

National Film and Television School (the “School”) Procurement Policy

Overview

1. Public procurement is the process whereby public sector organisations acquire goods, services and works. The procurement process spans a life cycle from identification of the need, through the selection of suppliers, to post contract award management, including disposal. There is a duty on procurers to apply key principles of public procurement. These require the delivery of value for money, appropriate quality and services to meet business needs, and appropriate governance.
2. Procurement Practice: All procurement within the School shall be carried out in accordance with legal requirements, and NFTS Policies and Procedures. It is the responsibility of the Management Team to show that adequate policies, procedures and checks are in place to carry out that requirement and to demonstrate its effectiveness.
3. Procurement for the NFTS (which includes the acquisition of all goods, works and services), must always be undertaken with the objective of securing maximum value for money (VfM) – see [**NFTS Value for Money Policy**](#).
4. It is the responsibility of Budget Holders to ensure that these requirements are complied with. Cases for departure from Procurement Policy require the prior approval of the Finance Director and requests for such departure must be submitted so as to allow sufficient time for review before the event.
5. Key requirements when procuring goods or services in excess of approvals limits set out in the School's [**Scheme of Delegation**](#) are: -
 - Normally a minimum of three quotes (**see para 17**)
 - Value for Money assessment (**see para 6**)
 - Written recommendation approval by the Management team
 - Written approval by the Chair/Deputy Chair in line with Scheme of Delegation
6. **Value for Money (VfM)**

Value for money is defined as ‘the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user’s requirement’. This is rarely synonymous with the lowest price. Where an item / service is chosen that does not have the lowest whole life costs, then the additional value added benefits must be clear and justifiable.

7. Signing of Orders or Agreements

Any agreement or contract with a supplier for the provision of goods, works or services that requires a signature on behalf of the School in excess of the signing authority level under the Scheme of Delegation must be sent to the Management Team for review and approval. Other School staff are not permitted to sign such agreements or contracts. A signature on an agreement or contract indicates the School's acceptance of and inescapable commitment to it, if not procured correctly this may result in inadvertent acceptance of the supplier's Terms and Conditions.

8. External Appraisal of the School's Procurement Activities

As an organisation in receipt of significant public funds the School is subject to the scrutiny and appraisal of HM Government through the Department for Education and Skills, Office for Students, the Research Councils and the National Audit Office. These bodies require the Procurement Policy to be carried out effectively.

9. Code of Professional ethics

The School adopts the code of ethics as set out by the Chartered Institute of Purchasing and Supply. (CIPS). Details of this can be found at: <http://www.cips.org/en/aboutcips/CIPS-Code-of-Conduct/>. See also the School's criteria for assessment as set out in para 13.

10. Diversity and equality of opportunity

The School recognises its commitment to equality and diversity and its responsibilities under the Equality Act 2010 of Great Britain, as set out in the School's [Equality and Diversity Policy](#). The School will therefore strive to ensure that suppliers:

- comply with the Act in its employment practices and service delivery under the contract
- maintain an appropriate written equality and diversity policy
- comply with the Act in their dealings with sub-contractors
- comply with the Public Sector Equality Duty under the Act for goods and/or services provided to, and/or delivered on behalf of, the institution, where it is relevant

11. Collaborative Procurement

The School may consider the future benefits of collaborative purchasing, such as being a member of a purchasing consortium, such as the Southern Universities Purchasing Consortium (SUPC). SUPC puts framework purchasing agreements into place for its members to draw on. The School may also review working with other public sector bodies, where beneficial to ensure they work in a collaborative manner to ensure best value.

In many cases framework agreements may offer the best arrangement, since all contractors have passed assessment and the agreements have been competitively tendered through EU procedures. Assessment principles will include service, quality, competitiveness and financial stability and will be subject to equitable conditions of contract (see also Contracts).

