

BBC Purchasing Policy

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Department: BBC Procurement

Summary

5.1.

Introduction

The Procurement Department is responsible for the administration and maintenance of the BBC purchasing policy. The policy reflects the BBC's corporate values, regulatory obligations and the principles set within the Charter, to maximise value for money in spending the licence fee.

Compliance with this policy is expected of any member of staff acting on behalf of the BBC and committing expenditure with third party organisations. The policy helps those spending on behalf of the BBC to do so in full compliance with the principles of good buying practice.

Procurement Department centrally manage pan-BBC contracts for goods and services, framework agreements, and catalogues and provide a purchasing channel for most types of spend required to support the BBC's operational activities.

As a

Regulations it is important that the Procurement Team are engaged as early as possible to identify the best options available to meet the business need, whilst meeting our obligations under the Procurement Regulations.

There are penalties for breaching the Regulations, set out in Appendix F (The Need for a Policy). For further details speak to your [Procurement Business Advisor](#) or the [Category Lead](#).

3.6. Procurement Team Engagement

The Procurement Team provide a range of professional expertise to support staff spending on behalf of the BBC, including:

- in-depth category and market knowledge;
- supplier intelligence and 'best-route-to-market' expertise;
- in-contract negotiation and dispute-resolution; and
- practical knowledge of the Procurement Regulations.

For most types of expenditure there are existing purchasing channels, negating the need to run a long or complex procurement process. For spend over £50k early engagement with the Procurement Team is important to ensure the best route to meet the business needs.

For more information on how the Procurement Team can add value through early engagement, please see the [BBC Commercial Lifecycle](#).

To find a catalogue or framework for specific goods or services, search on [Buy/Book/Order](#).

For specific purchasing advice, the relevant [Procurement Business Advisor](#) or [Category Lead](#) should be contacted.

4. Contracting

Contracts are legally binding agreements that set out the rules for transactions between the BBC and its suppliers.

“On-contract” spend is spend with a supplier with whom a contract is in place. On-contract spend is one of the key measures for demonstrating value for money.

“Off-contract” spend is spend with a supplier with whom there is no pre-existing contract, or where the pre-existing contract does not cater for the proposed goods/services to be purchased. Off-contract spend may be reported in the exception reporting. This reporting is sent regularly to Divisional Finance Directors and Senior Stakeholders / Budget Holders.

Details of the different types of contracting arrangements are set out below. Each type of

Easier to demonstrate value for money has been achieved;

The scope of the proposed purchase must be within the requirements specified at the time of establishing the framework.

Where a framework agreement is in place that covers and is able to deliver the goods and/or services required, it must be used as the route to buy unless a strong justification exists for an alternative purchasing route which has been agreed with the Procurement Team.

Suppliers cannot be added to an existing framework. A full list of frameworks can be found on Buy Book Order.

4.1.3. Bespoke Contract

For large, complex contracts a bespoke contract, based on the BBC's Terms of Trade, is likely to be required. BBC Legal should be involved at the earliest stage, to construct a contract that is fit for purpose, according to the specific nature of the purchase. These contracts are typically created from templates and will have a set of schedules that cover the scope of the purchase, including service level agreements, pricing and other elements such as implementation and transition. The Procurement Team will advise if a bespoke contract is required.

4.1.4. In-Contract Change

A supplier may already have a contract with the BBC, but the scope of that contract may not cover particular goods and/or services required. In order to meet such a requirement, the options are:

- Purchase from an alternative supplier who already has a contract in place;
- Run a procurement

5. Purchasing

Purchase orders govern the day to day ordering of goods and services that support the operation of the BBC. A purchase order specifies the goods/services required and the contract terms. The BBC operates a “no purchase order – no pay” policy which means that supplier invoices will not be paid until they are matched against a valid BBC purchase order.

It is best practice to raise a purchase order at the time of ordering, and prior to the receipt of the goods/services. This provides an auditable financial approval ‘paper trail’ and covers the BBC through the agreement of terms prior to commitment (the BBC’s Terms of Trade). Consequently no commitment should be made to a supplier, other than via an approved purchase order.

Supplier invoices must be sent to BBC Accounts Payable. A list of the information that each invoice should include is provided at Appendix C. Invoices that match to a purchase order will be paid automatically. Invoices that do not match will go into query.

Retrospective purchase orders (raised after the invoice is received) are not good practice and should be avoided where possible. These arrangements lack a sufficient audit trail and legal cover through agreed terms. For commitment with no purchase order there is a heightened risk of fraud, policy leakage, lack of supplier due diligence, understated financial planning and late payments – combining to also increase the overall level of reputational risk to the BBC.

Purchase orders must reflect the full cost of the commitment and not be ‘split’ into multiple purchase orders of smaller amounts. Instances of splitting spend across multiple purchase orders may be flagged in the exception reporting.

Purchase orders can be raised via a number of methods:

5.1. Catalogues

Catalogues are accessed via Quick Order and provide an easy route to use the BBC’s contracts for goods and services. Catalogue purchases are pre-approved by Procurement and only require budgetary approval before a purchase order is created and sent to the supplier.

There are two types of catalogue:

Fixed price catalogue – These are supplier-maintained catalogues of goods (e.g. stationery) which are pre-populated with product and pricing details.

Preferred supplier catalogue – A BBC maintained ‘list’ of approved suppliers, which requires product/service description and price to be manually populated.

There is an extensive range of suppliers in the fixed-priced and preferred supplier catalogues, these routes are accessed via Quick Order, at the [Buy/Book/Order](#)

For catalogue spend, it is policy that these preferred suppliers are used without exception.

5.2. "Can't Find" Shopping Cart

Also accessed via Quick Order, a "Can't Find" shopping cart can be used when the required supplier/goods/services are not available in the catalogues. The supplier is selected from a list of previously-used suppliers. If the supplier is not in the list, it will need to be set up, which is likely to cause a delay in the ordering process. As well as

Appendix C – Invoice Details

Invoices should be sent to BBC Accounts Payable and the following information must be provided on each invoice:

Addressed to the BBC, British Broadcasting Corporation or relevant BBC subsidiary.
Department or programme title on its own is not sufficient

Supplier's name and address

The word invoice (or if a credit, the words credit note)

Invoice number

Invoice date

Value and currency

Description of goods and services supplied

BBC purchase order number (and PO item number if applicable)

Contact detail.opbnvonvo

Appendix D – Relevant Policies and Legislation around Contracting

Policy or Legislation	
BBC Code of Conduct	3.2 & 3.5 - Buying & Spending wisely
BBC Policies	Anti-Bribery Declaration of personal interest Diversity & Inclusion Environmental Expenses Ethical Policy Information Security Policy Intermediaries (IR35) Small & Local Suppliers Technology Accessibility Policy
BBC Strategies	Diversity and Inclusion Sustainability Net Zero plan and targets Responsible Procurement Strategy
BBC Statements	Impartiality Modern Slavery Single Use Plastics – Statement of Intent
BBC Guidelines	Fair Trading Investment
Non-compliance Policies	

