

Procurement Policy

This policy documents the rules and guidelines governing the purchase of goods and services to ensure best value for money and compliance with Public Procurement Legislation and Trust Standing Financial Instructions.

Document Detail	
Sites Covered	Trust-wide policy: All sites covered
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Approved by	Trust Management Executive (TEC)
Effective from	August 2021
Date last reviewed	September 2025
Date of next review	September 2027 This policy is enforceable until it is superseded
Owner	Chief Financial Officer
Responsible Lead	Chief Procurement Officer
Stakeholder Group	Audit Committee Trust Executive Committee (TEC)
Superseded documents	N/A
Related documents	Trust Standing Financial Instructions Cabinet Office Procurement Policy Notes (Guidance)
Keywords	Procurement, Tenders, Single Tender Waivers, Contracts

Document History		
Date	Comments	Approved by
June 2018	Ver. 01.1 Procurement Policy approved by TME.	TME
June 2021	Policy updated to reflect new SFIs and change to scheme of delegation, new Cabinet Office Procurement Policy Note re contract notices and social value.	
July 2021	Public Procurement Thresholds updated to reflect change to threshold value for NHS Foundation Trusts.	
Oct 2022	Amended to reflect the updated SFI agreed by the Audit & Risk Committee (June 2022) and updated Public Procurement Threshold Levels	
Sept 2025	Amended to include The Health Care Services (Provider Selection Regime) Regulations 2023, the Procurement Act 2023 and Sustainability and Social Value.	

1 Scope

This Procurement policy applies to all Trust non-pay expenditure with third parties (including wholly owned subsidiaries) and irrespective of the funding source (revenue, capital, charity, other).

It applies to all aspects of the operations of hosted organisations (i.e. those organisations which have a separate branded identity but not a legal entity independent of the Trust). The only exception is the London Procurement Partnership, which has specific Board approval to enter into framework agreements. In all other respects, this policy applies to the London Procurement Partnership as well.

It also applies to all wholly owned subsidiaries, unless they are subject to separate Standing Financial Instructions approved by the Chief Financial Officer of the Trust.

As host to the Procurement Shared Service - SmartTogether, the aim is for this policy to be common between all Member Trusts (subject to each Member Trust's governance process to approve a new policy).

The policy sets out the Trust's legal obligations under current legislation, including the Procurement Act 2023, the Provider Selection Regime (PSR) 2023, and the Modern Slavery Act.2015. It replaces references to the Public Contracts Regulations 2015 (PCR 2015), which now apply only as legacy legislation where transitional arrangements remain in place. In addition, the policy reflects obligations under Cabinet Office procurement guidance and the Trust's governance rules on delegated authority, as set out in the Standing Financial

Instructions (SFIs). It further provides guidance on the management of tenders, the use of single tender waivers, and the effective management of contracts.

2 Rationale

As custodians of public money, Guy's and St Thomas' NHS Foundation Trust must maintain robust internal controls to ensure that all third-party expenditure is effectively managed and fully justifiable in line with this policy. Any Irregular expenditure may be subject to challenge by internal and external auditors or by affected economic operators (suppliers).

This policy underpins the Trust's compliance with its legislative obligations, as described in section 1 above. The regulations set out the processes the Trust must follow when purchasing goods, services, or works to ensure fairness, equity of treatment, transparency, and accountability.

The policy sets clear standards for the conduct of tender exercises to support decision making and in particular, to ensure that best value for money is consistently achieved in line with the Trust's Standards of Business Conduct Policy.

The policy also details the systems, tools, and templates that must be used in undertaking procurement activities and managing contracts, ensuring a consistent and transparent approach.

In addition, the policy sets minimum requirements for the registration of all contract agreements, providing full visibility of the Trust's contractual commitments and enabling effective contract management.

3 Policy Objectives

The objectives of the Procurement policy are set out below:

- Ensure the effective management and control of non-pay expenditure;
- Ensure legal and regulatory compliance, including the Procurement Act 2023, the Provider Selection Regime (PSR) 2023, and the legacy provisions of the Public Contracts Regulations 2015 where transitional arrangements apply;
- Ensure compliance with Cabinet Office guidance notes on procurement policy;
- Ensure compliance with the Trust's Standing Financial Instructions;
- Promote consistency and good governance by providing clear standards, procedures, and tools for tendering, waivers, and contract management.

