

Responsible Procurement Policy

Risk Owner:	<i>Corporate Director Business Services</i>
Supported by:	<i>Director Business Services Operations</i>
Date Approved:	<i>November 2022</i>
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1. Purpose

Barnardo's strategic goal is achieving better outcomes for more children by working to build: Stronger Families, Safer Childhoods and Positive Futures. We are committed to making the best use of all our resources to help our beneficiaries: children, young people and their families across the UK.

Each year Barnardo's spends millions of pounds on the purchase of goods, works and services to support its core work and achieve its strategic objectives. The responsible procurement policy provides clear statement and central framework for conducting procurement. It is underpinned by our Basis and Values, with particular focus on '*exercising responsible stewardship*'.

The policy ensures Barnardo's achieve Value for Money in all purchases, works only with qualified and up-standing suppliers, mitigates risk, and is compliant with our supplementary Sustainability, Equality, Diversity & Inclusion (EDI), Anti-Modern Slavery and other relevant areas of compliance.

Barnardo's is committed to maximising social value through its procurement and all commercial activities. This will include expanding and diversifying our supplier base by identifying and working with small, local providers and minority-owned businesses. Our responsible procurement policy guides buyers to maximise the positive outcomes on people and communities, whilst minimising the negative outcomes from any procurement activity.

The Board and Corporate Leadership Team (CLT) of Barnardo's believe that responsible procurement is integral to both good management and good governance practice.

Barnardo's is committed to ensuring that all Trustees, employees and volunteers of Barnardo's are provided with appropriate guidance and training on the principles of responsible procurement relevant to their roles and responsibilities. The charity will regularly review and monitor the effectiveness of its responsible procurement framework and update it as considered appropriate.

2. Policy

The policy aims to –

- Confirm and communicate the charity's commitment to responsible procurement.
- Establish a consistent framework and protocol for managing procurement, assign accountability to management and staff for applying this policy in procuring goods, services or works and provide a structured process and tools to manage all procurement.

The Procurement and Commercials team are responsible for providing guidance and advice and supporting all departments and staff with procurement matters via the Business Services Hub (<https://hub.barnardos.org.uk/>) and ensuring Barnardo's achieves maximum commercial value from its supplier relationships for high value contracts (including those contracts of strategic importance but may not necessarily have a high monetary value). This 'Responsible Procurement Policy', relevant guidance, tools and templates can be accessed through the procurement central knowledge hub via the Business Services Hub.

Barnardo's Procurement Requirements

The approach when procuring varies according to the overall value and risk of the services being supplied over the whole life of the contract. A person must be assigned by the Budget Holder to be responsible for compliance with the Procurement Rules. This could be the budget holder, or anyone assigned by the budget holder to ensure the Procurement Rules as set out within this policy, are followed prior to entering any agreement with suppliers and raising a purchase order (PO).

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.

Contract Management - Full record of every procurement activity should be held. This includes a contract or, as a minimum, a formal agreement outlining what is being provided by the supplier and the agreed costs. This should be stored with the quotations. When conducting quotations via the eProcurement system, the contract documents must be saved to the system.

Purchase Orders - With the introduction of the Dynamics 365 finance system, Barnardo's has implemented a Purchase Order (PO) system to enable better management and control of spend. Colleagues will be asked to confirm and evidence that the above procurement requirements have been followed and met when raising a PO.

The eProcurement System / Contract Register – Procurement activities will be conducted via the eProcurement system according to the financial banding category. All documents (e.g., quotes, proposals, contracts) must be saved to the system.

Supplier Due Diligence – Suppliers must be invited to register on the eProcurement system (the Procurement team will assist with this). Suppliers must complete a Registration Questionnaire on the portal to ensure they are financially stable and able to provide the service/goods required. A third-party credit check will also be completed where necessary. A low score on this check may result in a recommendation not to use that supplier. Supplier due diligence will include ensuring suppliers share our commitment to responsible procurement through the delivery of good, services and works. The extent of the check will depend on the nature, scope and value of each contract.

Contract Reviews & Management – Contract documents must be reviewed before signing. If there are any concerning clauses, advice should be sought from the Procurement & Commercials team. A service-level-agreement (SLA) that defines the level of service expected from the vendor should be drawn up and agreed at contract signing stage. The SLAs should

then be monitored throughout the contract life cycle to measure performance and act where they are not. Legal support is required for goods, services or work falling in Band 4.

Contract Renewals / Extensions – a contract may be extended only once before returning to the market for competitive quotes. The renewal should not be for a period or value that is greater than that included in the original contract agreement.

Procurement Waivers – There are scenarios where it may be impossible or impractical to follow the Procurement rules (e.g., there is only one supplier in the market or timeframes are prohibitive). Advice should be sought from the Procurement & Commercials team as to whether a waiver form should be completed. This must be signed off by the budget holder and the Head of Planning & Commercials. The 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.

