

# Procurement & Due Diligence Policy 2024-25

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### **POLICY STATEMENT:**

This document sets out East Kent Colleges Groups ('the Group') policy regarding the purchasing of goods and services (including consultancy and professional services) and how the Group will engage with new suppliers.

**Policy Owner: Chris Legg**

**Approving Body: Policy Committee**

**Stage of approval: Approved**

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It also outlines the formal purchasing strategy that aims to benefit all areas of the Group in the procurement of all equipment, consumables, services and capital items.

## **DETAIL OF THE PROCUREMENT POLICY/PROCEDURE**

### **APPLICATION**

Under this policy all goods and services should be acquired by a competitive process unless there are sound business reasons to avoid competition, as long as this does not go against compliance with relevant procurement directives. The reasons for an exception must be business critical.

All purchasing decisions should be based on good practice, a fair and unbiased approach and with the overall objective of obtaining best value for money for the Group. All of this must be adhered to whilst ensuring compliance with relevant procurement directives and fit within the Group's strategic buy local commitment. When purchasing goods & services that have a Group relevance, such as Gas, Electric, postage etc consideration should be given to procuring these items under one contract to obtain best value and achieve economies of scale. This should be done through the Group Director of Estates. All staff responsible for ordering supplies or services should use this policy.

### **BUY LOCAL**

The Group is committed to proactively supporting and enabling local benefits through adopting a strategy to buy local. There is a commitment by the Group to give preference to locally produced goods and services, purchased from local and independent businesses, over those produced more distantly. A recommended guideline to use when defining 'local' are those within a 50-mile radius of Canterbury College.

This supports the Group's sustainability agenda through the acquisition of a greater number of local purchases requiring less transportation and therefore contributing to less congestion and pollution.

Prior to any approach to procurement, requisitioners should undertake an assessment of the impact of the procurement on local businesses to ensure that those businesses are given every opportunity to participate and be successful in relation to the procurement. Such matters would include consideration of how local industry participation will be maximised and what strategies can be developed to provide local industry with a full, fair and reasonable opportunity to participate.

Internet and Amazon procurement should not, therefore, be the first option for purchase requisitioners.

### **INTERPRETATION**

Further guidance on the use or interpretation of this policy may be obtained from the Group Head of Finance

**LEGAL REQUIREMENTS/ISSUES** The Group observes the current directives (with effect from 1.1.24) regarding procurement regulations and understands that failure to comply with this legislation carries penalties which the Group will be held accountable. The threshold rate is reviewed every two years.

- : The Public Contracts Regulations 2015. Social & Other Services £663,540 (incl VAT)
- : The Public Contracts Regulations 2015. Supply, services & design contracts £214,904 (incl VAT)

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: The Public Contracts Regulations 2015. Threshold for Works Contracts £5,372,609 (incl VAT)

Procurements meeting the thresholds must be advertised on 'Find A Tender'(FTS), and must follow the regulations of the Procurement Act 2023 (which comes into force from 24.2.2025). Please refer to the Tendering procedure for further details. When sourcing goods/services above these thresholds a consortium should be used to eliminate the necessity for the Group to have to go through the FTS process.

**IR35 Rules** – Any staff engaging with suppliers that are either a Partnership, Limited Company or Personal Service Company are expected to follow the IR35 rules and processes, as outlined in the Procurement Procedure

## **POLICY OBJECTIVES**

- 1.1 This document sets out the policy regarding the purchasing of goods and services including consultancy and professional services.
- 1.2 It also outlines the formal purchasing strategy that aims to benefit all areas in the procurement of all equipment, consumables, services and capital items.
- 1.3 The purchasing of goods and services represents a significant proportion of the Group's total expenditure. Efficient purchasing will provide the Group with real opportunities of achieving value for money (vfm) and reducing operating costs through lower prices for goods and services.
- 1.4 The procurement process should consider the administrative cost of raising orders and processing invoices.
- 1.5 The Group aims to obtain best value by utilising purchasing consortia (frameworks) where possible and ensuring compliance with EU Procurement Directives and reducing commercial risk through having a fair and transparent process of evaluating and selecting suppliers.
- 1.6 The Group believes that goods and services should be acquired by competition and that all purchasing should be based on good practice and is in accordance with the following objectives;
  - to supply the Group with the right goods and services, at the right time, at the most advantageous cost.
  - to promote the delivery of value for money through good procurement practice, utilising the most cost efficient and effective methods for procuring goods and services throughout the organisation.
  - to facilitate the development of an effective and co-ordinated purchasing effort within the Group.
  - to identify opportunities for working with others, in order to widen the scope for maximising purchasing power and identifying innovation.
  - To develop lasting relationships with contractors and suppliers, whilst ensuring VfM and continuing high performance can be demonstrated.

