

**Believe in
children**



Barnardo's

**Barnardo's Employee
"How to Buy" Guide**

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Introduction and purpose

This document is a "how to buy guide" for Barnardo's various functions and operations, and for anyone with a current and future procurement need. It is intended to aid the process of buying goods and services in the charity, reducing risk, and ensuring all employees know what do and when.

This document forms part of the broader Procurement Standard Operating Procedures (SOPs), which also includes the Procurement and Supplier Management Policy and Processes. These documents are referred to and linked at the end of this document and the business areas they relate to. Employees should review those documents in addition to this guide for a better understanding of the activities involved, where to go, and 'how to buy'.

Throughout the document we may refer to Procurement, 'buying', or Commercial and Procurement (C&P) team. They are all the same internal (central) team, supporting, guiding and in some cases leading business procurement activities. Therefore, it is an important clarification that 'procurement' is an activity for all, not just one central team/function.

Why is responsible procurement important?

Like many organisations, Barnardo's have various **commitments they must uphold** both internally and externally. These include making the best use of our resources to help our beneficiaries: children, young people and their families by operating a sound and cost-effective organisation and conducting procurement activities ethically and sustainably for the good of the planet.

'Our total non-staff expenditure is likely to exceed £125m this year and so we have a huge responsibility to ensure that we achieve good value for money with this spend, but also that we source suppliers and services in a way that takes full account of ethical and sustainable considerations. We need to act in a way that is morally right, open, fair and transparent'.

*Richard Moore
Corporate Director – Business Services*

One of the key principles in achieving the above, is good procurement (buying) practices. With organisations spending a significant amount of their budgets externally with suppliers, it is imperative that **investment is competitive**.

In addition to the above commitment and aims, Barnardo's has various policies such as Sustainability, Safeguarding, 'anti-bribery and corruption' and 'conflicts of interest' that must be upheld when procuring and working with external suppliers. It is imperative that employees are **compliant to the processes** and procedures as the negative consequences both for Barnardo's and the employees can be significant.

There are **various other risks** that procurement addresses, especially in the supplier management end of the process. Good practice in this area can address supplier performance issues and even drive **greater value for money** from the goods and services purchase. Whilst Barnardo's do not have a central team delivering supplier management, it's important that the business areas adopt the systems, tools, and processes that the central team provide to ensure they are best placed to get value from their suppliers.

If any employee finds areas for **continuous improvement**, be it the documents and guidance provided, or areas to e.g., become more sustainable, we encourage you to contact the Commercial & Procurement team.

Guidance on the procurement process and activities

The following activities that follow a typical timely order (phasing) do not replace the procurement process but aim to raise awareness of the activities both within the Commercial & Procurement team but also expected of the business areas.

Early engagement

It's vital that the business engage procurement as early as the 'concept' stage of the procurement and buying process. This will ensure goods and services are received on time, and of good quality with little risk to the organisation.

The Commercial & Procurement team will be seeking to engage the business proactively on their Category Strategies (e.g. IT), to minimise cost and risk, and maximise value for money. However, it's important to recognise that this won't capture all business needs, especially new requirements.

It is expected that buyers use the Business Services Hub and complete the Business Services Request Form to raise all requests including queries for the C&P team. The Business Request Form asks for some key information that ought to be available, including the budget owner (with approval), the requestor/user, any relevant business case/need, preferred suppliers etc. In some cases, suppliers may already be pre-vetted (and active) on the Barnardo's database and Procurement can help with that insight to at least provide alternative quotations.

The Commercial & Procurement team can (subject to workload and the Policy e.g. spend level) support with market analysis and various other 'sourcing' activities. Whilst the C&P team may support with market assessment and specification writing, it's helpful if the requestor considers doing this activity and engaging C&P on it as early as possible.

Sourcing/procuring (by yourself)

As outlined in the Procurement Policy (and the process map embedded) it may be asked that the buyers themselves lead the sourcing activity (bands 1-3). This is a 'lighter touch' process to follow for the requestor/stakeholder who is not expected to be a procurement expert. Procurement activities will be conducted on the e-procurement portal for purchases above band 1 with the support of the Commercial & Procurement team.

Please refer to the Policy and Process for detailed guidance on financial bands and requirements as key activities need to still be achieved to evidence value for money. At all stages you may engage the Commercial & Procurement team for support and guidance.

Things to consider when leading 'your' sourcing process are:

- Sustainability

- EDI (Equality, Diversity and Inclusivity)
- Data Protection/Information Security
- Market options/alternatives

In all cases, please refer to the Supplier Code of Conduct for expectations on the supplier and their goods/services.

Sourcing/procuring (led by Procurement)

Subject to the Procurement Policy (and the process map embedded) it is important that Procurement lead the sourcing activity for band 4 (over £100k) purchases including those contracts of strategic importance but may not necessarily have a high monetary value. As this is typically higher spend or risk goods or services, the process is more robust than the buyer led approach and will require a competitive tendering process via the e-Procurement system.