3. Scope

- This policy applies to the whole charity and its subsidiaries and to all staff and volunteers.
- Unless there is a specific Barnardo's Board decision to the contrary, and subject to the Procurement Rules (the "Rules") apply to all contracts where the value exceeds Band 1 (£5,000) for the supply of works, goods or services to Barnardo's and subsidiary companies. This includes contracts for:
 - supplying any goods or services.
 - carrying out any construction, demolition, engineering or maintenance works.
 - consultants' services.
 - the disposal of assets (other than land); and
 - contracts with employment agencies (where the agencies, not Barnardo's, are the employers of the temporary staff).
- The Rules do not apply:
 - to contracts of employment with permanent or temporary staff (where such temporary staff are not paid through employment agencies but are employed and paid directly by Barnardo's via PAYE).

The above is not a definitive list and is intended as guidance only.

4. Roles & Responsibilities

Users of the product / service - Product or service users should feel empowered to offer feedback to the Owner on the products or service they receive.

Owner of the product / service - This is the Barnardo's subject-matter expert and is responsible for ensuring that the product or service is fit-for-purpose. This is usually the person making the purchase and will be responsible for compliance to the procurement rules and

managing contracts. They will be responsible for contract management, ensuring the defined objectives are met throughout the contract cycle and contracts are recorded and maintained on the central Contracts Register for all purchases above Band 2.

Budget Holder - Budget holders need to ensure the right questions are being asked on usage and requirements, and ultimately have responsibility for ensuring that procurement processes are followed correctly. **Barnardo's Authorisation Limits Contracts Expenditure and Invoices Policy** which sets out the approach to entering into legally binding contracts and the delegated limits up to which Trustees and employees can do so should be followed.

Procurement Team – The Procurement Team will provide colleagues with a dedicated procurement support through Category Managers to assist with:

- Specification and tender document creation
- Conducting procurement exercises - including ensuring appropriate due diligence
- Monitoring and reporting on KPI/SLA performance
- Contract review meetings and reports
- Assessment of supply chain for Value for Money
- Market reviews and analysis
- Input into departmental planning and strategies through Procurement Category Managers.

5. Associated Policies, Legislation, Guidance and References

The requirements in this policy should be considered alongside the requirements of other Barnardo's policies and in particular:

Barnardo's Authorisation Limits Contracts Expenditure and Invoices Policy – sets out the approach to entering legally binding contracts and the delegated limits up to which Trustees and employees can do so.

Barnardo's Risk Management Policy - Risk management forms an integral part of Barnardo's decision-making process and support its approach to strategic and operational planning. Procurement decisions should be informed by the risk management policy and managed in line with the organisation's risk appetite for balancing risk and opportunity in pursuit of achieving the charity's objectives.

Conflicts of Interest Policy - Barnardo's is committed to conducting its operations in accordance with the highest standards of integrity and ethics. The organisation expects all of its Trustees, employees, volunteers and partners to meet the same standards. As such, we are committed to ensuring that Barnardo's, its Trustees, employees and volunteers avoid situations where there may be a potential, perceived or actual conflict of interest. This will protect Barnardo's and its officers, employees and volunteers against any risks which may arise to their reputation for integrity and propriety. Conflicts of interest come in a number of forms – they may be financial or non-financial; direct or indirect and the policy should be read in conjunction with the policies highlighted in the relevant sections.

The Whistleblowing Policy is the clear route for staff and volunteers to raise any issues or concerns regarding a lack of adherence to the rules below where they feel unable to raise with their line manager or if escalation is required.

Anti-Bribery and Corruption - Barnardo's is committed to conducting its operations in accordance with the highest standards of integrity and ethics. As such, and in line with our Basis and Values, we are committed to ensuring that Barnardo's, its associated parties, employees, and volunteers do not engage in bribery and corruption. The Bribery Act 2010 makes it illegal to offer or receive bribes, bribe a foreign official, or fail to prevent a bribe being paid on an organisation's behalf.

Safeguarding Policy - Barnardo's Safeguarding & Protecting Children and Adults at Risk Policy and associated procedures reinforce our values and corporate responsibility and uphold the charity's statutory duties.

Sustainability – Barnardo's is committed to upholding responsible and sustainable procurement standards across its operations, seeking to reduce the environmental and social impacts of its purchased goods and services. Barnardo's approach is to seek the purchase of goods and services that minimise negative impacts and enhance the positive impacts on the environment and society, whilst meeting the business needs of the charity. By embedding environmental and social considerations in all purchasing decisions, Barnardo's aims to positively benefit its operating environment through the delivery of its services.