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- to give due consideration to good corporate governance, and to ensure transparency of arrangements.
- to give consideration to sustainable, ethical, social and environmental issues.
- to comply with all relevant UK legislation.
- To develop appropriate management information in order to measure the performance and VfM achieved in purchasing by the Group.
- If, after assessment of quality, service and cost; the Group will favour a local supplier, if comparable.
- To mitigate risk and to identify sustainable and professional external relationships, avoiding any negative impact on the Groups reputation and/or financial health
- To support the Group's risk management strategy when forming relationships with suppliers

## **DUE DILIGENCE PROCEDURES:**

For all business relationships being considered, a due diligence request should be made to the Finance Team prior to commencement of the Business relationship. For property matters (including transactions) this request should be made as soon as possible after the project plan disposal or acquisition is known. Staff must aim to use existing suppliers as far as is possible.

The EKCG Training Team will carry out the non-financial checks for sub-contracting of provision and keep a record in accordance with this procedure. Please refer to the sub-contracting policy.

Where the Group is looking to engage with an individual, either via their own limited company or personal service company, additional checks must be carried out to ascertain whether the person is self-employed or not, based on Revenue & Customs criteria and via an online Employment Status Check tool (ESI). The results of this will be fed back to the requestor and/or individual.

Requests should be made via the new supplier form within the Ebis system.

The Finance Team will then complete a due diligence check based on the information provided and depending on the value and the type of relationship being formed on behalf of the Group.

Once the supplier has been approved, the requestor is informed of the result and the supplier is given the contact details for the Group, and requested to accept orders via approved purchase orders only.

In accordance with anti-bribery legislation, a declaration of interests form (Appendix A) will need to be completed by all budget holders on an annual basis.

The declaration and due diligence results will be stored for a period of 3 years by the Group for audit purposes.

### **Levels of Due Diligence Check**

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Value of goods or services

**Group annual spend of under £10,000:**

Joint responsibility between both the Finance Team and the requestor.

Finance will carry out the due diligence checks (Companies House, Insurance, Press Research and in-date industry certificates/licences)

**Group annual spend of over £10,000:**

Finance will carry out the due diligence checks (Companies House, Insurance, Press Research, in-date industry certificates/licences), request two customer references and perform financial checks.

In exceptional circumstances the Group Chief Executive Officer or Group Deputy Chief Executive Officer may authorise deviation from the above procedure.

**Suppliers that receive special treatment:**

The following types of supply will not require references providing all other checks are satisfactory

Type of Supply	Level of Check:
Travel (e.g. bus, rail, airline)	<b>Check membership of Trade Association and Industry Licences. review T&amp;Cs (for refund policy in the event of not being able to travel for example)</b>
Events (e.g. conference, tickets)	<b>review T&amp;Cs</b>
National Retailers (e.g. Tesco, Debenhams)	<b>review T&amp;Cs</b>
Hotel/Accommodation (e.g. Travelodge)	<b>review T&amp;Cs</b>
Not for Profit Organisations (e.g. schools, colleges, charities)	<b>review T&amp;Cs</b>
Legal advisors	<b>Professional Indemnity Insurance details</b>
Currently on a Procurement Framework (e.g. purchasing consortium)	<b>Finance to check the framework</b>

**The form to use for requesting a new supplier is below (online form within the Ebis system):**

**Policy Owner: Chris Legg**

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Supplier Address

Name:

Short Name:

Currency:  GBP

Estimated spend with Supplier:

Invoice Currency:  GBP

Payment Currency:  GBP

Reason:

**APPENDIX A – DECLARATION OF INTERESTS FORM This form is completed by Budget Holders on an annual basis:**

I..... (name here) as..... (staff position) at East Kent Colleges Group have set out below my interests. I confirm that I am committed to the highest standards of ethical conduct and integrity in business activities within the UK and overseas. As an employee and individual acting on EKC Group’s behalf, I accept responsibility for maintaining the organisation's reputation and for conducting the Group’s business honestly and professionally.

