

NILGOSC Purchasing Policy

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NILGOSC

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1. Introduction

- 1.1. NILGOSC, as a Non Departmental Public Body, is required to comply with Northern Ireland Public Procurement Policy and guidance issued by Construction & Procurement Delivery (CPD) within the Department of Finance and the Procurement Board.
- 1.2. This document sets out NILGOSC's policy for the purchase of all goods and services and has been developed in line with Northern Ireland Procurement Policy and the associated guidance. It also details the responsibilities of the Committee, senior management and those involved in purchasing as regards maintaining ethical standards.
- 1.3. Detailed procedures for the purchase of all goods and services in line with this Purchasing Policy are documented in NILGOSC's Purchasing Procedures.

2. Purchasing Objectives

- 2.1. NILGOSC's Purchasing Policy has the following objectives:
 - 2.1.1. To ensure maximum value for money is achieved for all purchases of goods and services.
 - 2.1.2. To ensure the purchasing of goods and services within NILGOSC complies with all relevant legislation.
 - 2.1.3. To ensure the principles of accountability, competitive supply, consistency, effectiveness, efficiency, fair-dealing, integration, integrity, informed decision-making, legality, responsiveness and transparency are adopted throughout NILGOSC's procurement processes.
 - 2.1.4. To ensure that NILGOSC's commitments under Section 75 of the Northern Ireland Act 1998 and the Freedom of Information Act 2000 are met.
 - 2.1.5. To ensure all relevant contracts are compliant with the General Data Protection Regulation.

3. Equality of Opportunity and Sustainable Development

- 3.1. NILGOSC recognises its responsibility to contribute to delivering greater equality, social inclusion and sustainable development in its procurement practices.

- 3.2. NILGOSC is committed to ensuring the goods and services it purchases are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner while delivering long term value for money for the business.
- 3.3. Equality of opportunity and sustainable development will be addressed at each stage of the procurement exercise, proportionate to the nature and scale of the procurement as set out in NILGOSC's Purchasing Procedures and guidance notes.
- 3.4. PPN 01/21 Scoring Social Value makes it mandatory for all public bodies to allocate a minimum of 10% of the total award criteria to score social value (the remaining available marks should be allocated to cost and quality). This 10% minimum score for social value applies to contracts for works above the [UK Procurement Threshold](#) and contracts for services above £500,000, (inclusive of VAT). Social value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment.

4. Ethical Standards for Purchasing

- 4.1. Procurement Act 2023, Part 5 Section 81 requires NILGOSC to take appropriate measures to effectively prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to avoid distortion of competition and ensure equal treatment of all economic operators. Details of these requirements are set out in Appendix 1.
- 4.2. Committee members and staff who are in a position to influence or undertake purchasing of goods and services must:
 - 4.2.1. Uphold the highest ethical standards.
 - 4.2.2. Ensure that they do not use their position to obtain personal gain from those doing business or seeking to do business with NILGOSC.
 - 4.2.3. Comply with the NILGOSC Acceptance of Gifts and Hospitality Policy to ensure NILGOSC can demonstrate that no undue influence has been applied (or could be inferred) by anyone dealing with NILGOSC, and that decisions reached regarding public expenditure and hospitality expenditure are based on value for money and incurred in accordance with the principles of regularity and propriety.
 - 4.2.4. Ensure they do not undertake commitments or involvements that give rise to a conflict of interest between fulfilling responsibilities to NILGOSC and fulfilling responsibilities arising from such other commitment or involvement.