4 Duties

The Chief Executive Officer and the Trust Board of Directors have delegated responsibility for Procurement to the Chief Financial Officer, who is therefore accountable to the Board for the performance of the procurement function.

The Chief Financial Officer has further delegated the management of the procurement function to the Chief Procurement Officer, who is responsible for implementing and overseeing this Procurement Policy.

All Trust staff involved in the management of non-pay expenditure are required to read, understand, and comply with this Procurement Policy and the guidelines it sets out.

Failure to comply with the Procurement Policy and associated Standing Financial Instructions (SFIs) may result in formal action being taken under the Trust's disciplinary procedures, depending on the seriousness and impact of non-compliance.

5 Policy Delivery and Implementation

5.1 Procurement Process

All procurements must comply with the relevant regulatory framework, namely:

- the Procurement Act 2023 (PA 23) for goods, services, and works;
- the Provider Selection Regime 2023 (PSR 23) for healthcare services; and
- the Public Contracts Regulations 2015 (PCR 2015), where transitional arrangements remain in force.

The procurement process to follow depends on the estimated aggregated value of the contract.

This estimated value:

- must be calculated over the full proposed life of the contract;
- must include VAT;
- must take account of repeat purchases or extensions (a realistic assessment of likely requirements must be included and the contract value must not be artificially lowered by reducing the contract period); and
- must include all relevant expenditure aggregated together.
- Any relevant statutory requirements from NHS England and Department of Health and Social Care.

5.2 Thresholds and Publication

Where the aggregated contract value meets or exceeds the thresholds set out in Appendix 1, a procurement must be conducted in line with PA 23 and advertised via the government portal, Find a Tender Service (FTS) and Contracts Finder, unless a compliant framework agreement is being used. The procurement process must also comply with the minimum timescales and notice requirements under PA 23.

Under the PSR 23, healthcare procurements must follow the applicable route (Direct Award, Most Suitable Provider, or Competitive Process). Transparency and Contract Award Notices must be published in line with PSR obligations.

Under legacy PCR 2015 provisions, where applicable, tenders above the relevant thresholds must be advertised in the same way, and the rules on Restricted, Open, or Competitive Dialogue procedures apply.

For contracts with a value above £139k but below the PA 23 thresholds, tenders must still be advertised on FTS and Contracts Finder. All contract award notices above £139k, including those via frameworks, must also be published there.

Where a formally advertised framework agreement (procured under PCR 2015 or PA 23) is used as an alternative to undertaking a request for quotes or a new tender exercise, a mini-competition must be undertaken in accordance with the framework rules, unless direct award is expressly permitted under the framework terms.

5.3 Tender Administration and Evaluation

All tender exercises, whether above or below the regulatory thresholds, must be conducted through the Trust's eTendering System (ATAMIS). This includes pipeline management, sourcing, evaluation, and contract award.

All tenders must be administered by an appropriately qualified person with a full understanding of:

- the Public Contracts Regulations (PCR) 2015 (legacy, where applicable);
- the Health Care Services (Provider Selection Regime) Regulations 2023;
- the Procurement Act 2023;
- the Trust's Standing Financial Instructions (SFIs); and
- this Procurement Policy

All tenders must follow the Trust's standard process and use the approved templates available on the Trust's e-Tendering System (Atamis). Mini-competitions undertaken under a Framework Agreement must apply the award criteria and comply with the rules and instructions relevant to that agreement.

Tender evaluation panels must comprise a minimum of three members:

1. The Procurement Category Lead;
2. The End-User; and
3. The Budget Manager.

For complex tenders or tenders above £1m, a Finance representative must also be included.

All tenders relating to IT hardware, software or services must include a representative from the Data, Technology & Information (DT&I) department. All tenders relating to Medical equipment must include a representative from the Medical Physics (EBME) department.

The use of external service providers to undertake a tender exercise on behalf of the Trust, and/or to participate in an evaluation panel, must be approved by the Chief Procurement Officer. The Chief Procurement Officer reserves the right to supplement an evaluation panel with additional internal subject matter experts or external independent advisors.

All tender evaluation panel members must sign a Conflict of Interests Declaration statement before commencing a tender exercise.

