

PURCHASING POLICY

Policy Name: Purchasing Policy	Issue Date: Mar 2026	Version No: 3.0
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Policy Control/Monitoring

Approved by: (Position in Organisation)	Chief Executive Officer
Date (dd/mm/yyyy):	23/03/2026
Accountability: (Position in Organisation)	Procurement Manager
Revision Cycle:	6 months after first issue thereafter biennially
Brief details of amendments made	Updated to reflect changes related to new Capex policy. Updated to emphasize the 3-quote rule and new process

Version Control Tracker

Version Number	Date
1.0	26 September 2023
2.0	27 December 2024
2.0(a)	15 January 2026
3.0	23 March 2026

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1. Introduction

Effective purchasing is critical to the smooth running of the Percy Hedley Foundation “PHF”. It is imperative we seek and make ‘best value’ (see definitions below) purchasing decisions for the benefit of our clients and PHF.

2. Purpose

This policy document:

- details foundation wide purchasing policy;
- provides clear information and process details in a structured format;
- encourages staff making purchases to adopt a collaborative approach to purchasing, to consult and coordinate with the central services Procurement team to help to ensure purchasing decisions and actions are appropriate and consistent.

All staff are expected to conform to the requirements of this policy.

3. Scope

The policy applies to all employees of PHF, Trustees and any staff who are seconded to the foundation involved in purchasing for the foundation. This policy and associated procedures are non-contractual and can be subject to change or withdrawal at any time.

4. Definitions

The following policy statements apply to Purchasing within PHF.

Best Value Purchasing	<p>It is the policy of PHF to seek best value solutions to all supply requirements. When selecting a supplier or contractor ‘Best Value’ refers to purchasing that considers factors such as those listed below, not only price:</p> <ul style="list-style-type: none">• adherence to particular specifications and/or service levels• quality parameters,• supplier credentials, experience and expertise• compliance considerations
Purchasing authority	<p>It is the policy of PHF to adhere to the defined limits and authority structure for expenditure as specified in the Table of Financial Boundaries.</p> <p>In addition, it is the policy of PHF to ensure approval is sought in advance of the purchase, whether capital expenditure or operating expenditure, on the following categories of spend:</p> <ul style="list-style-type: none">• Estates• Training & Development• IT Hardware, software or consumables <p>In purchasing of this kind approval should be obtained from the relevant team before any order is placed.</p>

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<p>Quotations and proposals</p>	<p>It is the policy of PHF to seek best value solutions to purchasing needs.</p> <p>As far as is practical, for any NEW goods or services with an expenditure in excess of £500 comparative quotations and/or proposals should be sought.</p> <p>In the case of repeat orders with established suppliers competitive quotations are not required.</p> <p>Copies of quotations and proposals should be retained by the foundation to provide an audit trail. To ensure effective document retention and enable auditing, copies of quotes or proposals should be emailed to procurement@percyhedley.org.uk.</p> <p>Copies will be retained in a centralised repository and may be used or referred to for future procurement needs and for purposes of audit.</p>
<p>Tenders</p>	<p>For larger contracts, and/or requirements in excess of £5000 a closed competitive tender process (often called selective or restricted tendering) should be performed.</p> <p>A closed competitive tender process involves inviting a limited, pre-selected number of suppliers to submit bids, rather than opening it to the public. This method boosts process efficiency and reduces evaluation time.</p> <p>In some cases a Pre-Qualification Questionnaire (PQQ) may be appropriate to help select a shortlist of appropriately qualified suppliers/contractors.</p> <p>Tender templates are available on PHF connect in Finance Forms.</p> <p>The central finance procurement team can support or provide guidance with tenders on request.</p>
<p>Pre-Qualification Questionnaire (PQQ)</p>	<p>For some PHF tenders it may be suitable to utilise a PQQ as an initial, standardized screening document used by buyers to evaluate potential suppliers' financial stability, experience, technical capability, and compliance before inviting them to tender. This step helps to ensure companies invited to submit tenders are able to meet our requirements</p>
<p>Purchasing order processing</p>	<p>It is the policy of PHF to process and manage all purchasing expenditure through the Sage Intacct finance system.</p> <p>All expenditure is subject to the requirement of an approved purchase order.</p> <p>Purchasing without an approved purchase order is a breach of policy and may be subject to disciplinary action.</p>
<p>Purchasing versus Procurement</p>	<p>Procurement differs to purchasing in a number of ways. The main difference is that procurement is a long-term approach to acquiring goods and services, and purchasing is the short-term direct purchasing of products and servings.</p> <p>Procurement involves sourcing suppliers, negotiating, contract management, supply chain risk management and supplier development to name a few, and purchasing is fulfilling the transaction only and is very much a reactive and transactional approach.</p> <p>At Percy Hedley Foundation purchasing is decentralised to the services and so adherence to this policy is required.</p>