- 4.2.5. Seek advice from the Deputy Secretary/Secretary if they consider that there is an actual or potential conflict of interest arising from existing or prospective commitments or involvement.
- 4.2.6. Formally declare any source of potentially conflicting interest in a register kept for that purpose by the Procurement Manager.
- 4.3. Interests which may give rise to an actual or perceived conflict may include shareholdings, prior involvement with a bidder, and other relevant financial, personal or social interests. If partners, siblings, and children work for or have a major interest in a bidder or potential bidder then this should be declared immediately this relationship becomes apparent.
- 4.4. When a relevant person completes a declaration the following should be considered:
 - 4.4.1. The nature of the interest – could it compromise or be perceived to compromise their impartiality or independence.
 - 4.4.2. The relevance of the interest – is the connection between the interest and the procurement procedure sufficiently close to assume that a conflict exists.
 - 4.4.3. The scope of the interest – whether an interest should be declared even though it extends beyond the scope of partners, siblings and children; for example friends.

5. Responsibility for Procurement within NILGOSC

- 5.1. The Finance Team has overall responsibility for procurement within NILGOSC, including administering the tender process and generating purchase orders for approval. This excludes responsibility for strategic investment purchases.
- 5.2. The Procurement Manager will ensure that NILGOSC follows NI Public Procurement Policy, the associated guidance issued by CPD, and best practice in public procurement.
- 5.3. The Secretary and Deputy Secretary are empowered to authorise all purchases except those that require Committee approval (see Section 11) and those that require approval by the Department for Communities and/or the Department of Finance (see Section 8).

6. Centre of Procurement Expertise

- 6.1. NILGOSC is required to carry out its procurement activities by means of a documented Memorandum of Understanding with Construction and Procurement Delivery (CPD) or a relevant Centre of Procurement Expertise (CoPE) in accordance with Northern Ireland Public Procurement Policy.
- 6.2. In order to comply with this requirement, NILGOSC uses the services of CPD and is named on CPD's Memorandum of Understanding with DfC for these services. Details of these requirements are set out in Appendix 2.

7. Economic Appraisal

- 7.1. NILGOSC will apply the principles of economic appraisal with appropriate and proportionate effort to all decisions concerning spending or saving money. This will include the award of contracts without competition, contract extension and contract modifications.
- 7.2. A comprehensive Business Case will be prepared for all projects over £500,000.
- 7.3. Economic Appraisals will be prepared using the latest published DoF templates with additional guidance available on NILGOSC's intranet 'Procurement Hub'.

8. Expenditure Approval

- 8.1. Expenditure which falls outside NILGOSC's delegations must be approved by the Department for Communities.
- 8.2. The Department for Communities must be notified of any expenditure which is not provided for in NILGOSC's annual budget.
- 8.3. Expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits, must be approved by the Department for Communities and the Department of Finance.
- 8.4. Expenditure that would entail contractual commitments to significant levels of spending in future years for which plans have not been set must be approved by the Department of Finance.
- 8.5. Taking out insurance other than commercial property, employers' liability, public liability, travel and any other insurance required to protect the security of the pension fund must be approved by the Department for Communities and the Department of Finance.

- 8.6. IT Projects over £1 million and Capital Projects over £2 million must be approved by the Department of Finance.

9. Award of Contracts

- 9.1. All contracts, where possible, will be awarded on a competitive basis.
- 9.2. NILGOSC aims to use Crown Commercial Service, CPD and Local Government Pension Scheme collaborative contracts/frameworks where possible. Where such a contract/framework exists, NILGOSC will assess its suitability. If it is not deemed suitable for NILGOSC's needs or is not deemed to be value for money or cost effective, NILGOSC will document the rationale and run its own competition following agreement from CoPE in agreement with the Procurement Control Limits as per [PPN 04/21](#). Details of these requirements are set out in Appendix 3.
- 9.3. Contracts that are above the Public Procurement Thresholds will be awarded based on either lowest price, or the Most-Advantageous Tender (MAT). These criteria ensure compliance with The Procurement Act 2023 and guarantee that tenders are assessed in conditions of effective competition.
- 9.4. Contracts below the Public Procurement Thresholds will be awarded based on either the lowest acceptable price which meets the specification and any mandatory requirements/minimum standards, or the best combination of price and quality (BPQ).
- 9.5. The optimum procurement control limits set by the Procurement Board and guidance issued with respect to procurements below the Public Procurement Thresholds are reflected in NILGOSC's Purchasing Procedures.

