Policy 7: Equipment, purchasing and leasing

Last updated by: SH /JH

Links to policies: 70

<table>
<thead>
<tr>
<th>Version</th>
<th>Changes</th>
<th>Policy Date</th>
<th>Next Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>1/5/18</td>
<td>1/5/19</td>
</tr>
</tbody>
</table>
Introduction

i) This Policy covers ordering, purchasing and leasing, payment and includes vehicle purchasing.

2. Related policies

i) Safety and maintenance of equipment – see health and safety;

ii) Fixed assets (S. I of the Age UK York (AUKY) Memorandum and Articles of Association);

iii) Policy 70, Finance Management.

3. Legislation


4. Statement of Intent

i) AUKY will purchase, take on lease or in exchange, hire or otherwise acquire any property and build, improve, maintain and equip any building or buildings which may be necessary for the use of AUKY or Age UK York Enterprises (AUKYE);

ii) No member of AUKY will accept any gift or inducement in relation to any contract or agreement for supply of goods or services;

iii) The Trustees and senior staff members who have the power and authority to select or advise on the selection of a supplier, where they themselves have a financial or any other interest, will declare a conflict of interest and withdraw from any such discussion and selection;

iv) Procurement will be aligned within AUKY’s strategic planning and budgeting processes;

v) AUKY will seek to purchase:

- With prudence;
- With awareness that its finances are ‘public money’;
- With regard to ethical considerations;
- With regard to priorities and services aims;
- With regard to cost effectiveness, value for money and quality, goods of a high social, economic and environmental standard;
- Where appropriate, in association with partners including REACT and other local voluntary organisations;
- With a commitment to sustainability, fairness and the support and development of local appropriate services for the older people of York;
- Ensuring that any supplier does not unlawfully discriminate on grounds such as colour, race, ethnicity, nationality, disability, gender or sexual orientation, faith, age or any other basis as defined by the Equalities Act, 2010;
- From local suppliers where possible having regard to circumstances.

v) AUKY will look for innovative ways to make best use of its purchasing power in the interests of the older people of York, the community at large and to support the local economy;

vi) AUKY will make the most use of its purchasing power to keep costs competitive;
vii) Economic considerations will be balanced against the need for positive environmental and social outcomes;

viii) AUKY will require a statement from any supplier, before purchase or lease, that no worker involved in the manufacture, supply or transport of any such item has been subject to exploitation within the terms of the Anti-Modern Slavery Act, 2015;

ix) AUKY will not knowingly purchase goods and/or services produced and delivered under conditions which involve any form of abuse or exploitation of third parties. Examples (not definitive) of such abuse and exploitation include: the employment of child labour, the failure to pay employees a living wage, and evidence of any form of inhuman, unreasonable or discriminatory treatment of employees;

x) AUKY expects suppliers to accept responsibility for the labour and environmental conditions under which products are made and services are provided, and to make a written statement of intent regarding the company’s policy.

5. The Commercial Approach

i) AUKY has adopted the demand management approach:

- Purchasing only what is needed and of an adequate but not excessive quality;
- Reviewing and preventing unnecessary expenditure;
- Seeking more effective alternatives when considering replacement;
- Reducing the use of a product or service.

ii) Maintaining good relations with suppliers:

a) AUKY will provide potential suppliers with accurate information about requirements;

b) AUKY will seek to maintain good relations with its suppliers but its priority will be to adhere to the terms of the Modern Slavery Act, 2015 and will discuss and explain this priority to suppliers if necessary;

c) AUKY will commit to making all procurement activity fair and transparent and will encourage a diverse range of suppliers;

d) AUKY will tend to purchase from a list of preferred suppliers who have a good working relationship and provide quality goods and services;

e) AUKY will seek to provide positive critical feedback should occasion arise, for the future assistance of suppliers.