Please refer to the Policy and Process for detailed guidance so you're aware of the activities and milestones required to evidence to the business value for money. Whilst this may be Procurement led, the team will treat this like a project and the business area requestor a key stakeholder and project team member.

The key enabler of success is the early engagement of Procurement and the development of a clear specification (scope) for the sourcing ideally written by the requestor/stakeholder.

Things to consider when supporting Procurement with the sourcing process are:

- A clear business case (see Barnardo's guidance and Project Management Toolkit)
- Sustainability
- EDI (Equality, Diversity and Inclusivity)
- Data Protection/Information Security

Contracting

Subject to the policy and process, contracts will only be executed if they've followed the correct process. The '**Barnardo's Authorisation Limits for Contracts Expenditure and Invoices Policy**' that sets out the approach to entering legally binding contracts and delegated limits should be followed.

The Commercial & Procurement team may want to engage Legal throughout the sourcing process and then at the contracting stage to ensure risks are effectively managed with appropriate terms and conditions. This stage is enabled by a robust sourcing process and one which allows Barnardo's to position the correct terms and conditions as early as possible. If this stage is undermined, then the probability of supplier performance risks and failure increases.

Contract and Supplier Management

Whilst there is a focus for the Procurement & Supplier Management team on ensuring suppliers are well managed, there is limited central resources for these activities with the exception of high value, strategic contracts in key categories. It is also a more effective model to have suppliers managed by the business areas that regularly interface with them. On that basis, the aim is to provide guidance and support for these activities centrally and

allow the business areas to get the most from suppliers and manage the risks. A key aspect of this is adequately finalising and filing contracts and contract variations, using the eProcurement System.

Suppliers should be assessed and classified at the point of onboarding, if not sooner, and this should direct the business areas on what level of supplier management they should adopt e.g. 'light touch' versus more frequent management. Supplier due diligence including safeguarding checks where they may apply should be conducted in line with relevant policies.

At times the Commercial & Procurement team (including the Category Managers) may seek to engage the business on their supplier management activities to get a feel for supplier performance as they look to develop strategies for better future procurement. If you need any support or guidance, please contact the Commercial & Procurement team through the Business service hub.

Raising purchase orders and payment

Purchase Orders (POs) will not be raised, and payments will not be made, if the appropriate procurement process hasn't been followed. This can cause supplier friction and reputational damage, particularly if the business area has not complied with policy, process, and guidance.

The 'Procure to Pay process at Barnardo's' guidance that can be found in the Business Services Hub should be followed at all times.

Waivers and exceptions

There are scenarios where it may be impossible or impractical to follow the Procurement rules (e.g., we have ascertained that there is only one supplier in the market or timeframes are prohibitive due to urgency). Advice should be sought from the Commercial and Procurement team through [the Business Services Hub](#), as to whether a waiver request form should be completed.

Following consultation with the team, if waiver is appropriate, a waiver form could be obtained from the Commercial and Procurement team, to be used where the total value of the purchase is above £5,000 and up to £100,000 (Bands 2 and 3). The waiver **does not** apply for purchases in band 4. Details of the procurement process and financial bands are outlined in Barnardo's [Responsible Procurement Policy](#) and in the Buyers' Guide.

Once completed, the waiver request should be signed off by the budget holder (in line with Barnardo's authorisation limit policy) and returned to the Commercial & Procurement Team via the Business Services Hub, to be signed by the Head of Planning & Commercial.

The Commercial & Procurement team will retain a record of all waiver requests, the reasons for them and the period for which the waiver is valid. To ensure transparency and accountability the waiver record will be reviewed periodically and will be shared with senior management, leadership, and any internal audit teams.

Supplier Exit and Contract Renewals

All suppliers at some stage will need 'exiting' or subject to the procurement process, renewing. The basis for the exit can be contracts expiring, or a more complex situation like supplier under-performance. Whilst it's important that the business area adopt the Supplier & Contract Management Framework approach, they must also recognise that contracts cannot be simply 'rolled over'. The Commercial & Procurement team will endeavour to use contract expiring data from the E-Portal to engage the business, but it is also imperative that the business areas engage procurement as per the 'early engagement' guidance above to ensure a competitive process is conducted to renew or replace supplier contracts. For example, in 2022/23 Barnardo's (and other organisations) faced significant inflationary increases that could have been better mitigated with a competitive process pre-renewal.

Risks and consequences of non-compliance

As we have mentioned in the introduction section, 'good' procurement is essential and there are various policies across the charity that hold employees to account on this, beyond the procurement policy itself. For that reason, non-compliance and the associated risks will be reported at key intervals and using various reporting metrics, to senior management and leadership.

If any employee has concerns about procurement and contract management activities, compliance, or the need for training or guidance we ask that they contact the Commercial and Procurement team immediately for support. It is essential that employees review the policies and procedures and not just this guidance document.