10. Award of Contracts without Competition ([Direct Award Contracts](#))

- 10.1. NILGOSC aims to carry out all procurement by means of competition. NILGOSC may however depart from the usual obligations on competition and transparency, including for those contracts as permitted in Chapter 3 sections 41 to 44 of the Procurement Act 2023. Details of these requirements are set out in Appendix 4.

- 10.2 Purchases up to £10,000 awarded without a competition are not considered to be Direct Award Contracts if they are dealt with in accordance with Procurement Policy Note (PPN) 04/21: Procurement Control Limits (updated March 2025)
- 10.3. Where NILGOSC intends to award a contract in excess of the departmental delegated limit without competition, the following will apply:
- 10.3.1. Assurance will be sought from NILGOSC's CoPE that a direct award approach is appropriate for the contract.
 - 10.3.2. Prior approval of the Accounting Officer is required.
 - 10.3.3. Prior approval of the Management Committee is required.
 - 10.3.4. Prior approval of the Departmental Accounting Officer approval is required.
 - 10.3.5. Where the contract relates to the appointment of external consultants, prior approval of the Permanent Secretary is required.
 - 10.3.6. Where the contract is awarded under the exemption offered by Chapter 3 Section 44 of the Procurement Act 2023 a Transparency Notice must be published on Find a Tender Service (FTS).
- 10.4. Detailed procedures for Direct Award Contracts are set out in NILGOSC's Purchasing Procedures.

11. Contracts Reserved for Committee Approval

11.1. The following contracts are reserved for Committee approval:

- Fund Managers
- Internal Auditor
- Global Custodian
- Investment Advisor
- Actuary
- Capital Projects with an annual charge exceeding £100k or total spend in excess of £500k
- Contracts with an annual spend exceeding £100k or total contract spend exceeding £500k
- IT Contracts with an annual spend exceeding £100k or total contract spend exceeding £500k
- Single Supplier without Competition (SSWC) exceeding £10k
- Direct Award Contracts exceeding £10k

- 11.2. The Audit Committee will advise the Management Committee on the appointment of the Internal Auditor.
- 11.3. Notwithstanding the above, the Secretary and Deputy Secretary are empowered to sign contracts on behalf of NILGOSC once the contracts have been approved by the Committee.

12. Appointment of Financial Services Providers

- 12.1. The appointment of Financial Services providers may be carried out by means of a tender exercise from a Select List compiled by the Investment Advisor or by an open tender exercise.
- 12.2. Where the amount of the tender exceeds the Public Procurement Thresholds, there is no requirement to place a notice in the Find a Tender service portal as this is covered by a specific exception in relation to public service contracts for financial services by Schedule 2 paragraph 16 of the Procurement Act 2023.
- 12.3. The Department for Communities has confirmed that it is appropriate that the appointment of Financial Services providers is carried out by means of a tender exercise from a Select List compiled by the Investment Advisor.

13. Appointment of Bankers

- 13.1. A comprehensive review of banking arrangements will be carried out every 3 years, with a competitive tender process taking place at least every 3-5 years in the absence of a collaborative framework.

14. Appointment of Consultants

- 14.1. A full Business Case will be prepared for all consultancy assignments expected to exceed £10,000, and a proportionate Business Case for all consultancy assignments below £10,000.
- 14.2. A detailed assessment will be carried out for large-scale external consultancy projects (over £1million).
- 14.3. An annual statement on the status of all consultancies completed and/or started in each financial year will be provided to the Department for Communities.
- 14.4. Approval for the appointment of consultants will be obtained as follows:

- 14.4.1. Ministerial approval for all external consultancy assignments.
- 14.4.2. Departmental Accounting Officer, Ministerial and the Department of Finance approval for external consultancy assignments over £75,000.
- 14.4.3. Departmental Accounting Officer approval for external consultancy direct award contracts.

