

Health Service Executive



Framework for the Corporate and Financial Governance of the Health Service Executive

Procurement Policy

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Table of Contents

Section	Page
1. Foreword.....	3
2. Procurement Policy.....	3
3. Expertise and Probity	4
4. Casual Purchases	4
5. Subsidised Contracts	4
6. Conflicts of Interest.....	5
7. Statutory Provisions.....	5
8. Criminal Convictions.....	5

1. Foreword

The HSE was established under the Health Act 2004 with effect from 1st January 2005. The HSE has adopted a corporate governance regime in accordance with best practice. To this end it shall put in place and keep under annual review and update as required a suite of governance documents setting out policies and procedures.

The purpose of this document is to set out an overview of the HSE board policy on the management of procurement within the HSE.

This document should be read in conjunction with the HSE document “Framework for Corporate and Financial Governance of the HSE” and the HSE Procurement Policy which was launched by the CEO on 18th January, 2006 and is published on the HSE website:

- http://hsenet.hse.ie/HSE_Central/Commercial_and_Support_Services/Procurement/HSE_Policies_Procedures/
- www.hse.ie

This Framework for the Corporate and Financial Governance of the HSE was first approved by the HSE Board at its meeting held on 7th September 2006 and version 2 was approved at the Board meeting held on 1st November 2007. The Framework was approved by the Minister for Health and Children on 26th March 2008.

2. Procurement Policy

Procurement is defined as the acquisition, whether under formal contract or otherwise, of works, supplies and services. It ranges from the purchase of routine supplies or services to formal tendering and placing contracts for large infrastructural projects.

Procurement actions must focus on compliance with the relevant HSE, EU, WTO and Government legal requirements and obligations including:

- Public Procurement Guidelines - Competitive Process (2004)
- Public Sector Procurement Regulations (2006)
- EU Public Procurement Directive 2004/18/EC
- HSE Procurement Policy
- HSE National Financial Regulations

Procurement policy and practice must conform to certain core principles and should therefore be:

- accountable;
- competitive;
- non-discriminatory and provide for equality of treatment;
- fair and transparent; and
- conducted with probity and integrity.

HSE's Procurement Policy promotes open and transparent competition as a means of achieving value for money. HSE's Procurement Policy imposes obligations on purchasers to:

- adequately specify requirement and award criteria
- openly advertise requirements
- evaluate responses against specified requirement and award criteria
- maintain adequate records

The Head of Procurement is responsible for maintaining a continuous review of the procurement regulations and submitting any additions or changes necessary for approval. The Head of Procurement is also responsible for reporting, where appropriate, breaches of the procurement regulations.

3. Expertise and Probity

Managers should ensure that staff involved in purchasing or placing contracts are familiar with the EU and international rules that may apply and are aware of the legal and policy framework within which procurement must be conducted. To safeguard against improper or unethical practices managers must also take measures to separate functions within the procurement cycle, by ensuring that, for example, ordering and receiving goods and services are distinct from payment for goods and services.

4. Casual Purchases

Purchasing profiles should be examined to minimise casual or "once off" purchases. Recurring or ongoing requirements should be analysed and appropriate contracting arrangements put in place for efficient and cost effective delivery of recurring supplies and services.

5. Subsidised Contracts

Most works and related services contracts awarded by a private entity, which are subsidised 50% or more by a public body, must be awarded in accordance with the EU Directives if they exceed the EU thresholds. It is the responsibility of the subsidising body to ensure that this provision is observed.

For contracts below the EU thresholds funded or part-funded from public funds, awarded by private sector entities, the funding authority should ensure that they are awarded in accordance with the procedures set out in Section 5 of the Public Procurement Guidelines – Competitive Process (2004) guidelines to the extent that this is practical and proportionate.

Where appropriate, this requirement should be included among the conditions attached to the grant of funds to private sector entities.

6. Conflicts of Interest

Purchasing authorities should be aware of potential conflicts of interest in the tendering process and should take appropriate action to avoid them. Care should be taken to ensure that project specifications and criteria should be as open and generic as possible in order to avoid favouring any one solution or any one party.

7. Statutory Provisions

Before awarding a contract, purchasing authorities should ensure that tenderers have regard to statutory provisions relating to minimum pay, legally binding industrial or sectoral agreements and relevant health and safety issues, when preparing tenders. An appropriate reference to the need for compliance with such provisions should be included in tender documents.

8. Criminal Convictions

In line with the revised procurement Directives, candidates or tenders who have been convicted of involvement in organised crime, of fraud, corruption or money laundering must be excluded from performing a public contract.

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