

Introduction

- Procurement covers the typical purchase of services, supplies and works required to enable project delivery and to manage the infrastructure.
- The Legal Services Board (LSB) is committed to achieving value for money, in terms of quality and price, for all its procurement activity. In order to achieve value for money LSB will endeavour to clearly communicate its requirements and evaluation criteria, as an informed purchaser, and to establish levels of competition appropriate to the size and complexity of the purchase.
- Throughout the competitive process LSB will also seek to adopt the highest possible standards of probity.
- In all dealings LSB will operate the highest standards of integrity, objectivity, fairness, efficiency and professionalism. In turn, it expects contractors to adhere to these same standards. Ethics in procurement require high standards of conduct which ensure that the probity of those acting on behalf of LSB and the propriety of their actions is above question. This means that:
 - a) All dealings should be fair and even handed
 - b) All processes should be open and transparent and subject to audit procedures and
 - c) Policies set out rules on acceptances of gifts and hospitality to prevent corruption
- The LSB aims to ensure that it uses good practice processes throughout the organisation when buying goods and services from its suppliers.
- As with all public sector organisations, it is obliged to comply with complex legislation, which can sometimes lead to lengthy tender processes. Its aim is to simplify these processes as far as is possible.

Executive Summary

- The LSB is committed to ensuring that its public procurement obligations are complied with, including references included in the LSB Financial Regulations and Public Procurement Regulations 2006 (SI No.5).
- The Services function will support the procurement process. The requirements of LSB procurement policy, strategy and procedures apply whether procurement is being administered directly by LSB staff or by external consultants. Holders of delegated procurement authority will be subject to frequent review and internal audit to verify compliance with the instructions contained in this framework document.
- Contracts will be awarded to suppliers who meet the specified quality and reliability requirements and are a best 'fit' in terms of service provision and size and that represent the best overall value to LSB. These will be based on 'whole life' costs that also consider factors such as technical compliance, operating costs, and warranty and product support and pricing and payment schedules.

Procurement of Goods, Services and Works

- LSB is involved in the procurement of a range of goods, services and works. The main areas of activity are summarised as follows:

Supplies

- LSB's business activities do not normally require significant amounts of goods and supplies.
- The operation and maintenance of the office premises requires the purchase of goods and supplies to ensure the office operates smoothly. Most of the services required e.g. IT and telecoms equipment, printing and stationery needs are procured centrally through the Competition Commission
- The procurement of supplies is an area where LSB takes advantage of collaborative purchasing agreements and national frameworks operated by other parts of Government.
- LSB reserve the right to work with other public bodies where appropriate and where they offer an efficient and effective solution to meet business needs.

Services

- LSB's business during the set up phase through to December 2009 involved procurement of significant levels of consultancy advice across a wide range of disciplines including legal, project management and IT system development. In order to ensure LSB maintained strong working relationships with its consultants and was able to access high quality services at competitive prices, tendering processes were established and major expenditure above £50,000 required a business case to be submitted prior to approval to tender.
- Changes to the EU Procurement Directives in 2004 has increased requirement for mini-competitions. Mini-competitions will be used to ensure clear benefits in improving the fairness, transparency and robustness of appointment decisions.
- The same disciplines will be maintained now that the LSB has taken on its enforcement powers from 1 January 2010 and for all of its operational activity.

Works

- This can include refurbishing, fitting out and other site specific works. Other than minor works necessary from time to time on the building leased by LSB, and in particular during the set up phase, LSB is not likely to be involved in major works contracts.
- The procurement of these will involve establishing a tender list for smaller, simpler contracts up to a value of £50,000 (mini competition) and be subject to business case approval when any of the work is of a capital nature and/ or above £50,000. At £50,000 or above, a formal competitive tendering process will be used. None of these works or projects of this nature are liable to exceed the EU Procurement Threshold of £4,348,350 and require more complex procurement processes involving the EU procurement directives to be instigated.

Competition

- LSBs Financial Regulations in conjunction with the EU procurement thresholds provides a mechanism for increasing the level of competition based on whole life valuation of costs. A particularly complex procurement may lead to higher levels of competition being adopted.

New Suppliers

- Before any orders or contracts are placed with a new supplier there is a risk assessment process must be undertaken and this is captured in a flowchart as Appendix 1. (Members of the Services Team supported by the General Counsel will provide appropriate support and guidance on following the flowchart)

Expenditure below £5,000

- Such small requirements do not require competition, but colleagues and consultants acting on behalf of LSB have a duty to achieve value for money and must retain appropriate evidence of this- for example two estimates of likely costs.

Expenditure in excess of £5,000 and below £50,000

- This requirement must be subject to competition in the form of written quotations where a formal competitive tender situation would result in disproportionate administration costs, unacceptable delays or inefficiencies. Either three or four such quotations should be sought. This quotation process will be administered locally but the appointment being subject to the approval of the appropriate SMT member with the consent of the Director of Finance and Services. Written quotations include email, fax and letter.