15. Project Management

- 15.1. NILGOSC will maintain an effective system of project management for all projects.
- 15.2. For the purpose of the NI Gateway Review Process, NILGOSC will normally apply a de minimis limit of £5,000,000 and above for projects below which a Risk Potential Assessment (RPA) is not required. For those projects exceeding £5,000,000, an RPA will be completed and forwarded for consideration to CPD's Centre of Expertise for Programme and Project Management.

16. Contract Management

- 16.1. NILGOSC will maintain an effective system of contract management for all contracts, proportionate to the value, risk and complexity of the contract.
- 16.2. Effective contract management via the use of a [Contracts Register](#) will ensure the following:
 - 16.2.1. The terms and conditions of the contract are met in full and the goods/services provided comply with NILGOSC's specified requirements;
 - 16.2.2. There is documented evidence of good performance to assist in evidencing the achievement of value for money and benefit realisation; and
 - 16.2.3. There is documented evidence of poor/unsatisfactory performance to facilitate improvement and, in exceptional cases, to permit early recourse to NILGOSC's rights under the default provisions.

Conflicts of Interest : Procurement Act 2023

81 Conflicts of interest: duty to identify

- (1) A contracting authority must take all reasonable steps to identify, and keep under review, in relation to a covered procurement any—
 - (a) conflicts of interest, or
 - (b) potential conflicts of interest.
- (2) There is a conflict of interest in relation to a covered procurement if—
 - (a) a person acting for or on behalf of the contracting authority in relation to the procurement has a conflict of interest, or
 - (b) a Minister acting in relation to the procurement has a conflict of interest.
- (3) A person who influences a decision made by or on behalf of a contracting authority in relation to a covered procurement is to be treated as acting in relation to the procurement.
- (4) In this section—

“interest” includes a personal, professional or financial interest and may be direct or indirect;

“Minister” means—

 - (a) a Minister of the Crown;
 - (b) a member of the Welsh Government;
 - (c) the First Minister, deputy First Minister or a Northern Ireland Minister;

“member of the Welsh Government” means a person referred to in section 45 of the Government of Wales Act 2006.

82 Conflicts of interest: duty to mitigate

- (1) A contracting authority must take all reasonable steps to ensure that a conflict of interest does not put a supplier at an unfair advantage or disadvantage in relation to a covered procurement.
- (2) Reasonable steps may include requiring a supplier to take reasonable steps.
- (3) Subsection (4) applies if a contracting authority considers that—
 - (a) a conflict of interest puts a supplier at an unfair advantage in relation to the award of a public contract, and
 - (b) either—
 - (i) the advantage cannot be avoided, or
 - (ii) the supplier will not take steps that the contracting authority considers are necessary in order to ensure it is not put at an unfair advantage.
- (4) The contracting authority must in relation to the award—
 - (a) treat the supplier as an excluded supplier for the purpose of—
 - (i) assessing tenders under section 19 (competitive award), or
 - (ii) awarding a contract under section 41 or 43 (direct award), and
 - (b) exclude the supplier from participating in, or progressing as part of, any competitive tendering procedure.
- (5) In this section, “conflict of interest” has the meaning given in section 81.