12. Sustainable Procurement

The School recognises its responsibilities to carry out its Procurement activities in an environmentally responsible and sustainable manner. The School and its Procurement Department will therefore strive to:

- Comply with all relevant environmental legislation
- Ensure that all procurement decisions are taken in the spirit of the School's Environmental Policy and that associated carbon savings are included within the Carbon Management Plan
- Consider the impact of on-going spend relating to environmental aspects.
- Encourage suppliers to deliver environmentally sound products and services through low carbon and environmentally sustainable supply chain
- Work with suppliers to help them understand the School's sustainability objectives and find lower impact alternatives where applicable
- Work with key suppliers to bring about changes and thereby spread sustainability improvements throughout the supply chain
- Ensure that supplier's environmental credentials are, as far as legally practicable, considered in the supplier appraisal process.
- Ensure that, where appropriate, environmental criteria are used in the award of contracts.
- Encourage internal customers to review their consumption of goods and materials, in order to reduce usage and adopt more environmentally sound products, including the use of sustainable products as appropriate.
- Specify, wherever possible and reasonably practicable, the use of environmentally sound materials and products.
- Ensure that an opportunity is given for the inclusion within all specifications, of a facility for suppliers to submit offers for environmentally sound alternatives.
- Ensure that life cycle cost and carbon footprint is considered prior to procurement decisions and given the appropriate weight
- Identify partners for environmental benchmarking, and adopt best practice wherever possible.
- Explore opportunities for recycling of materials as appropriate
- Address barriers to entry so that SMEs and local suppliers are encouraged to bid for appropriate work.
- Encourage larger contracted suppliers to the School to include SMEs and local suppliers in their supply chain
- Work with other Departments across the School to bring about 'joined up thinking in this area.

13. Contracts

Contracts will be put in place for many of the goods, works and services required routinely by staff in the School. In the majority of cases the contracts would be put into place following comprehensive tender exercises may include the following assessments of suppliers:

- Experience
- Insurances
- Financial Stability
- Forward planning
- Market share
- Competitiveness
- Value for money
- Health and safety
- Sustainability / Environmental planning and practices
- References
- Technical ability
- Quality and Quality Assurance
- Delivery
- Other service aspects
- Equal opportunities & diversity
- Ethical trading
- Inspection visit to supplier's premises
- Conflicts of interest

14. Heads of Departments have a responsibility to ensure that where an appropriate contract is available orders are placed with that supplier. If there is any doubt regarding contracted sources of supply advice must be sought from the Management Team in advance of the requirement. The School reserves the right to accept or reject tender returns in full or in part.

15. Terms and Conditions

The School has standard sets of terms and conditions and in most circumstances these will be applied to the acquisition of goods, works or services unless approved by Management. The terms and conditions are reviewed on an annual basis. If circumstances alter or a change in law occurs it may be appropriate to review the terms more frequently. It may be deemed necessary, as part of a tender process to agree more industry specific terms and conditions.

16. Information Security

All suppliers or third parties that require access to the School information systems as part of the service they provide must comply with the School's Information Security Policies. Details of these policies must be provided prior to the access being granted. Staff responsible for agreeing maintenance and support contracts where access is required must ensure that prior to the contracts being signed the supplier / third party has signed up to the policies. During the term of the contract it must be monitored and reviewed to ensure that information security requirements are being satisfied. In the event of the contract being transferred or terminated appropriate provisions must be in place to ensure the continued security to information and systems. Suppliers / third parties will be asked where appropriate to demonstrate their compliance with the policies.

17. Quotations and Tenders

Thresholds: Where there is no contract or contracted supplier in place and the requirement reaches the monetary thresholds set out under para 18, three quotations must normally be sought, or a tender carried out, prior to an order being placed. This will ascertain the best source and demonstrate competitiveness and value for money:

18. Thresholds £'s excluding VAT

All contracts must be signed in line with the School's Scheme of Delegation, as set out below: -

Scheme of Delegation (approved November 2016):

	NFTS Management with Finance Director approval	NFTS Board Chair or Deputy Chair approval	NFTS Board approval*
Budgeted expenditure	Up to £24,999	£25,000 to £250,000	£250,001 & above
Unbudgeted expenditure	Up to £24,999	£25,000 to £100,000	£100,001 & above

* Unless specifically delegated to a Board sub-committee

19. Length of Contract and Aggregated Spend

In the majority of cases contracts should be no more than 3 years in duration. Length of contract must be taken into account in calculating the contract value.