For contracts above £100k, recommended suppliers (and key sub-contractors, where relevant) must be subject to a Financial Strength assessment (unless pre-qualified under a Framework Agreement). This assessment will be carried out via *Equifax* by the Procurement Department, and the outcome of the assessment must be included within the Ratification Report.

Tenders can only be ratified by an Authorised Officer listed in the Trust Scheme of Delegation.

Capital above £500,000 requires additional approval from the Investment Portfolio Board.

The scheme of delegation as it relates to ratification of tenders is shown below:

Value	Delegation Arrangements*	
	Goods & Services (Inc. IT, medical equipment)	Capital Projects & Works
Up to £500k	Chief Procurement Officer Chief Digital Information Officer Chief Medical Officer	Managing Director of Essentia
Up to £1m	Director of Finance	Director of Finance
Up to £2.5m	Chief Financial Officer	Chief Financial Officer
Up to £5m	Chief Executive	Chief Executive
£5m and above	Trust Board-in-Committee	Trust Board-in-Committee

*Trusts hosted by SmartTogether will have their own Scheme of Delegation.

5.4 Single Tender Waivers

All waiver requests must be submitted through the Procurement Waiver Portal.

A Single Tender Waiver is a request to make a direct award without competition. A Single Tender Waiver is required for all contracts above £15k for goods and services and £25k for works, where it is proposed to award without a competitive process.

A request for a waiver must be made and approved before expenditure is committed. Retrospective waivers are a breach of Standing Financial Instructions (SFIs) and must be reported to the Audit & Risk Committee. A request for retrospective approval must be approved by the Chief Executive as per the Trust SFIs.

Single Tender Waivers can only be approved by an Authorised Officer listed in the Trust Scheme of Delegation. A copy of the scheme of delegation as it relates to the approval of competitive selection waivers is shown below:

Value	Delegation Arrangements*
Up to £100k	Chief Procurement Officer
Up to £500k	Director of Finance
Up to £2.5m	Chief Financial Officer
Up to £5m	Chief Executive Officer
More than £5m	Board of Directors

*Trusts hosted by SmartTogether will have their Single Tender Waiver thresholds

Waivers can only be approved under one or more of the following circumstances:

- a) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record; or

- b) where the timescale genuinely precludes competitive tendering (but failure to plan the work properly would not usually be regarded as a justification for a single quotation or tender); or
- c) where specialist expertise is required and is available from only one source; or
- d) when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; or
- e) there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; or
- f) where the principal contractor or a key sub-contractor has gone into liquidation, administration or bankruptcy and is unable to complete a current project or commence a scheme which has just been let.

The waiving of competitive quotation or tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

5.5 Contracts

All contracts must be recorded and uploaded into the Trust's Contracts Register system (ATAMIS).

All contracts must be subject to the NHS Standard Terms and Conditions or, where a Framework Agreement is applied, the Framework Agreement Standard Terms and Conditions, unless otherwise approved by the Chief Procurement Officer.

Contracts may only be signed by an Authorised Officer as set out in the Trust's Scheme of Delegation. A copy of the Scheme of Delegation is shown below:

Value	Delegation Arrangements*	
	Goods & Services (Inc. IT, medical equipment)	Capital Projects & Works
Up to £500k	Chief Procurement Officer Chief Digital Information Officer Chief Medical Officer	Managing Director of Essentia
Up to £1m	Director of Finance	Director of Finance
Up to £2.5m	Chief Financial Officer	Chief Financial Officer
Up to £5m	Chief Executive	Chief Executive
£5m and above	Trust Board-in-Committee	Trust Board-in-Committee

*Trusts hosted by SmartTogether will have their own Scheme of Delegation

Any contract signed by an unauthorised member of staff constitutes a breach of the Procurement Policy and will be reported to the relevant Executive Director and Internal Audit.

The Trust will not accept liability for any contract entered into without proper authorisation.

5.6 Requisitioning and Order Management

Goods and Services must be requisitioned through the Trust Finance System (ORACLE).

Only staff who have completed the Requisitioner and Approver training will be granted access to the Trust Finance System to raise requisitions.

Goods delivered to the Trust without an Oracle Purchase Order will be rejected. Invoices received without an Oracle Purchase Order will not be paid until a valid Purchase Order has been raised and approved.

