

## ***Guidance on the SFI's relating to the Procurement of Goods and Services***

### **What are SFI's?**

The SFI's are the Trust's Standing Financial Instructions and they set out the financial rules that the Trust must adhere to.

### **What are the SFI's relating to the Procurement of goods and services?**

The following thresholds apply where there is no current contract in place:

Less than £10,000 – Single quotation to be obtained

£10,000 - £50,000 – Minimum of 3 written quotations required – Please contact Procurement and E-Commerce

£50,000 - £189,330 – Local Tender must be conducted – Please contact Procurement and E-Commerce

£189,330 and above (Foundation Trusts) – OJEU tender must be conducted – Please contact Procurement and E-Commerce

N.B. The above thresholds, with the exception of the £189,330 OJEU threshold, include VAT.

### **Do the SFI's apply to all forms of expenditure?**

Yes the SFI's apply to revenue, capital, leases, endowment and charitable funds.

### **How is the contract value calculated?**

The value of a contract must be calculated over the whole life of a contract – therefore a 3 year contract at £15,000 per year has a value of £45,000 and would require three written quotations. It is not permissible to try and break down a requirement into smaller constituent requirements in order to by-pass the constraints imposed by the above SFI thresholds.

### **What if I am unable to comply with the SFI's due to standardisation or genuine unforeseen circumstances etc?**

Contact Procurement and E-Commerce to discuss - there is a waiver process in place and a form that will need to be completed and returned to Procurement and E-Commerce detailing the justification for waiving the SFI's. This needs to be authorised as follows:

£10K- £100K Trust Procurement

£100K- £250K Procurement Director

£250K- £500K Executive Director of Finance

£500K + Chairman of Board of Directors

N.B. We are unable to process requisitions until we receive the correctly authorised waiver form.

### **What are framework contracts?**

Framework contracts are contracts that have been put in place by national or regional organisations following an OJEU procedure. Therefore, by utilising these contracts the Trust automatically ensures compliance with SFI's. However, it should be noted that a direct award to one supplier is not always possible and further competition is often required (i.e. essentially a mini-tender). This also ensures the Trust will achieve value for money.

### **Why must I comply with the Trust SFI's when procuring goods or services?**

It is a requirement of the Trust Standing Orders/Financial Instructions that the purchase or lease of all goods and services in excess of £10,000 is subject to competitive tender. In circumstances where the tender requirement is being considered for setting aside, a waiver application form must be completed by the requisitioning officer who should also provide the required supporting evidence.

### **Raising of Electronic Requisitions**

Once the SFI's have been followed / waived please ensure that electronic requisitions are raised on Integra prior to commencing any service or receiving any goods. Please attach any relevant documentation, waivers, quotation etc. to the requisition.