20. Tendering Documentation and Procedures

Tender documents will usually consist of the following documents:

- The specification
- The contract terms and conditions
- The instructions to tenderers

All tender documents submitted will be opened in the presence of at least two NFTS officers and the contents and compliance / omissions against the requirements of the ITT documented by the procuring Director.

When the process is complete and the contract is awarded these documents, the submission from the supplier and any clarifications will form the contract once both parties are in full agreement.

21. Declaration of Outside Interest

When carrying out a tender exercise a declaration of outside interest form must be completed by staff involved in the tender process. This includes the use of external consultants who are assisting in the tender exercise. The form will be issued by the Finance Director once they are aware who has expressed an interest in the tender exercise. In order to be part of the evaluation the completed form must be returned to the Finance Director.

22. Retention of Documents

The School should retain documents for the periods noted below:

Copy orders	6 years
Delivery notes	3 years
Copies of successful Quotations / Tenders	7 years (or life of contract)
Copies of unsuccessful Tenders	3 years
Originals of signed construction related documents held in Finance	7 years
Originals of sealed documents	13 years

23. Fixed Asset Register

The Finance and Operations Directors are responsible for ensuring that an Inventory of equipment is maintained for areas for which they are responsible and will be called upon to confirm that an Inventory is being maintained. The School's fixed asset system is provided and maintained by Operations.

24. Custody and Control

Heads of Departments may delegate responsibility for the physical custody and control of sections of the Inventory to specified members of staff. High value items should be clearly marked that they are the property of the NFTS and locked in a secure location when not in use.

25. Disposal of NFTS Goods

No item may be disposed of or deleted from the Inventory or Fixed Asset register without approval of the Management Team and advised to Finance. No items can be donated or sold to staff, students or outside organisations except in exceptional circumstances (see below), and in consultation with the Management Team. All requests for disposal irrespective of the value must be approved by the Management Team.

Prior to requesting disposal, departments should offer any item to other users within the School, to ensure full use has been made of the asset. In exceptional circumstances the Management Team may after consultation, permit an item designated for disposal to be purchased privately. If any item is redundant within the School but is considered of significant value, the Management Team should be consulted regarding sale to a private purchaser.

26. Financial Authority

Any Goods, Services or Works acquired must be necessary and suitable for a purpose that is in accordance with the School's financial and academic plans. The

School operates a system of devolved purchasing authority under which Heads of Department are responsible for the planning and decision making process within the management of their financial resources. This authority may be further delegated to budget holders.

27. Traceability of Expenditure

An audit trail must be evident for all purchases regardless of the method of acquisition whether that is Purchase Order, School Credit Card or Cash Card.

28. Authority to Purchase

Finance maintains a record of all staff that have been granted delegated authority (as approved by the Board) to approve expenditure.

- No employee can approve expenditure if they have not been given delegated authority to do so.
- No employee is authorised to commit the School without first ensuring that sufficient funds are available to meet the commitment.
- It is not permissible to raise two or more lower value Purchase Orders or to phase the issue of Purchase Orders in order to circumvent authorisation levels

Failure to comply with these requirements may result in withdrawal of authority and disciplinary action.

29. Payment in Advance

Payment in advance is strongly discouraged as it represents an unacceptable risk to funds. Financially stable suppliers will not require advance payment. All requests have to be approved by the Finance Director.

30. Supplier Responsibilities

The Sale of Goods Act requires the supplier to supply goods which are fit for their purpose. They must also be of merchantable quality unless defects are specifically drawn to the buyer's attention before the contract is made or, if the buyer examines the goods before the contract is made, as regards defects which that examination ought to reveal.

31. Business critical services

Where the services procured are considered 'critical', for example payroll, details of the supplier's business continuity plans should be sought to evaluate continuity of service provision.

March 2018