The following expenditure categories are managed through alternative systems and therefore do not require an Oracle Purchase Order. Further details on the Trust's No Purchase Order, No Pay rules can be found on the Procurement pages of the Trust Intranet:

Category	Order Channel*
Agency	Workforce: Staff Bank
Medicines	Pharmacy Department
Travel	Appointed Travel Agency

*Trusts hosted by SmartTogether will have their own alternative systems

Catalogue Requisitions: these are automatically released once budget approval has been granted.

Non-Catalogue Requisitions: these are reviewed by the Procurement Buying Team to minimise invoice price discrepancies and to ensure compliance with the Trust's SFIs.

Non-catalogue requisitions must be supported by:

- written confirmation from the supplier of the agreed unit price; and
- for requisitions above £15k, either a Waiver/Contract Reference Number, copy of the contract or a copy of the relevant ratification report evidencing completion of a competitive tender process.

Goods Receipting

Requisitioners must promptly receipt received goods and services on Oracle to prevent delays in invoice payment and reduce the risk of suppliers suspending supply due to outstanding invoices.

Invoice Compliance

Invoices received without a valid Purchase Order will not be paid until the appropriate purchase order has been raised. Where no Purchase Order exists, a request for retrospective approval, which constitutes a breach of the Procurement Policy, will be required from the Chief Executive before any such invoice can be processed.

The Trust will not accept liability for invoices not supported by a valid Purchase Order.

Requisitioners and Approvers may have their access to Oracle removed in cases of repeated non-compliance.

5.6 Social Value and Net Zero

All procurement activity must reflect the NHS Net Zero and Social Value Model (2022). For contracts valued at over £5m annually, suppliers must publish a Carbon Reduction Plan in line with the NHS Net Zero Supplier Roadmap.

Social Value must be included as an award criterion for all tender exercises with a minimum weighting of 10%.

As an anchor institution within our local community, the Trust recognises the importance of embedding social value in all procurement activity. How and what we buy must deliver benefits that extend beyond the contract itself and contribute positively to our community.

The Cabinet Office Social Value Model will be applied to all tender exercises to determine how social value can be incorporated. The social value model is built around the following themes:

- Post Covid-19 recovery
- Tackling economic inequality
- Fighting climate change
- Equal opportunities
- Wellbeing

Tender exercises will also support delivery of the Trust's Sustainability Strategy and Green Plan 2025 – 2028, which aims to reduce environmental impact while maintaining high standards of patient care and financial efficiency, where possible.

Key areas of focus include:

- Embedding sustainable procurement practices
- Reducing carbon emissions across the supply chain
- Minimising waste and promoting a circular economy
- Leveraging digital and data-driven procurement
- Strengthening resilience and ethical considerations

In line with the NHS Net Zero Supplier Roadmap, from April 2023 all suppliers with contracts above £5m per year must publish a Carbon Reduction Plan. By 2030, the NHS will only award contracts to suppliers who can demonstrate a credible commitment to reaching net zero. These requirements will be applied in all relevant procurements undertaken by the Trust.

The Trust will continue to align with the Roadmap milestones. The next key milestone, in April 2027, requires all suppliers to submit their Carbon Reduction Plans as part of their tender.

5.7 Prevention of Corruption in Tendering

The Trust takes a zero-tolerance approach to fraud, bribery, and corruption. In line with the Bribery Act 2010, it is illegal for staff to seek or accept a financial or other advantage from a contractor or third-party in return for taking an action that would help that contractor win a contract.

It is also illegal to provide inside information or assistance to a potential supplier with the intention of giving them a competitive advantage, or to abuse a position of trust for personal gain or the gain of others, including contractors.

Staff must not only avoid bribery but they must also be able to demonstrate that they have taken all reasonable steps to prevent it.

Examples of corrupt activities that will result in disciplinary and/or criminal action include:

- Dishonestly engineering a situation where only one supplier is invited to bid.
- Tailoring a specification to suit a particular supplier.
- Discouraging other bidders from participating.
- Providing inside information to a single bidder.
- Structuring evaluation criteria to favour a specific bidder
- Agreeing terms that unduly favour a supplier at the expense of the Trust
- Agreeing contract changes or variations that are not in the Trust's best interest.
- Accepting gifts, payments, or rewards from a contractor

5.8 Modern Slavery & Ethical Procurement

The Modern Slavery Act 2015 makes provision to prevent slavery, servitude and forced or compulsory labour, human trafficking, as well as provision for the protection of victims.