6. The Procurement and Management Process for Goods

i) The supplier shall not give or offer to any AUKY’s staff, employees, trustees, volunteers or agents any gift or inducement whatsoever in relation to this or any other contract/agreement between AUKY and the supplier;

ii) Regular purchases will be made on a ‘just in time’ basis;
ii) The need for new items or equipment will normally be identified during the budget and strategic planning process;

iv) New items other than for general running costs will be approved and sanctioned for purchase by a senior manager;

v) Purchases of over £300 require Trustee Board approval;

vi) The Finance Officer is responsible for ordering and payment of all purchases and for maintaining appropriate records for such purchases and payments;

vii) Purchase costs are at fixed price and include packing, carriage and insurance. VAT will also be payable;

viii) The terms of purchases are in accordance with the Sale of Goods Acts as amended.

7. The Procurement and Management Process for Services

i) Services include building maintenance and leased equipment;

ii) Such services are formalised with written contracts or hiring agreements as appropriate and are made with the consent of the Trustee Board;

iii) The Honorary Treasurer will specifically view such contracts and agreements, will seek to negotiate best prices and will advise the Board on such contracts and agreements. However, the Honorary Treasurer is a Trustee and any decisions taken on the advice of the Honorary Treasurer are the responsibility of the Board as a whole;

iv) Maintenance works to be undertaken round the AUKY properties will be carried out by traders listed within the AUKY Home Services Directory. AUKY will ensure that no workers employed by traders listed in the Home Services Directory are subject to exploitation within the terms of the Anti-Modern Slavery Act, 2015;

v) Contracts will be agreed at fixed price with a fixed term. VAT will be payable and suppliers will be expected to have their own insurance;

vi) The terms of contracts are in accordance with the Supply of Goods and Services Act, 1982;

vii) Contract services will be carried out and supervised by qualified, trained and experienced personnel. However, AUKY reserves the right to refuse admittance to, or require the departure of, any individuals from any AUKY premises and to disallow any such individuals from continuation of the performance of any contract services.

8. Publicity and confidentiality

i) The supplier will not make use of AUKY’s name in connection with the purchase, for example by advertisement or press statement, without AUKY’s express and written permission;

ii) The supplier will keep confidential any information relating to AUKY or its service users that may be acquired while supplying goods or services to AUKY.

9. Payment for goods and services

i) All goods received and services, servicing carried out will be inspected prior to payment being tendered;
ii) The terms of the Sale of Goods Acts and the Supply of Goods and Services Act will be involved in the event of lack of satisfaction with anything at 8 i);

iii) The terms of the Consumer Protection Act, 1987 will be invoked in the event of any question of liability of anything at 8 i);

iv) AUKY will pay the supplier on receipt of satisfactory and adequate invoice within 30 days after the end of the month of receipt of the goods or completion of the contract of service;

v) Invoices will be addressed to the AUKY main office at 70, Walmgate, York;

vi) AUKY may deduct from the sum to the supplier any amount owed by the supplier when paying the invoice.

10. Terminations, waivers, assignments and dispute resolution of contracts

i) AUKY may terminate or waiver a contract in the event of any breach or failure to fulfil that contract and acknowledges the terms and requirements of the Sale of Goods Acts and the Supply of Goods and Services Act in any such instance;

ii) Invalidity of any part of a contract will not render any other part of a contract to be invalid;

ii) Suppliers will not transfer or assign any portion of an agreement or contract to any other person without written permission from AUKY;

iii) No term of any contract or agreement is intended to confer a benefit on any third party and no term is intended to be enforceable by a third party;

iv) Notices and communications required to be given under an agreement or contract will be made in writing and properly served if e-mailed to the address on any purchase order;

v) In the event of any dispute, the Centre for Effective Dispute Resolution model (CEDR) will be employed;

vi) Any contract is governed in accordance with English Law and in the event of need must be submitted to the exclusive jurisdiction of the English courts.

11. Vehicles

i) Vehicles will be purchased or hired in accordance with service provision requirements;

ii) Vehicles will only be purchased or hired with agreement of the Trustees;

iii) Vehicle prices will be negotiated for ‘best price’ while bearing in mind the terms of the preceding paragraphs.