To uphold this commitment, Barnardo's must adopt the following responsible practices as part of all procurement processes:

- Wherever possible, Barnardo's colleagues will take reasonable efforts to challenge whether the procurement of a good or service is necessary.
- Barnardo's colleagues will take steps to reuse, repair or refurbish existing products where possible.
- Barnardo's will proactively look to purchase goods and services that have been produced or are delivered with minimum impact on the environment.
- Appropriate assessment of the whole life cost of a new product or service must be undertaken.
- Barnardo's colleagues to take practical steps to minimise organisational carbon emissions, in line with Barnardo's strategic commitment to be a net-zero organisation by 2050.
- Support the use of SME's and local providers where practically possible.

Equality, Diversity & Inclusion (EDI) - Tackling inequality is one of the key priorities of our strategic objectives and we aim to be pro-active and effective in achieving this through our procurement processes by ensuring suppliers and partners we work with share our values as well as conducting an ongoing due diligence and Equality Impact Assessment where required.

- Anti-Racism - Barnardo's has a zero-tolerance approach to racism and is fully committed to ensuring that it does not take place within our supply chains. Suppliers will be asked to demonstrate their commitment and approach to this.

- As a Disability Confident Employer, we will encourage and support suppliers and partners to be Disability Confident through our procurement process. Disability Confident helps organisations recruit, retain and develop disabled people, recognising the value they bring to their businesses. Barnardo's is committed to creating a movement of change through encouraging its suppliers and partners to do the same.

Modern Slavery & Anti-Trafficking - Barnardo's has a zero-tolerance approach to modern slavery and human trafficking and is fully committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure that it is not taking place anywhere within Barnardo's or in our supply chains. Suppliers will be asked to demonstrate their commitment and approach to this.

Information, Data and Systems – Information plays an important role in enabling Barnardo's to work with vulnerable children and young people, their partners and carers. We are committed to the organised, confidential and secure collection, creation, retrieval, storage, handling, transfer and preservation of this information; and to identifying and securely destroying information where it has no continuing business, legal or historical significance. Barnardo's uses ISO27001 as a framework to manage information security. **Barnardo's Data Protection and Information Security** policies apply when sharing data & information with suppliers and partners during the course of various essential business processes.

Payment Card Industry Data Security Standard (PCI-DSS) - In circumstances where suppliers will be processing payments on Barnardo's behalf, the supplier must adhere with PCI DSS requirements with respect to any handling of cardholder data. Suppliers must be requested to present a PCI Attestation of Compliance (AoC), which is documented confirmation from a Qualified Security Assessor (QSA) stating the supplier's PCI DSS compliance. Barnardo's is regularly audited against the PCI-DSS compliance and is expected to conduct supplier due-diligence against the standard.

Board	Responsible for ensuring compliance with the Procurement Policy.
Governance & Compliance Committee	Oversight of the Policy Framework and register of policies.
Risk Committee	Ensure that the effective internal control environment is in place and risk is managed to allow responsible procurement.
CEO and CLT	Responsible for monitoring the Procurement Policy.
Risk Owner	Ultimately accountable for ensuring the risk is managed appropriately and responsibilities include keeping this policy fit for purpose, ensuring training is delivered, risk

<p>All Managers</p> <p>All trustees, staff and volunteers</p>	<p>reporting is undertaken, and the risk register is kept current.</p> <p>Directly responsible for implementing the Policy within their operational areas and for adherence by staff they manage.</p> <p>Must comply with this Policy and engage in any relevant training at appropriate intervals.</p>
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6. Definition and concepts

- **Financial Bands** - Different financial thresholds that are applied when making decision to procure goods or services.
- **Contract** - A written and binding agreement signed with a supplier supplying goods, works or services to Barnardo’s and intended to be enforceable by law.
- **Service Level Agreements (SLAs)** - A service-level agreement (SLA) defines the level of service expected from a vendor, laying out the metrics by which service is measured, as well as remedies or penalties, should agreed service levels are not achieved.
- **Contract Register** - A Contracts Register is a record containing information on contracts awarded for goods and services. Contracts once signed are kept on the e-Procurement system.

7. Compliance and Oversight

In addition to the compliance and oversight arrangements set out under Roles and Responsibilities, the following applies:

- The Risk Owner will ensure that management information demonstrating adherence to and compliance with this Policy is produced and provided to relevant parties as required and on request complete a business self-assessment.
- The Audit and Assurance Team will periodically and independently review adherence to and compliance with this Policy and associated procedures and processes across the charity in line with their approved audit and inspection plans.

8. Document History

Version	Date	Author	Comments	Approval
1.0	January 2019	Head of Procurement	New Policy	
2.0	December 2021	Head of Procurement	Factor PCIDSS due diligence	Corporate Director – Business Services
3.0	November 2022	<ul style="list-style-type: none"> • Senior Manager – 	<ul style="list-style-type: none"> • Policy review - consolidation of previous procurement policy and 	Corporate Leadership Team (CLT)

		Procurement & Commercial <ul style="list-style-type: none"> • Head of Planning & Commercial 	strategy into one policy document <ul style="list-style-type: none"> • Include Sustainability & Disability Confident clauses. 	
9. Distribution				
Published internally.				