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5. Principles

5.01 Role of central services Procurement in Purchasing

It is the role of central services Procurement function to:

- support the purchasing needs of all the services within the foundation
- assist or support the identification or sourcing of suppliers
- lead or assist with the negotiation of 'best value' terms and conditions
- to manage the contract life cycle of 'foundation-wide' suppliers
- continue to develop effective and efficient working methods surrounding purchasing within the foundation
- to develop, implement and improve methods for effective supplier performance management.

5.02 Types of purchasing

Purchasing of goods and services is split into the following types:

<i>Purchase Type</i>	<i>Details</i>	<i>Response</i>
Budgeted capital expenditure (CAPEX)	Refer to the CAPEX policy on PHF Connect. CAPEX limits are as follows: IT equipment - £500 per item Other Assets - £1,000 per item Note: Assets must have an expected life of more than one year	In the absence of a formal supply contract covering repeat orders a minimum 3 quotations or proposals should be obtained. In some circumstances a tender process may be appropriate. Contact the central finance procurement team for guidance if required.
Unbudgeted capital expenditure.	Unbudgeted CAPEX should arise by exception only. Refer to the CAPEX policy on PHF Connect and complete the ' Capex Request Form – adhoc /additional requests ' in order to capture required approvals.	Subject to approvals per the Table of Financial Boundaries. 3 quotes or tender process will apply.
Budgeted operating expenditure (OPEX)	All expenditure on goods and services in the current financial year.	Normal purchasing process.
Unbudgeted operating expenditure.	Any potential overspends need to be discussed with your designated FBP.	Subject to approvals per Table of Financial Boundaries.

5.03 Exceptions to policy

The 3-quote rule underpinning the foundations purchasing policy is in place to safeguard the interests of the foundation by applying reasonable effort to competitive sourcing and due diligence around sources of supply.

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Exceptions may be required from time to time when competition is impossible, impractical or not in the best financial interest of the foundation. Exceptions may arise in situations such as:

- Sole source suppliers (only a single supplier can meet requirements / no alternatives / there is no competitive market place)
- Emergency situations
- Sourcing via a Preferred supplier or contractor

Any requested exceptions to policy must be supported with a clear, concise written justification, sent via email and should be approved by the Head of Finance and copied to procurement@percyhedley.org.uk. Based on the nature of the requirement and planned expenditure, additional review and approvals may be required.

5.04 Approved suppliers

All staff involved in Purchasing must, as far as is practical, only source goods and services from approved supplier set up in the Sage Intacct Finance System.

Suppliers existing in Sage Intacct are considered approved suppliers, unless indicated otherwise.

Any questions about supplier status (preferred/ approved / unapproved / unspecified) should be directed to the Procurement Manager in the first instance.

In the event a new supplier is required a Request for New Supplier Form should be raised, approved and submitted to the Central Services Finance Team. The reason for and/or justification for the supplier must be detailed on the form along with other fields of information needed for the supplier to be set up in the finance system.

