authorisation to make a Direct Award. The authorisation request must be made in writing, describing the reasons for the Direct Award request and outlining the respective Business Case.

Approval to make a Direct Award is at the discretion of the Managing Director.

In respect of a Direct Award made on the basis of an urgent requirement that could not be foreseen or avoided:

1. the maximum contract period should be no more than 6 months; and
2. a longer-term solution should be sought during this contract period.

Extraordinary Contract Extension

Due to unusual and/or unforeseen circumstances, it may be necessary to consider extending contracted provision beyond the period, including any extension(s), defined within that contract.

Under such circumstances, the Procurement Team may request authorisation to extend the current contract. This must be made in writing, detail the reasons underpinning the extension request, and describe the respective Business Case.

Approval of the extension request is at the discretion of the Finance and Audit Committee.

Financial Thresholds

The value of a procurement category or contract shall be calculated by aggregating relevant spend across JBG (including any subsidiary company thereof).

Spend shall not be disaggregated in order to artificially remain below a threshold.

Contract Terms & Conditions

JBG will endeavour to have its suppliers accept JBG's Standard Terms and Conditions, and to ensure that unauthorised variations or alternatives to agreed terms are not introduced (e.g. via terms included on a delivery note).

The acceptance by JBG of a proposed variant or alternative to JBG's Standard Terms and Conditions is subject to prior consideration by the Procurement Team. At the discretion of the Procurement Team, any variant/alternative may also require prior consideration and approval by JBG's provider(s) of insurance services and/or legal advice.

Contract Approval

Approval to award contracts for goods, services and works will be in accordance with the JBG Delegated Authority to Procure Levels in Appendix 1 and the JBG Procurement Process.

Payment Approval

Payments to suppliers must be made in accordance with:

1. the agreed Terms and Conditions of the particular contract; and
2. JBG's Delegated Financial Authority levels.

Statutory Reporting

In order to comply with its statutory obligations, JBG will provide information concerning JBG's Procurement activities to various Government bodies and provide assurances to these bodies that JBG has met the requirements of applicable regulations.

The Procurement Team will be responsible for managing JBG's statutory reporting obligations.

Collaborative Procurement

If neither JBG's in-house expertise nor the Council Family's provision is suitable, JBG will consider the availability and suitability of framework agreements established for use by the public sector and/or third sector.

Small & Medium Enterprises (SMEs)

For non-regulated procurements, where it is not economically disadvantageous to do so JBG will endeavour to invite supplier(s) from among the City of Glasgow's SMEs (or, if this is not possible, from those in the Greater Glasgow area). Where relevant, suppliers will be encouraged to offer applicable sub-contracting opportunities to Glasgow's SMEs.

Third Sector Organisations

For non-regulated procurements, where it is not economically disadvantageous to do so JBG will endeavour to invite supplier(s) from among the City of Glasgow's third sector organisations (or, if this is not possible, from those in the Greater Glasgow area). Where relevant, suppliers will be encouraged to offer applicable sub-contracting opportunities to Glasgow's SMEs.

Supported Businesses

It is the Scottish Government's stated policy that every public body should reserve at least one contract for an organisation listed in the Supported Business Directory.

JBG will consider whether each contracting opportunity could be reserved to a Supported Business. JBG's suppliers will also be encouraged to offer applicable sub-contracting opportunities to Glasgow's Supported Businesses.

6. Customer Service

Confidentiality

Confidentiality is not only a basis of trust in business relationships, but also impacts on the protection of JBG's own interests. It is the responsibility of any member of staff conducting procurement on behalf of JBG to ensure that third party information of a commercially confidential nature is properly safeguarded. This may require that the supplier or agent of JBG signs a confidentiality agreement.

All information given by customers and suppliers in relation to this policy will be treated as strictly confidential and will not be discussed with third parties without their permission. We will comply with the Data Protection Act 2018 in this regard.

However JBG is required to comply with the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004. Information submitted to JBG may therefore need to be disclosed and/or published by JBG in compliance with the applicable Act. JBG may also share any information contained in a tender with any relevant government regulators.

Complaints

Where a complaint relates to the conduct of procurement, this will be handled in accordance with JBG's Customer Feedback Policy.

