



Smart Energy Code

# SECCo Board Procurement Policy

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March 2019

### Change History

VERSION	STATUS	ISSUE DATE	AUTHOR	COMMENTS
0.1	Draft	01/06/2017	SECAS	Initial Draft release
1.0	Final	09/06/2017	SECAS	Final Version following Board Approval
1.1	Draft	08/03/2019	SECAS	Updated to reflect independence requirements for Procurement panel
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### Document Controls

REVIEWER	ROLE	RESPONSIBILITY	DATE
SECCo Board	Document Approver	SECCo Board	09/06/2017
SECCo Board	Document Approver	SECCo Board	15/03/2019

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## 1. Purpose

This policy outlines the principles and procedures that will be followed by the SECCo Board when determining the delivery approach for new activities, work packages and projects, and by SECAS when undertaking procurements on behalf of the SECCo Board. The policy comprises principles that are to be considered by the SECCo Board when determining whether a procurement should be run for the delivery of new services, and the approach that should be taken by SECAS when it has been determined that a procurement is required.

This policy has been produced to ensure good practice in SECCo delivery and procurement decisions, with the objective of providing fit for purpose solutions whilst ensuring value for money. It will be kept under review by the SECCo Board and updated when required.

## 2. Procurement Principles

When establishing new activities, work packages and projects, the SECCo Board will refer to the following set of Procurement Principles to determine whether to run a procurement for the services. These principles are not service-specific so can be applied to all required services. They comprise a description of the principle and the criteria that, if met, would mean a procurement needed to be undertaken:

Principle	Description	Criteria for Procurement
1. Estimated Cost of Work Package	Once the required activities have been identified, SECAS would estimate a cost of undertaking those activities based on the contractual arrangements with the SECCo Board. In line with promoting competition and value for money, the SECCo Board may wish to consider procuring third party services to undertake a work package / project if the criterion is met.	Estimated cost of the work package is >£100,000.
2. Required Skills	SECAS have access to a wide range of skills, knowledge and expertise through its Community of Experts. This includes technical, security and privacy expertise.	Skills required are not available through either the SECAS Core Team or the Community of Experts.
3. Independence Requirements	A new activity / work package / project may require an independent body to undertake certain activities, for example, audit / assurance work, and therefore SECAS may have a conflict of interest or may not meet the independence requirements.	Service Provider must be independent from SECAS, SECCo and the SEC Panel.
4. Enduring Requirement	A new activity / work package may be due to new requirements / obligations placed in the SEC.  If the new activity sits outside of current core team activities, the Panel should	Activity is stand-alone from current SECAS activities.

Principle	Description	Criteria for Procurement
	consider whether the enduring activity should become a business as usual activity. The development / establishment activities could sit outside the core team and therefore could be delivered by a third-party service provider.	

**Table 1: Procurement Principles**

### 3. Procurement Process

When developing a delivery approach for any new activity, work package or project, the process below will be followed: -

#### 3.1 Identification of Requirements

A high-level specification of the services required and an indicative budget will be developed by SECAS. The SECCo Board will review the service requirements against each of the Procurement Principles and document its decision, and the rationale for this decision, on whether a procurement is required.

Where it is determined that a procurement is not required, and the services can be provided by SECAS, this will be formalised into a Work Package and presented to the SECCo Board for approval.

Where it is determined that a procurement is required, a detailed specification will be produced by SECAS including:

- Full description of the requirements;
- Budget – this will determine the procedure type that will be followed;
- Procurement timetable; and
- Supplier evaluation methodology.

The resulting specification will be used to develop the appropriate tender documentation, which, at a minimum, should include sufficient background information, a description of the services required and details of the type of response to be supplied by tenderers.

The procurement procedure to be followed will depend on the procurement value in accordance with the following thresholds:

Procurement Value	Procedure Type
<b>Large (&gt; £100,000)</b>	Identification of suppliers through an open notice and advertisement  Identification of preferred supplier through Pre-Qualification Questionnaire (PQQ), Invitation to Tender (ITT) and interview

Procurement Value	Procedure Type
<b>Medium</b> <b>(£50,000 to &lt; £100,000)</b>	Identification of suppliers either through an open notice or by invitation only Minimum of three quotes obtained Identification of preferred supplier through an ITT and interview
<b>Small</b> <b>(&lt; £50,000)</b>	Identification of suppliers by invitation only Three quotes obtained where appropriate Identification of preferred supplier through less in-depth ITT and an optional interview stage

The supplier evaluation methodology will be used to not only evaluate whether the supplier has the right skills and knowledge base / appropriate product, but to also assess other relevant considerations including:

- Conflicts of interest;
- Economic and financial standing;
- Health and safety;
- Equality standards;
- Sustainability and ethical standards;
- Convictions;
- Supply chain risk management; and
- References.

Depending on the type and longevity of the service or product being procured, some of these factors may be more relevant than others.

The specification and supplier evaluation methodology will be approved by SECCo Board prior to the commencement of any procurement activities.

### 3.2 Identification of Suppliers

Where the Large procurement procedure is being followed, suppliers will be identified through an open notice and advertisement which contains details of how to obtain the PQQ documentation and the response deadline.

PQQs received by the deadline will be assessed against the supplier evaluation methodology and a supplier shortlist compiled. Those that do not pass the PQQ stage will be notified in writing.

Where the Medium or Small procurement procedures are being followed, either an external advertisement will be issued to attract interested parties for inclusion on a supplier shortlist, or research will be undertaken to identify potential suppliers, and their suitability assessed against requirements. A minimum of three candidates (or as appropriate, in the case of the Small procurement procedure) will be identified to submit a tender.

### **3.3 Issue Specification**

The ITT documentation will be issued electronically to the shortlisted suppliers and will include a procurement schedule outlining the activities, associated timeframes and the information to be submitted by the supplier.

### **3.4 Supplier Assessment**

On receipt of submissions from the potential suppliers, the submissions will be assessed against the supplier evaluation methodology with the results recorded on a supplier evaluation scorecard, developed specifically for each procurement. The evaluation criteria will comprise requirements that all suppliers must meet regardless of the procurement, and specific requirements relevant to the service being procured. Depending on the procedure type, the scorecard will either be used to identify the preferred supplier, or to create a shortlist of those to be progressed to interview.

SECAS will ensure that the Evaluation Panel are independent of the suppliers being evaluated. In the case of Gemserv bidding for work, SECAS will not be permitted to be on the Panel.

Where an interview stage is being undertaken, the shortlisted suppliers will be notified by email of the time and place of the interview, the number of representatives allowed to attend the interview, any preparation required and the interview format. An interview panel comprising a minimum of 2 people will be appointed and briefed on the evaluation criteria and scorecard. Interviews will be conducted in accordance with the communicated timescales, to ensure no supplier has an advantage.

Following the interview, the interview panel will complete their scorecards and the preferred supplier identified. Contract negotiations and price negotiations may also be undertaken at this point to ensure best value has been obtained.

### **3.5 Preferred Supplier**

The SECCo Board will be informed of the outcome of the supplier evaluation and asked to approve the recommendation. Following approval, the successful supplier will be contacted to conclude contract negotiations and associated commercial arrangements. All unsuccessful suppliers will be contacted detailing why they were unsuccessful.

### **3.6 Contract Award**

Following the completion of satisfactory contract negotiations, an authorised representative of SECCo Board will be required to sign finalised contracts.

Records of all suppliers invited to tender, submitting a tender, scorecards and appointed suppliers will be retained for audit trail purposes.