

## Mantra Medical Ltd

# Contracting, Procurement and Commissioning Procedures

### Goods and Services to which this Procedure Applies

All products, materials and services used within the organisation. Such products, materials and services are selected on their ability to meet the organisation's requirements for quality, statutory and regulatory compliance, timescales and costs.

### Factors to be Taken into Consideration when Selecting Suppliers

- Previous performance in supplying to similar specifications and requirements.
- Stocking of high volume standard items conforming to a relevant British or International Standard (as applicable) or supplied with a statement of conformity
- Compliance with an approved third party product/quality registration scheme.
- Recommendation by other similar purchasers or manufacturers.
- A trial order and evaluation of performance through implementation of the quality system.

### Authorisation to Incur Expenditure on behalf of the Company

In accordance with the Shareholders' Agreement only the Managing Director is authorised to incur expenditure on behalf of the Company. This approval is limited to expenditure on a specific product, materials or service with a value not exceeding £1,000. Exceptionally, where necessary for practical purposes, the Managing Director can delegate authority to another Director to incur expenditure up to £1,000 without Board approval. In all instances where such expenditure exceeds £1,000 the Board's approval is required.

### Tendering and Contract Procedures

1. The procedure for making all contracts by or on behalf of the company shall comply with the law, the Shareholders' Agreement and this Operating Procedure (except that there will be no obligation to comply with the Operating Procedure where this

procedure is suspended by the Board).

2. Directives by the Council of Europe promulgated by HM Government prescribing procedures for awarding forms of contract shall have effect as if incorporated in this Operating Procedure.
3. The Board shall ensure that competitive tenders are invited from organisations equipped to meet the company's standards for the supply of goods, materials and manufactured articles and for the rendering of services and for disposals except where such tendering may be waived in accordance with paragraph 4 below. Invitations to tender shall be sent to a sufficient number of organisations or individuals to provide fair and adequate competition and only in exceptional circumstances should fewer than three organisations and/or individuals be asked to tender, having regard to their capacity to supply the goods or materials and/or to undertake the services or work required.
4. Formal tendering procedures may be waived by the Board and recorded in a minute of the Board where:
  - a. The estimated expenditure does not, or is not reasonably expected to exceed £5,000 (including VAT), (this figure to be reviewed annually), or
  - b. The timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender, or
  - c. Specialist expertise is required and is available from only one source, or
  - d. The goods and/or services and/or materials are essential to complete a project and the requirement arises as a consequence of a recently completed assignment and engaging different contractors would be inappropriate, or
  - e. There is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such circumstances the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering.

The limited application of the single tender rules should not be used simply to avoid competition or for administrative convenience or to award further work to a contractor originally appointed through a competitive procedure.

## **Quotations**

Where formal tendering arrangements are waived by the Board and where the intended expenditure is reasonably expected to exceed £3,000 (including VAT) (this figure to be reviewed annually) quotations shall be sought from at least three organisations and/or individuals except in those circumstances set out above in relation to tendering and contracting concerning the waiving of tendering procedures.

## **Disposals**

Competitive tendering or quotation procedures shall not apply to the disposal of:

- any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined by the Managing Director or other person nominated by the Board;
- obsolete or condemned articles and stores which may be disposed of in accordance with any policy determined by the Board;
- items to be disposed of with an estimated sale value of less than £500,( this figure to be reviewed annually)

## **Distribution List**

- Board of Mantra Medical Limited
- Clerk to the Board

## **Document Review Date**

January 2015

## **Obsolete Documents to be Withdrawn**

N/A

## **Arrangements for Regularly Contacting External Suppliers**

N/A

## **Initiator of this Operating Procedure**

Tony Hercock, Director (Management Systems and QA)