A Single Point of Enquiry (SPoE) has been established at the Scottish Government Procurement Directorate to which suppliers can address concerns about public funded procurement practices (www.gov.scot/Topics/Government/Procurement/Selling/supplier-enquiries). As set out on this website, the supplier is expected to liaise with the contracting authority in the first instance to seek resolution or clarification.

7. Policy Review

We will review this policy every three years. More regular reviews will be considered where, for example, there is a need to respond to new legislation/policy guidance. Reviews will consider legislative, performance standard and good practice changes.

8. Relationship to Other Documents

This policy should be read in conjunction with:

- JBG Procurement Process
- JBG Scheme of Delegation
- JBG Business Gifts Policy
- JBG Whistleblowing Policy
- JBG Customer Feedback Policy
- Initial Procurement Assessment Form
- Scottish Sustainable Procurement Action Plan
(<http://www.gov.scot/Publications/2009/10/sspap>)
- Statutory Guidance on the Selection of Tenderers and Award of Contracts
(<http://www.gov.scot/Publications/2015/10/2086>)
- Statutory Guidance under the Procurement Reform (Scotland) Act 2014
(<http://www.gov.scot/Publications/2016/03/8410>)
- Supported Businesses Directory
(<http://www.gov.scot/Topics/Government/Procurement/buyer-information/SuppBus/Directory>)

Appendix 1: Financial Thresholds & Delegated Authority to Procure

Overview

To ensure competition and comply with procedures, a minimum number of suppliers must be invited to quote for goods, services or works. The tables below show the number of suppliers that must be invited and the minimum number of responses required to achieve competition and a fair market price, in order to proceed.

The 4 tables should be consulted in order. Read each table from top to bottom, stopping at the first applicable row.

- Each table is based solely on the total financial value (excluding VAT), but the likelihood and severity of relevant risk must also be considered.
- 'Procedure' means the opportunity to contract must be open to all suitable suppliers, in accordance with the relevant rules of the applicable regulatory regime. The appropriate procedure will be determined by the Procurement Team (e.g. Open Tender, Restricted Tender, Competitive with Negotiation, Competitive Dialogue, Negotiated Procedure without Prior Publication, or Innovation Partnership).

Financial Thresholds

The Financial Thresholds shown in Tables 1-4 reflect the total value of the relevant contract over its full duration, including any potential extension period(s) as stated in the applicable regulation / legislation (these Financial Thresholds are not the same as levels of Financial Delegated Authority).

Minimum Number of Bids Required

If the number of responses received is less than the minimum, or the responses are unsuitable, approval to proceed is required from the Procurement Team and documentary evidence must be provided in support of the request for approval. The Procurement Team must detail in writing the Business Case and the reasons supporting an award decision being made despite the minimum number of suitable bids not having been received.

An award decision under these circumstances must be approved by the Managing Director.

Table 1: Goods/Services (except for Schedule 3 CPV Codes, see Tables 2 and 3)

Threshold	Minimum Level of Authority	Regulatory Regime	Procurement Team Support	Initial Procurement Assessment Form	Standard Route to Market	Minimum No. of Bid Invites	Minimum No. of Bids Required
£0.01 to £100.00	Operational Management	Petty Cash	N/A	N/A	Informal	1	1
£100.01 to £1,000.00	Operational Management	Non-regulated	Optional	Recommended	Informal	3	1
£1,000.01 to £5,000.00	Head of Service	Non-regulated	Recommended	Recommended	Informal	3	2
£5,000.01 to £20,000.00	Head of Service	Non-regulated	Required	Required	Quick Quote	3	2
£20,000.01 to £49,999.99	Head of Service	Non-regulated	Required	Required	Quick Quote	5	3
£50,000.00 to £189,329.99	Head of Service	Regulated (Scotland)	Required	Required	Public Contracts Scotland	Procedure	Procedure
£189,330.00 or more*	Board of Management	Regulated (EU)	Required	Required	Public Contracts Scotland	Procedure	Procedure

* This threshold is revalued, in Euros, every two years by the European Commission. The Commission then applies a conversion formula to the revised Euros figure for those Member States which have their own national currency. Any lower threshold affected by this revaluation is then adjusted accordingly.