5.05 Preferred Suppliers

For some categories of supply the foundation may have a Preferred Supplier and/or a Preferred Supplier List (PSL). A preferred supplier is one that has been strategically selected, vetted and prioritised by the foundation for high-quality, performance, best value reasons. Preferred suppliers often offer preferential pricing or other key terms of business to the foundation and therefore preferred suppliers should be used when in place. For questions around preferred suppliers please contact the central finance procurement team.

5.06 New suppliers

All requests for new suppliers must be processed by raising a Request for New Supplier Form available from Purchaseledger@percyhedley.org.uk

- All fields on the form, should be completed as this information is required to set-up the Supplier in the Sage Intacct financial system.
- A clear reason or justification for the new supplier must be included on the form. Failure to include this may result in the form being returned.

Note: A new supplier will not be set up in until an appropriately completed and approved form is submitted by email. A purchase order cannot be raised if the supplier does not exist in the system.

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5.07 Quotations and proposals

Prior to raising a purchase order it may be appropriate to request quotations or proposals. The Central Services Finance Team are available to provide guidance and/or support regarding quotations and proposals by contacting procurement@percyhedley.org.uk or purchaseledger@percyhedley.org.uk

Copies of all quotations and/or proposals should be emailed to the Central Services Finance team via procurement@percyhedley.org.uk. The Central Services Finance team will maintain a database of open/active quotations and/or proposals.

5.08 Purchasing risks

Prior to raising a purchase order it is appropriate to consider purchasing related risks, both in the context of what is being purchased and from whom the product or service is being purchased. The Central Services finance team is available to support should staff wish to discuss risk implications: Contact the Procurement Manager in the first instance.

When a purchase order is processed it shall be assumed that staff raising the purchase order have given adequate consideration to purchasing risks and that risks have been deemed as acceptable.

5.09 Purchasing process

5.09.1 Approach

The Central Service Finance team exist to drive best value supply arrangements for PHF, staff are encouraged to adopt a collaborative approach to purchasing.

A considered and sensible approach to purchasing helps the foundation to save money. Staff are encouraged to share ideas and opportunities for cost savings or efficiency improvements with the Central Services Finance team.

NOTE: Expenditure, whether OPEX or CAPEX, whether budgeted or not, associated with the categories below, must NOT be placed by services / departments without gaining approval IN ADVANCE from the relevant team. These categories include:

- Estates
- Training and Development
- IT Hardware, Software or Consumables

5.09.2 Budgeted spending

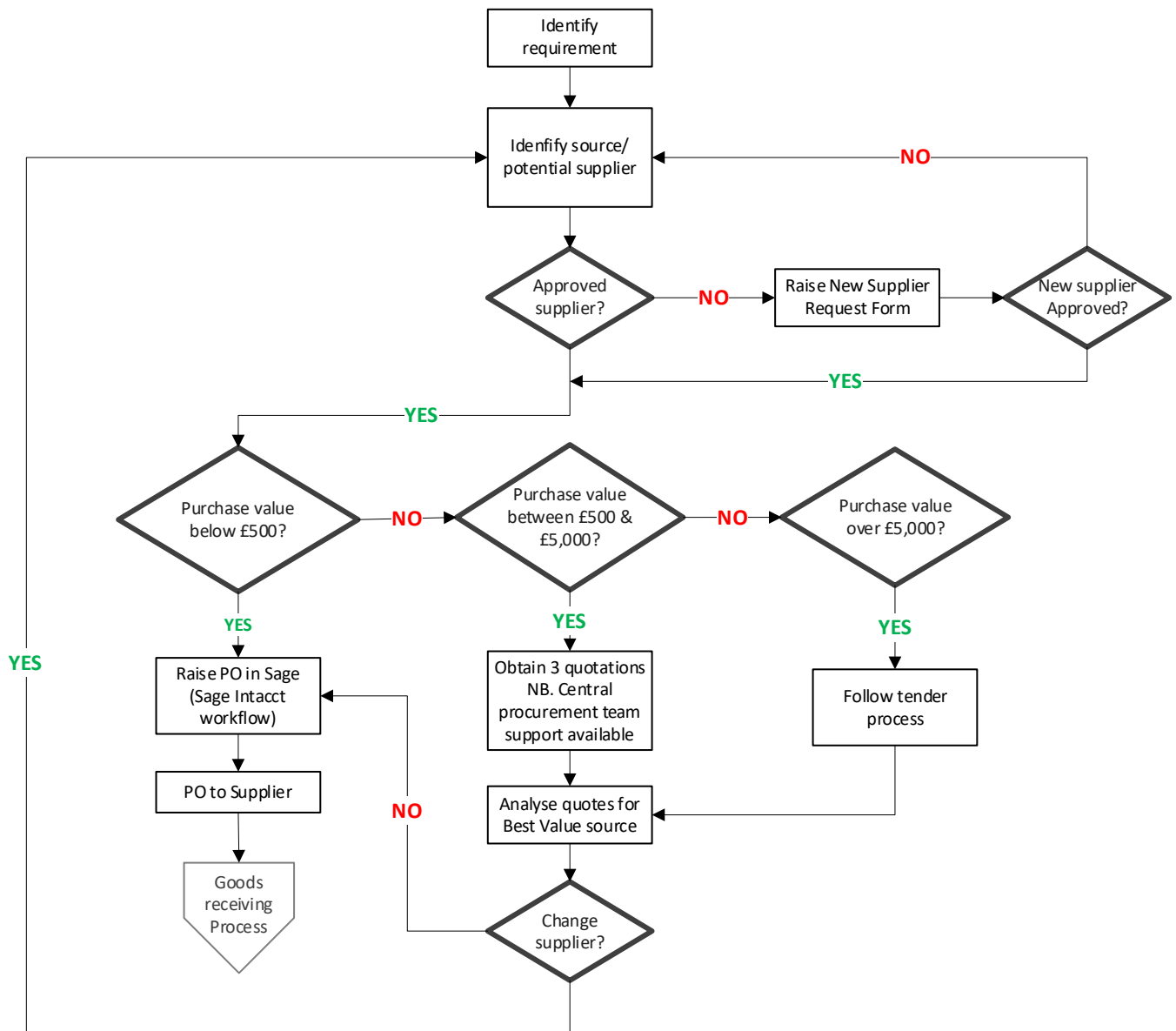
All purchases are required to fall within the formal allocated budgets. All variances will be reported through Finance. Please liaise with your Finance Business Partner and your relevant Functional Line Manager before committing to the purchase to confirm adequate funds are available and ensure authority to proceed has been gained.

5.09.3 -Sage Intacct support resources

Purchase orders are raised via the Sage Intacct finance system. Helpful training materials on using the Sage Intacct system is available on PHF Connect.

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5.10 Purchasing Process Flowchart



5.11 Receiving goods / deliveries

Accurate recording of delivery is critical in the purchase process. Deliveries should be:

- Checked that the number of packages delivered corresponds with the delivery note AND driver summary sheet
- Signed for unexamined, unless the delivery is unpacked and verified in the presence of the delivery driver
- Opened and verified against the purchase order and supplier delivery note for quantity and product(s) accuracy.

Cash on Delivery is not permitted.

