



Procurement activities in relation to European funding in Wales

Introduction

This guidance document has been written in line with the **Welsh European Funding Office (WEFO) Eligibility rules and conditions for support from the European Structural Funds 2014-2020** which is located [here](#). It is based on version 2, please note that if the rules and conditions for support are updated this document may be out of date.

Contracting authorities

This guidance is not intended to be used by 'contracting authorities' which is defined as central government, local authorities, associations formed by one or more contracting authorities and other 'bodies governed by public law'. Contracting authorities must comply with relevant legislation, specifically the UK Public Contracts Regulation 2015. If you are unsure as to whether you are a contracting authority or non-contracting authority, you should seek legal advice and retain this rationale on file.

Bodies governed by public law

See below for the definition in The Public Contracts Regulations 2015 which can also be found [here](#).

"bodies governed by public law" means bodies that have all of the following characteristics:

- (a) they are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
- (b) they have legal personality; and
- (c) they have any of the following characteristics:
 - (i) they are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law;
 - (ii) they are subject to management supervision by those authorities or bodies; or
 - (iii) they have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law;

Non-contracting authorities

Organisations that are non-contracting authorities and not procuring a [subsidised public contract](#) or public works concession contracts (*eg* toll roads, toll crossings where the

winning concessionaire is required to comply with certain OJEU advertising requirements for works contracts that it intends to award to third parties) are not subject to the UK Public Contracts Regulation 2015. However, you are obliged to follow the rules outlined in your own procurement/purchasing procedures that as a minimum should comply with WEFO's eligibility rules, and you must operate in a way that demonstrates value for money by being fair, open and transparent.

Conflicts of interest

You must also take account of any, perceived or actual, conflicts of interests. WEFO has set out minimum standards which can be located on page 101 of [WEFO Eligibility Rules](#). If your own conflicts of interest procedure meets the same standards set out in this document then it can be followed otherwise you will need to follow the standards set by WEFO.

Procurement procedures

Organisations should have established purchasing/procurement procedures in place. This could be a procurement strategy, policy or operational procedures/desk instructions that document how the organisation must carry out its procurement activities. As part of verification checks and audits, your procedures will be reviewed, so the rules need to be sufficiently detailed and procedural to determine whether or not they have been followed. They must apply to your own organisation and must be approved in accordance with your own governance procedures. It is important to ensure all staff involved in purchasing are fully aware of and apply the procedures and that you can demonstrate the compliant application of them.

Some examples of what to include are listed below and can also be located on page 98 of [WEFO Eligibility Rules](#):

- Obtain quotations (oral or written) before placing orders;
- Approval, authorisation, second person reviews prior to placing orders (perhaps different levels of authority depending on value of purchase/contract);
- Checking track record of suppliers before placing another order;
- Review by external expert/peer review (before placing order/signing contract);
- Review/approval by board of directors/executives;
- Thresholds, or other factors, that determine whether to run an open advertisement (invite to quote or invite to tender) rather than direct approach to selected potential contractors.

These procedures may be included in your financial procedures policy and not necessarily in a standalone procurement policy. If so, ensure you can locate the procedure and can demonstrate that you have followed it in preparation for any verification checks or audits.

Minimum standards for all purchasing and procurement

You must adhere to your own established procurement procedures as well as WEFO's minimum standard of requesting at least several quotations, and a minimum of three quotations for purchases over £5,000 as well as adhering to the minimum [conflicts of interest standards](#). At all times you should conduct a procurement exercise openly, fairly, transparently and proportionately.

Where you do not have your own established procurement procedures and thresholds you must adhere to the following:

| | |
|---------------------|--|
| Below £5,000 | One written quote. This must be supported by evidence of an award and purchase order. |
| £5,000 - £24,999.99 | Request at least several, and obtain a minimum of three written quotes. This must be supported by evidence of an award and purchase order. |
| £25,000+ | WEFO guidance states you should request at least several, and obtain a minimum of three written quotes. This must be supported by evidence of an award and purchase order. |

WCVA's recommendation is that where appropriate you should undertake a competitive process and advertise the opportunity on www.sell2wales.gov.wales. In order to do this you will need to be fully conversant with Sell2Wales, it has a helpline and guidance documents are available on the website. It is important that you document the entire procurement process and have justifications on file of all key decisions.

The splitting or disaggregation of contracts into smaller contracts which serve to achieve the same objective is not permissible.

Best efforts should be made to obtain the required number of quotes. Where it is not possible to obtain these quotes, records must be maintained and justify the reasons for this. However, the agreed price must represent value for money.

Useful links

See below for some useful procurement links:

Value Wales

<http://gov.wales/topics/improvingservices/betterfm>

Procurement Route Planner

<http://prp.gov.wales>

Sell2Wales

www.sell2wales.gov.wales

eTenderWales

<https://etenderwales.bravosolution.co.uk>

The National Procurement Service (NPS) for Wales

<http://nps.gov.wales>

Chartered Institute of Procurement and Supply

www.cips.org

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