- Current from: **01/01/20**
- Revision due: **01/01/22**

Table 2: Services with a Health & Social Care CPV Code (Schedule 3)

Threshold	Minimum Level of Authority	Regulatory Regime	Procurement Team Support	Initial Procurement Assessment Form	Standard Route to Market	Minimum No. of Bid Invites	Minimum No. of Bids Required
£0.01 to £1,000.00	Operational Management	Non-regulated	Recommended	Recommended	Informal	1	1
£1,000.01 to £5,000.00	Head of Service	Non-regulated	Recommended	Recommended	Informal	1	1
£5,000.01 to £49,999.99	Head of Service	Non-regulated	Required	Required	Option for Direct Award with value analysis	Determined by JBG Procurement Team, informed by stakeholder input and market analysis	
£50,000.00 to £189,329.99	Head of Service	Regulated (Scotland), Light Touch Regime (Health & Social Care)	Required	Required	Option for Direct Award with value analysis	Determined by JBG Procurement Team, informed by stakeholder input and market analysis	
£189,330.00 to £663,539.99	Board of Management	Regulated (Scotland), Light Touch Regime (Health & Social Care)	Required	Required	Determined by JBG Procurement Team	Determined by JBG Procurement Team, informed by stakeholder input and market analysis	
£663,540.00 or more*	Board of Management	Regulated (EU)	Required	Required	Public Contracts Scotland	Procedure	Procedure

* This threshold is revalued, in Euros, every two years by the European Commission. The Commission then applies a conversion formula to the revised Euros figure for those Member States which have their own national currency. Any lower threshold affected by this revaluation is then adjusted accordingly.

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Table 3: Services (other than Health & Social Care) with a Schedule 3 CPV Code

Threshold	Minimum Level of Authority	Regulatory Regime	Procurement Team Support	Initial Procurement Assessment Form	Standard Route to Market	Minimum No. of Bid Invites	Minimum No. of Bids Required
£0.01 to £1,000.00	Operational Management	Non-regulated	Optional	Recommended	Informal	3	1
£1,000.01 to £5,000.00	Head of Service	Non-regulated	Recommended	Recommended	Informal	3	2
£5,000.01 to £20,000.00	Head of Service	Non-regulated	Required	Required	Quick Quote	3	2
£20,000.01 to £49,999.99	Head of Service	Non-regulated	Required	Required	Quick Quote	5	3
£50,000.00 to £189,329.99	Head of Service	Regulated (Scotland), Light Touch Regime	Required	Required	Public Contracts Scotland	Procedure	Procedure
£189,330.00 to £663,539.99	Board of Management	Regulated (Scotland), Light Touch Regime	Required	Required	Public Contracts Scotland	Procedure	Procedure
£663,540.00 or more*	Board of Management	Regulated (EU)	Required	Required	Public Contracts Scotland	Procedure	Procedure

* This threshold is revalued, in Euros, every two years by the European Commission. The Commission then applies a conversion formula to the revised Euros figure for those Member States which have their own national currency. Any lower threshold affected by this revaluation is then adjusted accordingly.

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Table 4: Works

Threshold	Minimum Level of Authority	Regulatory Regime	Procurement Team Support	Initial Procurement Assessment Form	Standard Route to Market	Minimum No. of Bid Invites	Minimum No. of Bids Required
£0.01 to £1,000.00	Operational Management	Non-regulated	Optional	Recommended	Informal	1	1
£1,000.01 to £5,000.00	Head of Service	Non-regulated	Recommended	Recommended	Informal	3	2
£5,000.01 to £250,000.00	Head of Service	Non-regulated	Required	Required	Quick Quote	3	2
£250,000.01 to £2,000,000.00	Head of Service	Non-regulated	Required	Required	Public Contracts Scotland	4	3
£2,000,000.01 to £4,733,251.99	Board of Management	Regulated (Scotland)	Required	Required	Public Contracts Scotland	Procedure	Procedure
£4,733,252.00 or more*	Board of Management	Regulated (EU)	Required	Required	Public Contracts Scotland	Procedure	Procedure

* This threshold is revalued, in Euros, every two years by the European Commission. The Commission then applies a conversion formula to the revised Euros figure for those Member States which have their own national currency. Any lower threshold affected by this revaluation is then adjusted accordingly.

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