Expenditure of £50,000 to EU threshold

- The minimum of three formal competitive tenders must be sought with at least two returned in order to ensure the highest standards of probity. Tenders should be submitted centrally to LSB, completely independently of those involved in the decision making process to ensure tendered amounts are recorded in a robust and controlled manner.
- The number of tenders invited should take account of the possibility of submissions not being returned.

EU Threshold and above

- All LSBs procurement activity must be in accordance with the European Communities Public Procurement Regulations. If a contract is expected to equal or exceed these limits for Supplies, Services or Work LSB will comply with these requirements.

	Supplies	Services	Works
From 1 January 2012	£173,934	£173.934	£4,38,350

Furthermore LSB is committed to not disaggregating the values of contracts to circumvent these thresholds.

The tender process

- For the avoidance of doubt LSB is committed to achieving value for money both in terms of quality and in terms of price. Both quality and price factors will be considered together with quality price ratios being used to help decision making. Details of any relevant ratios and evaluation methodology will be disclosed in the tender documentation.
- Therefore, when tendering for a contract with LSB your bid will be successful if it is the one that offers the LSB the best value for money. You will be informed of the broad evaluation criteria used for assessing bids as part of the tender documentation. All bidders are assessed against the same criteria. Contracts are awarded as soon as possible after the assessment process has been completed. This might involve attending an interview, when requested to do so, where the bid can be presented in more detail.

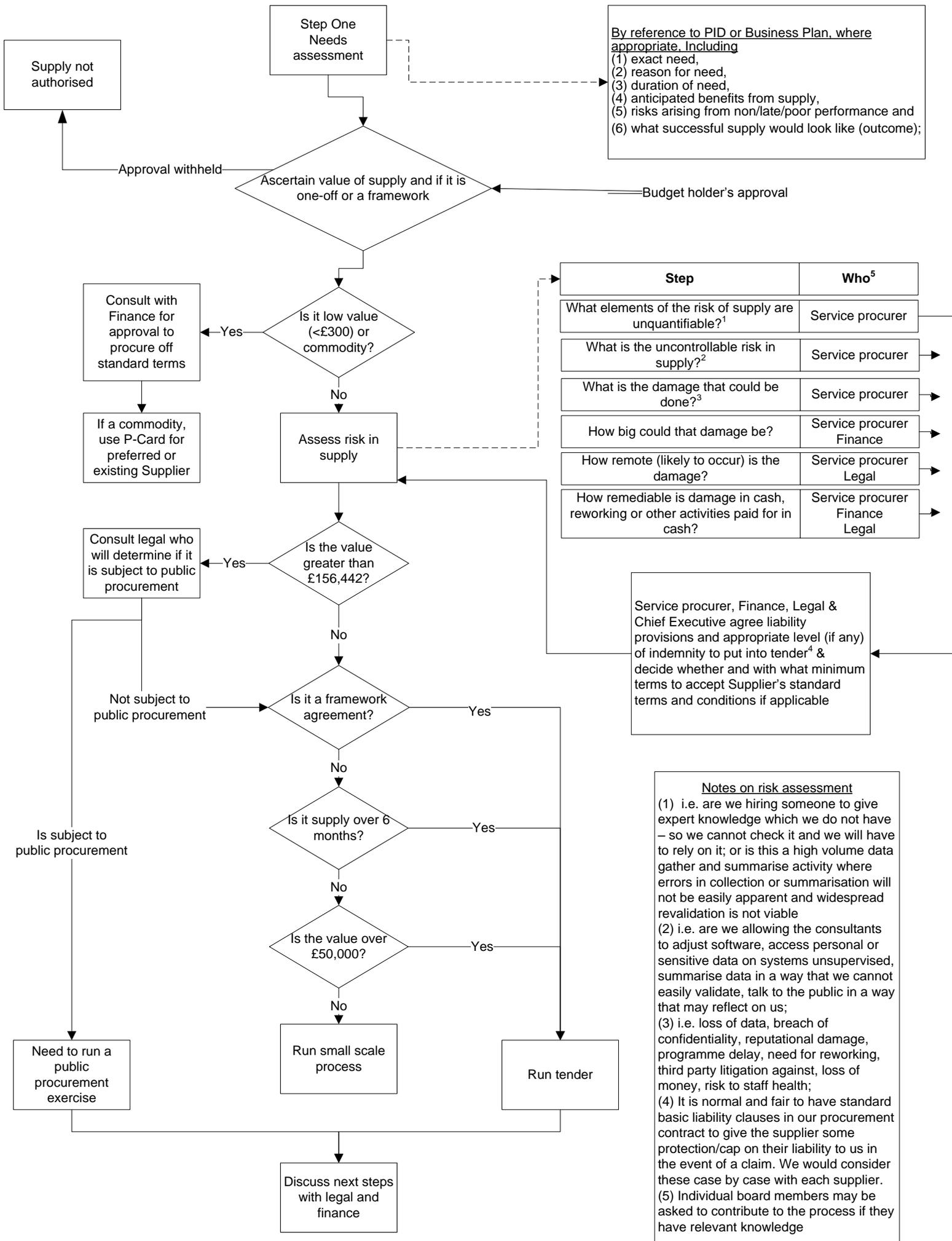
Unsuccessful tenders

- Within the limits of some commercial confidentiality, LSB will offer unsuccessful tenderers the reasons why their bid failed. Such de-briefing can be by phone or face to face. This should be viewed as a two way process. They are aimed at making unsuccessful tenderers aware of certain weaknesses and strengths and enable them to better compete for future work.