Suppliers of goods, services and works must comply with the Modern Slavery Act 2015 and demonstrate ethical labour and procurement practices.

5.9 Cybersecurity

Information Technology suppliers must evidence compliance with NHS Data Security and Protection Toolkit (DSPT) and other relevant cyber standards.

6 Monitoring and Assurance

Policy Objectives	Monitoring methods	Assurance
Compliance with the Health Care Services (Provider Selection Regime) Regulations 2023, Procurement Act 2023, the Public Contracts Regulations 2015 (for legacy provisions) and Trust SFIs.	<p>Tenders managed via the Trust eTender system (ATAMIS).</p> <p>Internal Audit undertake an annual review as part of the audit plan.</p>	Internal Audit will report to the Trust Audit Committee to provide assurance.
Ensure the effective management and control of non-pay expenditure	<p>All in-scope expenditure channelled through the Trust Finance System (Oracle).</p> <p>All contracts are registered into the Trust Contract Register (ATAMIS).</p> <p>Single Tender Waivers are submitted through the Trust (Procurement Waiver Portal).</p> <p>NHS Improvement Model Hospital KPIs for Process Efficiency.</p> <p>Internal Audit undertake an annual review as part of the audit plan.</p>	<p>Internal Audit will report to the Trust Audit Committee to provide assurance.</p> <p>NHS Improvement Benchmarking Data/ Model Hospital.</p>

7 References

Document title	Publisher	Date	Comments
Procurement Policy Notes	Cabinet Office	Feb. 2025	Copy available from: https://www.gov.uk/government/collections/procurement-policy-notes#2021
NHS Terms and Conditions	Department of Health and Social Care	Feb. 2025	Copy available from: https://www.gov.uk/government/publications/nhs-standard-terms-and-conditions-of-contract-for-the-purchase-of-goods-and-supply-of-services
Standing Financial Instructions	Guy's and St Thomas' NHS Foundation Trust	June 2025	Copy available from the Finance Directorate Intranet site
Sustainability Strategy	Guy's and St Thomas' NHS Foundation Trust	Jun 2021	Copy available from the Essentia Directorate Intranet site
The Health Care Services (Provider Selection Regime) Regulations 2023	The Department of Health and Social Care (DHSC)	Oct 2023	Copy available from: https://www.legislation.gov.uk/ukxi/2023/1348/contents
Procurement Act 2023	The UK Government's Cabinet Office	Oct 2023	Copy available from: https://www.legislation.gov.uk/ukpga/2023/54/contents
Managing Public Money.pdf	The UK Government's HM Treasury		Copy available from: https://www.gov.uk/government/publications/managing-public-money
The Public Contracts Regulations 2015	The UK Government's Cabinet Office	March 2017	Applies only as legacy legislation where transitional arrangements are in place. Copy available from: https://www.gov.uk/guidance/public-sector-procurement-policy

8 Other Policies

Document title	Publisher	Date	Comments
Supplier Representatives Policy	Procurement	Feb. 2025	Copy available from Procurement
Consignment Policy	Procurement	Feb. 2025	Copy available from Procurement
Sustainability Policy	Sustainability Team	October 2025	Copy available from Sustainability team
Standards of Business Conduct Policy	Guy's and St Thomas' NHS Foundation Trust	June 2025	Copy available from the Finance Directorate Intranet site

APPENDIX 1

The Public Procurement Thresholds below must be applied to determine the appropriate procurement process based on contract value.

These financial thresholds are reviewed and updated by the Cabinet Office on a two-year cycle.

Procurement Process	Aggregated Value Inc. VAT	
	Goods & Services (Inc. IT, medical equipment)	Capital Projects & Works
One (1) written quote	Less than £15k	Less than £25k
Three (3) written quotes	£15k to £139k	£25k to £100k
Five (5) tenders (advertised on Contracts Finder and Find a Tender Service)		£100k to £5.3m
Five (5) tenders (advertised on Contracts Finder and Find a Tender Service and subject to relevant regulatory framework)	£139k and above	£5.3m and above

*Trusts hosted by SmartTogether will have their own Thresholds