Category	<i>Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, employer or some other personal connection.</i>
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise) e.g. trusteeships, directorships, local authority memberships, magistracy, tribunals etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Companies in which you hold more than 1% of the share capital.	
Gifts or hospitality in excess of <b>£50</b> accepted from suppliers of goods and services in the last twelve months.	

Any contractual relationship with any company or other organisation connected with the Group.	
Any other interests which you consider are appropriate to disclose and are not covered by the above (such as family connections).	

Signed.....

Date.....

**The form sent to suppliers who are private/public limited companies or charities: APPENDIX B  
– DUE DILIGENCE CHECKLIST**

**Please complete the form as fully as possible. If you have any queries please contact:**  
[accounts.payable@eastkent.ac.uk](mailto:accounts.payable@eastkent.ac.uk)

Check	Details
<b>* Company Name</b> <i>(Please indicate if trading under an umbrella company)</i>	
<b>* Organisation Type</b> <i>(Charity, Public Limited, Private Limited, Sole Trader/Self Employed, Other)</i>	
<b>*Registration or Charity Number</b>	
<b>VAT Number</b>	
<b>*Addresses</b> <i>(Registered and trading addresses if applicable)</i>	
<b>*Telephone Number</b>	
<b>*Email Address for purchase orders</b>	
<b>*Email Address for remittance advice</b> <i>(If different from above)</i>	
<b>*Bank Name</b>	
<b>*Bank Branch</b>	
<b>*Bank Sort Code</b>	
<b>*Bank A/C number</b>	

<b>*Name on the account</b>		
<b>*External References</b> <i>Please provide the name, company and email address of referees.</i> <i>Two referees - £10,000+</i>		
<b>1</b>	<b>Type and purpose of contract</b>	
<b>2</b>	<p><b>Compliant with legislation and regulation including:</b></p> <ul style="list-style-type: none"> <li>• <b>Data Protection</b></li> <li>• <b>Health &amp; Safety</b></li> <li>• <b>Anti-Bribery</b></li> <li>• <b>Equality</b></li> <li>• <b>Environmental</b></li> <li>• <b>Safeguarding &amp; PREVENT(if relevant)</b></li> <li>• <b>Modern Slavery</b></li> <li>• <b>Cyber Essentials (if relevant)</b></li> <li>• <b>NCSC Cyber Assessment (if relevant)</b></li> <li>• <b>ISO27001 (if relevant)</b></li> <li>• <b>PCI-DSS (if relevant)</b></li> </ul> <p><i>Please provide copies of relevant policies</i></p>	
<b>3</b>	<p><b>Business Standing</b></p> <p>Has your organisation ever had a conviction/prosecution (or one pending)for breach of legislation in relation to health &amp; safety, data protection, employment, equality, safeguarding, anti-bribery, tax, social security or other? If YES, please provide details</p>	
<b>4</b>	<p><b>Complaint/Quality Assurance Policy</b> <i>Please provide copies of relevant policies</i></p>	
<b>5</b>	<p><b>Current Public Liability and/or Product Liability Insurance cover/Professional Indemnity cover</b> <i>Please provide copies</i></p>	



<b>6</b>	<b>Who will be supplying the contract?</b>	
<b>Completed by:</b>		
<b>Name</b>		
<b>Position</b>		
<b>Date</b>		
<p><b>Once completed, please return to <a href="mailto:accounts.payable@eastkent.ac.uk">accounts.payable@eastkent.ac.uk</a></b></p>		

If, following completion of the IR35 checks, suppliers are deemed to be self-employed, they will need to be sent and complete a 'self-employed contract' which can be found [here](#).

#### Links to other policies/strategies

- Procurement procedure
- Corporate & Social Responsibility Policy
- Anti-Bribery and Fraud Policy
- Sustainability Strategy
- Anti-Slavery and Human Trafficking Statement
- Sub-contracting Procedure
- Contracts and Agreements procedure
- Data Protection Policy & Procedures
- Financial Regulations
- Code of Conduct Policy (staff)