Key reference documents and glossary

Document or Glossary Item	Description or Location	Owner
Procurement E-Portal	Online tool to be accessed via Commercial & Procurement Team	Commercial & Procurement Team
Business Services Hub	Central customer service portal for all Business Service customer enquiries - https://hub.barnardos.org.uk/support/home	Business Services
Business Request Form	https://hub.barnardos.org.uk/support/catalog/items/98	Commercial & Procurement Team
Supplier Code of Conduct	The supplier code of conduct sets out the principles and values, and minimum standards Barnardo's expects of its suppliers. https://inside.barnardos.org.uk/procurement	Commercial & Procurement Team
Project Management Toolkit	This project management toolkit has been designed by the Business Services PMO to support colleagues across the organisation in project management practices. Project Management toolkit	Business Services PMO
Category Strategy	Business Services Hub - Procurement	Commercial & Procurement Team
Business case template	The Business Case template	Business Services PMO
Responsible Procurement policy	The 'Responsible Procurement Policy' provides clear statement and central framework for conducting procurement https://inside.barnardos.org.uk/procurement	Corporate Director – Business Services
Procurement process Map	The procurement process flow chart is a diagram that helps visualize the steps in the procurement cycle. . https://inside.barnardos.org.uk/procurement	Commercial & Procurement Team

Supplier set up form	https://hub.barnardos.org.uk/support/catalog/items/98	
Risk Management policy	Inside Barnardo's	Audit & Assurance
Contract check list	https://inside.barnardos.org.uk/procurement	Commercial & Procurement Team
Supplier Set-up Form	https://hub.barnardos.org.uk/support/catalog/items/98	Commercial & Procurement Team
Other Policies	Anti-Bribery and Corruption policy - https://inside.barnardos.org.uk/resources-and-guidance/financial-crime/anti-bribery-and-corruption-policy	Corporate Director – Business Services
	Conflicts of Interest policy - https://inside.barnardos.org.uk/resources-and-guidance/financial-crime/conflicts-interest-policy	Corporate Director – Business Services
	Data Protection policy - https://inside.barnardos.org.uk/resources-and-guidance/information-governance-and-data-protection/data-protection-policy	Corporate Director – Business Services
	Information Security Policy - https://inside.barnardos.org.uk/resources-and-guidance/our-it/information-security-policy	Corporate Director – Business Services
	Modern Slavery Policy - https://inside.barnardos.org.uk/modern-slavery-policy	Corporate Director – Business Services
	Risk Management Policy - https://inside.barnardos.org.uk/risk-management-policy	
Procurement Rules Waiver Request (Form)	https://hub.barnardos.org.uk/support/catalog/items/98	Commercial & Procurement Team
Contract & Supplier Management Framework	TBC	Commercial & Procurement Team
SLA & KPIs	Service Level Agreements	
PO	Purchase Order via D365 - https://hub.barnardos.org.uk/support/solutions/folders/26000065448	Finance Team

Procurement Financial Bands

Below are the different financial bands that are applied when making decision to procure goods, services or works. It is necessary for **all purchases** to adhere to the rules. In doing so, Barnardo's ensures compliance with internal and external policies, and enables a charity-wide view of spend and suppliers. The financial bands apply to the total cost of the purchase (e.g., if it is a £5k annual cost and a 3-year contract, the value is £15k) and are exclusive of VAT:

Requirement	Financial Band	
Obtain one written quote – show value-for-money	1	Up to and including £5,000
Obtain at least 2 written quotes via the e-Procurement System	2	£5,001 to £25,000
Obtain at least 3 written quotes via the e-Procurement System	3	£25,001 to £100,000
Follow a competitive tendering process with the support of the Procurement & Commercials team.	4	Over £100,000

Band 1

For goods, services or works within Band 1, only one written quotation is required, although the purchaser must ensure that value for money is obtained and carry out due diligence on the proposed supplier. A quotation may be from a supplier's catalogue or obtained from a supplier. If the purchaser considers it appropriate, he/she may obtain competitive quotations. A record must be kept of any quotations obtained for audit and good governance purposes. A specifically designed contract is not necessary, but a legal Agreement will be constructed by issue of a Purchase Order that refers to Barnardo's Terms and Conditions. In some circumstances a contract will give Barnardo's added necessary protection and should be considered.

Band 2

For goods, services or works falling within Band 2 at least two competitive quotations must be obtained using the e-Procurement system. A signed contract or agreement outlining what is being provided for what cost is necessary.

Band 3

For goods, services or works falling within Band 3 at least three competitive quotations must be obtained using the eProcurement system. A signed contract or agreement outlining what is being provided for what cost is necessary. Alternatively, a formal tender process may be followed if the purchase is complex or high-risk.

Band 4

For goods, services or works falling within Band 4, the Procurement & Commercial team who will advise of the process required and provide support should be contacted. A competitive tendering process via the e-Procurement system should be followed.