83 Conflicts assessments

- (1) Before publishing a tender or transparency notice in relation to a covered procurement, a contracting authority must prepare a conflicts assessment in relation to the procurement.
- (2) Before publishing a dynamic market notice in relation to the establishment of a dynamic market, a contracting authority must prepare a conflicts assessment in relation to the establishment.
- (3) A conflicts assessment must include details of—
 - (a) conflicts or potential conflicts of interest identified in accordance with section 81 (duty to identify),
 - (b) any steps the contracting authority has taken or will take for the purposes of section 82 (duty to mitigate).
- (4) If a contracting authority is aware of circumstances that it considers are likely to cause a reasonable person to wrongly believe there to be a conflict or potential conflict of interest, a conflicts assessment must also include details of any steps the contracting authority has taken or will take to demonstrate that no such conflict or potential conflict exists.
- (5) A contracting authority must—
 - (a) keep any conflicts assessment under review,
 - (b) revise the assessment as necessary, and
 - (c) when publishing any relevant notice, confirm that a conflicts assessment has been prepared and revised in accordance with this section.
- (6) Subsection (5) does not apply after—
 - (a) a contracting authority has given notice of its decision not to award the contract (under section 55),
 - (b) a contract termination notice is published in relation to the procurement, or
 - (c) a dynamic market notice is published in relation to the market ceasing to operate.
- (7) In the case of a contracting authority that is a private utility—
 - (a) the reference in this section to notice of a decision not to award a contract is a reference to the decision;
 - (b) the reference in this section to a contract termination notice being published in relation to a procurement is a reference to the contract being terminated;
 - (c) the reference in this section to a dynamic market notice being published in relation to a market ceasing to operate is a reference to the market ceasing to operate.
- (8) In this section—

“conflict of interest” has the meaning given in section 81;

“relevant notice” means—

 - (a) a tender notice,
 - (b) a transparency notice,
 - (c) a dynamic market notice in relation to the establishment of a dynamic market,
 - (d) a contract details notice relating to a public contract, or
 - (e) a contract change notice;

“terminated” is to be understood by reference to section 80(3).

Construction & Procurement Delivery

As an Executive Agency within the Department of Finance (Northern Ireland), Construction & Procurement Delivery provides a professional, fully inclusive procurement service to an increasing number of public sector organisations.

The core business of Construction & Procurement Delivery is to establish on behalf of customers effective contracts for the procurement of goods and services and provide advice and support to enable them to achieve value for money improvements in procurement.

Construction & Procurement Delivery is a commercially orientated professional purchasing executive agency, created to maximise value for money and ensure fair and open competition for government business.

The Department of Finance has decided that Departments, their Agencies, NDPBs and public corporations should carry out their procurement activities by means of Service Level Agreements with Construction & Procurement Delivery or a relevant Centre of Expertise (C.O.P.E.).

NILGOSC is named within DfC's Memorandum of Understanding to use the services of CPD

NILGOSC Delegations of Authority and Derogations

NILGOSC Delegations of Authority

**For some specialist supplies or services there may only be one supplier in the market. If this is the case, sufficient justification for not seeking a second price check should be documented*

Value (exclusive of VAT)	Procedure	NILGOSC Authority
Up to £10,000	Provide evidence that 2 prices have been sought, where this is possible*	Carried out by NILGOSC procurement
£10,000 to £50,000	3 written quotations are sought, where this is possible*	Carried out by NILGOSC procurement
£50,000 to UK Thresholds	Advertise on eTendersNI	Tenders advertised by CPD with NILGOSC involvement
Above UK Thresholds	Advertise on eTendersNI and Find a Tender Service	Tenders advertised by CPD with NILGOSC involvement

NILGOSC Derogations

NILGOSC has several derogations in place, agreed by DfC for niche services;

- Fund manager services and other investment related services via the Local Government Pension Scheme (LGPS) Framework
- Executive recruitment
- Carbon exposure analysis
- Legal Services (Schedule 2 paragraph 14 of the Procurement Act 2023)

Direct Award : Procurement Act 2023

Subsequent to the Procurement Act 2023 coming into force on 24 February 2025, DoF has issued revised guidance on Direct Award Contracts (DAO 06/22 issued 5 June 2025) raising the threshold from £5k to £10k. Procurements below this threshold are designated Single Supplier without Competition (SSWC) transactions.

41 Direct award in special cases

(1) If a direct award justification applies, a contracting authority may award a public contract directly—

- (a) to a supplier that is not an excluded supplier, or
- (b) in accordance with subsection (2).