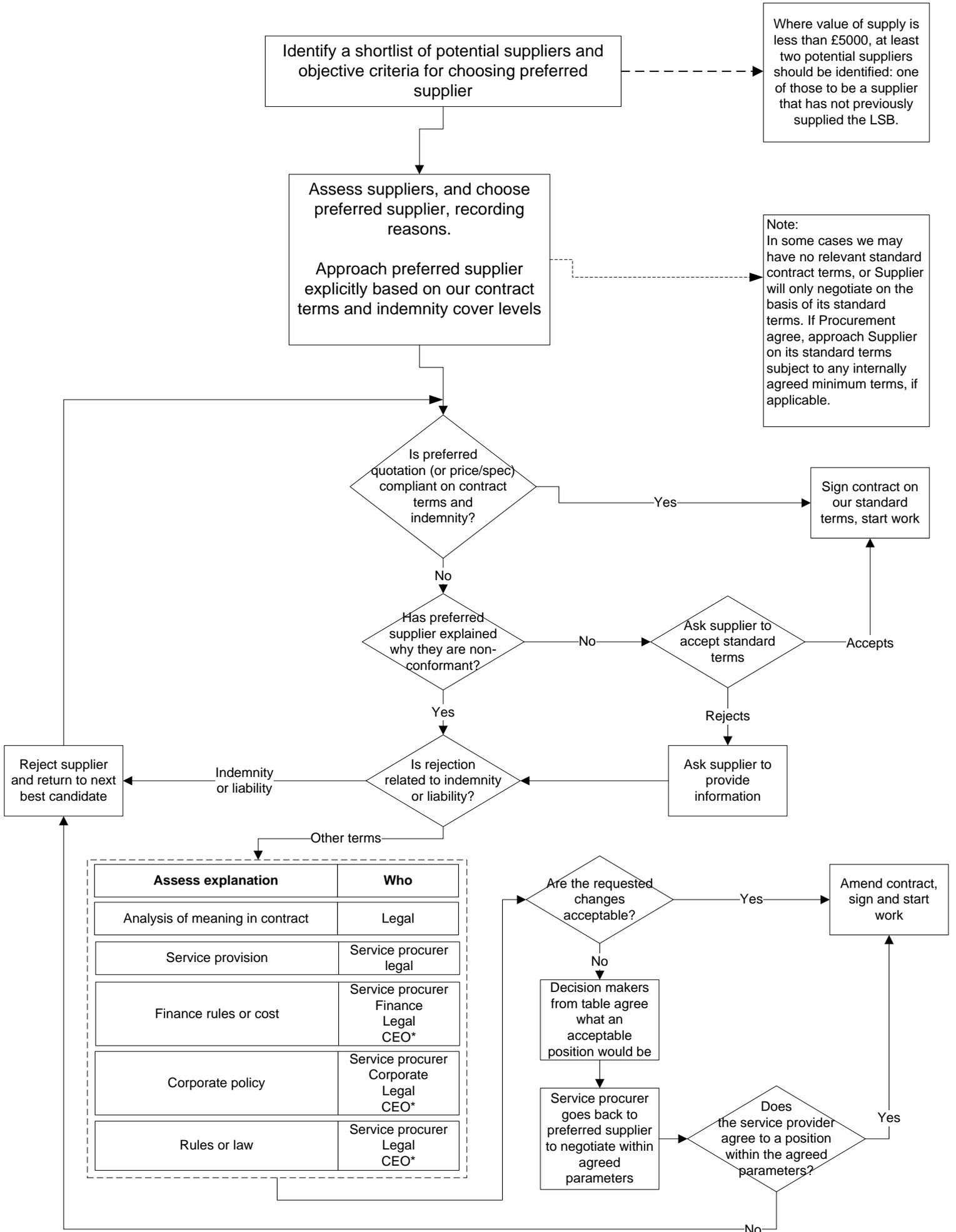
Regulatory Requirements

- The Financial Regulations require LSB procurement policies conform to relevant Treasury guidance documents including general procurement policy guidelines and account is taken of all relevant EU and other international procurement rules.
- It is the responsibility of the Services Team to ensure this document is updated to reflect changes to published guidelines.

New supplier framework analysis



Small Scale Selection Process



Assess explanation	Who
Analysis of meaning in contract	Legal
Service provision	Service procurer legal
Finance rules or cost	Service procurer Finance Legal CEO*
Corporate policy	Service procurer Corporate Legal CEO*
Rules or law	Service procurer Legal CEO*

*CEO on escalation