

## **Procurement Board**

### **Terms of Reference (Revised 10<sup>th</sup> February 2014)**

The Procurement Board (PB) is the senior officer group within SHG responsible for providing the Governance, managing key activities and making decisions within the Procurement process and replaces the existing Tender Board.

#### **Membership:**

Financial Secretary (Chair of Procurement Board)  
Head of Procurement (when appointed)  
Corporate Procurement Executive  
Solicitor General  
Director Environment and Natural Resources  
Director Education & Employment  
Director Health and Social Welfare

Deputies should attend where members are unable to make the board meeting. Where a deputy attends they do so with full delegated authority from the permanent member of the board and any comments, advice or decisions made will be as though made by the permanent member.

Meetings require a minimum of 3 members (or deputies) to be quorate.

The relevant Accounting Officer(s) / Client Managers / Project Managers etc may, as appropriate, be invited to present their case / answer any questions the Board may have, but do not have any decision making rights.

#### **Frequency of meetings:**

Initially Monthly, with a schedule of meetings to be published at least 3 months in advance.

For urgent matters that cannot wait until a scheduled Procurement Board meeting the Chair of the Procurement Board shall either decide;

- That the matter is not urgent and can wait until the next scheduled meeting; or
- To call an extraordinary meeting of the Procurement board to discuss the urgent matter only; or
- To seek approval from other members via a virtual process (e.g. email)

#### **Terms of Reference**

The scope of the Procurement Board covers all Memorandum of Understandings and any Contractual or Financial commitment that SHG will enter (or has entered) into, regardless of the funding source.

Where the Total Value is greater than £50,000 the Procurement Board will approve;

- New additions and changes to the Rolling Procurement Plan;
- The Risk classification of the Procurement (either High, Medium or Low)
  - The Head of Procurement Services may also refer lower value procurements to Procurement Board should they possess any unusual features.

- Where appropriate the savings target for each procurement detailed on the Rolling Procurement Plan.

Regardless of Total Value the Procurement Board will approve;

- The procurement process to be followed for all procurement activity deemed Medium or High risk.
- The commencement of all procurement activity deemed Medium or High risk.
- The award of Contracts deemed;
  - High risk; and
  - Medium risk when the Tender evaluation results in the tender price being 10% or greater than that detailed in the Rolling Procurement Plan.
- Extensions to Contracts where;
  - the original Contract was classified as High risk; or
  - there is no contractual provision to extend.
- Variations to contracts where
  - the original Contract was classified as High risk; or
  - the Variation makes the contract High risk
- All Waivers to the Procurement Regulations.
- The Contracts register and register of Waivers, prior to publication.

In considering whether to approve an item or not the Procurement Board will address:

- Whether the funding has been appropriately approved.
- Whether the matter fits with agreed, published corporate strategy / national goals.
- Whether the matter fits the stated business requirement.
- Whether the specification or Terms of Reference for the matter being procured is fit for purpose. (ie robust without buying the “Rolls Royce”).
- Whether a robust procurement process will be/has been followed.
- Whether the potential savings opportunity is suitably ambitious.
- Whether any risk associated with the matter fits within an acceptable risk profile.
- Whether any legal considerations are appropriately identified and mitigated.
- Any Social, Economic, Ethical or Environmental considerations.

The Procurement Board will also;

- Oversee SHG’s overall procurement governance arrangements. This may include updating of the SHG’s procurement strategy, procurement training and proposed changes to SHG’s procurement processes.
- Seek explanations from the Accounting Officer and/or Head of Procurement Services as to the reasons for significant delays in the completion of the Procurements outlined in the Rolling Procurement as medium or high risk.
- Review significant problems and issues raised by senior officers on current tenders or contracts, providing advice and guidance wherever possible.

- Review contract monitoring information, provided by the Contract Manager, for SHG's significant contracts and make recommendations as appropriate.
- Review proposed changes to SHG's Procurement and Contract Management documentation and toolkits that are recommended by the Head of Procurement Services providing approval where necessary.
- Provide the overall Governance to the Divestment Strategy dated November 2013, ensuring the robustness of the process and giving the necessary approvals.
- Provide the overall Governance to the tracking of savings ensuring the robustness of the process.

### **Decision Making**

- Where all members do not agree on a decision the Chair of the Procurement Board can ask that further information is provided or put the matter to a vote with a simple majority vote deciding the matter.
- Should any vote be tied the Chair of the Procurement Board will have the deciding vote.
- Members of the Procurement Board do not have any voting rights if;
  - They have any interest, financial or otherwise, in the matter being decided; or
  - It could reasonably be perceived by others that they are "voting for their own project".

### **Responsibilities**

The relevant Accounting Officer is responsible for;

- Requesting, via email to the Secretary of the Procurement Board, that all matters they require the Procurement Board to consider are placed on the appropriate agenda.
- Providing reports, via email to the Secretary of the Procurement Board and in a format approved by the Procurement Board, that gives members of the Board sufficient information to make a decision. (Reports to be submitted at least 3 working days prior to the meeting taking place).
- Presenting the case, as required, to the Procurement Board

Procurement Board is Responsible for;

- Reviewing all submitted reports and agreeing the recommendations, or otherwise, at the meeting or if this is not possible within an agreed short time period.
- Decision making and supporting the decision across SHG
- Requesting reports for areas of concern.

The Chair of Procurement Board is responsible for;

- Ensuring the efficient and timely running of the Board.
- Ensuring members give due consideration to the matters under discussion.
- Ensuring the relevant Accounting Officer is fully aware of the decision and any action he/she needs to take.
- Ensuring the minutes of the meeting accurately represents the discussion and decisions taken.

- Reporting decisions of the Procurement Board to the Economic and Finance Committee or any subsequent committee.

**Definitions**

“Total Value” for the purpose of these Terms of Reference shall be as defined as in the Procurement Regulations.

**Notes**

1. The Procurement Board may delegate the approval of Contract variations, for a specific contract, to an officer of their choosing. The Officer shall provide a summary of all agreed variations to Contracts board at least once per quarter.