

## PROCUREMENT POLICY

1. For items under £500 which are within pre-agreed budgets, purchasing decisions are at the discretion of the individual Director who is responsible for ensuring value for money.
2. For items between £500 and £1500 a written quotation is to be obtained and a price comparison with at least two other suppliers should be undertaken. The purchase must be approved in advance by two Directors of the company.
3. For items between £1500 and £5000, three written quotes are to be obtained from suppliers based on a clear specification. The procurement decision will be based on value for money which might include an unbiased consideration of the following factors:
  - *Price*
  - *Ability to deliver the required service or goods to the quality and timescales required (taking into account the specific factors of island location.)*
  - *Warranty and guarantees*
  - *Experience / reputation / recommendation*

The purchasing decision will be approved by the Company Board prior to acceptance of the quotation / placing of the order.

4. For items above £5000 a written specification will be drawn up and the opportunity will normally be advertised. The type of advertisement and the selection criteria will depend on the nature of the opportunity and the likely suppliers. This may include the Public Contracts Scotland website and local, national or international trade press. The purchasing decision will be approved by the Company Board.
5. For very large projects involving public funding, the requirement to advertise in the Official Journal of the European Union will be complied with.
6. A preferred supplier may be selected directly where the services or goods required:
  - *are highly specialist and potential alternative suppliers cannot be identified.*
  - *are commercially confidential and / or where it is inappropriate for information about the need for the services or goods to be released to the market.*
  - *Extend or rely on knowledge from a relevant previous collaboration with one particular supplier*

In these cases, reasonable steps will be taken to establish that the supplier's costs are acceptable eg by comparing day rates from other similar businesses where this is practicable and recording and retaining the information in the form of a file note.

The final purchasing decision rests with the Board of the Trust.