(2) A contracting authority may award a contract to a supplier that is an excluded supplier if the contracting authority considers that there is an overriding public interest in awarding the contract to that supplier.

(3) A contracting authority may carry out a selection process or take such other preliminary steps as it considers appropriate for the purpose of awarding a contract under this section.

(4) Before awarding a contract to a supplier under this section, a contracting authority must consider whether the supplier is an excludable supplier.

(5) There is an overriding public interest in awarding a public contract to an excluded supplier if—

- (a) it is necessary in order to construct, maintain or operate critical national infrastructure,
- (b) it is necessary in order to ensure the proper functioning of a sector on which the defence, security or economic stability of the United Kingdom relies,
- (c) failure to do so would prejudice the conduct of military or security operations, or the effective operation of the armed forces or intelligence services, or
- (d) the contract is being awarded by reference to [paragraph 13](#) of Schedule 5 (extreme and unavoidable urgency) and cannot be awarded to, or performed by, a supplier that is not an excluded supplier within the necessary time frame.

(6) The direct award justifications are set out in Schedule 5.

(7) In this section, “intelligence services” means the Security Service, the Secret Intelligence Service and the Government Communications Headquarters.

42 Direct award to protect life, etc

- (1) If a Minister of the Crown considers it necessary, the Minister may by regulations provide that specified public contracts may be awarded under section 41 as if a direct award justification applies.
- (2) In subsection (1), “necessary” means necessary to—
- (a) protect human, animal or plant life or health, or
 - (b) protect public order or safety.
- (3) Provision under subsection (1) may—
- (a) specify contracts or classes of contract, or otherwise describe contracts by reference to purpose, subject-matter or contracting authority;
 - (b) include other conditions or limitations;
 - (c) confer a discretion.
- (4) A Minister of the Crown must—
- (a) keep regulations made under subsection (1) under review, and
 - (b) if the Minister considers that direct award under section 41 is no longer necessary, revoke the regulations.

43 Switching to direct award

- (1) A contracting authority may award a public contract directly to a supplier that is not an excluded supplier if—
- (a) the authority has invited suppliers to submit tenders as part of, or requests to participate in, a competitive tendering procedure in respect of the contract,
 - (b) it has not received any suitable tenders or requests in response, and
 - (c) it considers that award under section 19 is not possible in the circumstances.
- (2) A tender or request is not suitable if the contracting authority considers that—
- (a) it would be disregarded in an assessment of tenders under section 19(3)(a), (b) or (c);
 - (b) it does not satisfy the contracting authority’s requirements or the award criteria when assessed by reference to the assessment methodology and the relative importance of the criteria indicated under section 23(3);
 - (c) there is evidence of corruption or collusion between suppliers or between suppliers and contracting authorities;
 - (d) it materially breaches a procedural requirement in the tender notice or associated tender documents.
- (3) A reference to a tender breaching a procedural requirement includes a reference to a supplier breaching a procedural requirement in relation to the tender.
- (4) A breach is material if the contracting authority considers that ignoring it would put the tender at an unfair advantage.
- (5) A contracting authority may carry out a selection process or take such other preliminary steps as it considers appropriate for the purpose of awarding a contract under subsection (1).

(6) Before awarding a contract to a supplier under this section, a contracting authority must consider whether the supplier—

- (a) is an excludable supplier, or
- (b) submitted an unsuitable tender or request in response to the invitation referred to in subsection (1)(a).

44 Transparency notices

(1) Before awarding a contract under section 41 or 43 a contracting authority must publish a transparency notice.

(2) A “transparency notice” means a notice setting out—

- (a) that a contracting authority intends to award a contract directly, and
- (b) any other information specified in regulations under section 95.

(3) This section does not apply in relation to the award of a contract under section 41 by virtue of [paragraph 15](#) of Schedule 5 (direct award: user choice contracts).