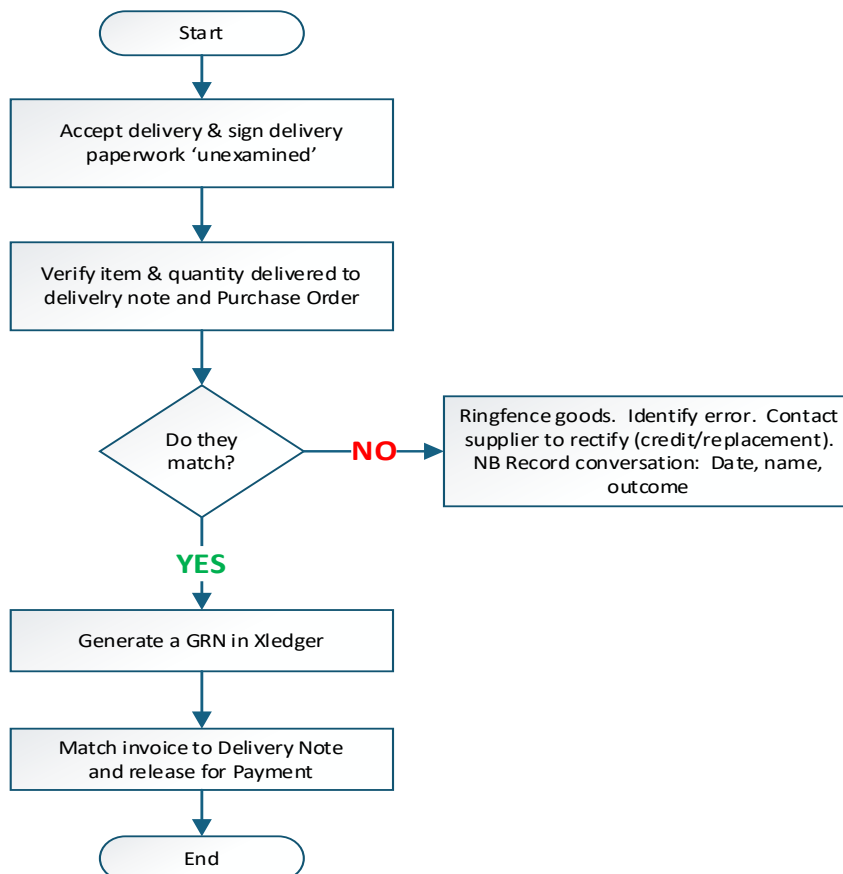
Suppliers should be notified of any discrepancy within 48 hours and a record kept of the discussion, contact name and agreed outcome (credit/replacement).

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Upon delivery a GRN should be generated in Sage Intacct against the relevant Purchase Order number.

5.12 Receiving goods flowchart

Receipt of Goods Process



5.13 Receiving discrepancies and returns

Suppliers should be notified of any discrepancy within 48 hours and a record kept of the discussion, contact name and agreed outcome (credit/replacement?). Any unresolved discrepancies should be brought to the attention of the Finance Team for follow up as appropriate via purchaseledger@percyhedley.org.uk

5.14 Supplier performance issues

From time-to-time issues arise with supplier performance. Often issues are resolved at an operational level and are not escalated to become complaints or formal issues.

Issues emerging should be communicated to the Central Services Finance Team via purchaseledger@percyhedley.org.uk to enable foundation wide tracking and follow up.

5.15 Payment for goods or services

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All suppliers must be advised to send invoices to purchaseledger@percyhedley.org.uk.

Invoices sent by suppliers will be uploaded to Sage Intacct by the finance team.

Finance will use the purchase order number/delivery note combination as evidence that the goods match the order and settle the invoice based on this matching.

Incorrect invoices will be returned to the originator for resolution and should not be authorised and/or paid until correct.

5.16 Unethical or unacceptable conduct: Fraud, bribery & related matters

On occasion a supplier may attempt to influence a purchase decision with some form of incentive. The foundation has implemented clear policies and procedures for responding to these situations. Refer to:

- Anti-Fraud and Bribery, Detection and Response Policy
- Acceptance of Gifts, Hospitality Policy
- Reporting Serious Incidents Policy

5.17 Continuous Improvement

The foundation values an open and collaborative culture. PHF is committed to continual improvement, suggestions and feedback are encouraged.

6. Monitoring and Compliance

Overall responsibility for the operation of the policy lies with the Chief Executive Officer. The effectiveness of the policy will be formally reviewed and monitored as a minimum on a biennial basis.

7. Associated Policies & References

- Capital expenditure policy
- PHF credit card policy
- Table of Financial Boundaries
- Acceptance of gifts and hospitality policy
- Anti-Fraud and Bribery, Detection and Response policy
- Reporting serious incidents policy

END

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