

CrossCountry Procurement Policy

October 2023

Version 1

Prepared by

Procurement Manager

Reviewed by

Head of Procurement and Property

Authorised by

Finance Director

Synopsis

CrossCountry shall have a safe, effective, and comprehensive processes in place for purchasing goods, works and services from external suppliers. This policy is aligned to CrossCountry's procurement and business strategies.

Purpose and Scope

The purpose of this document is to outline CrossCountry's approach to procurement activities. It has been produced for observance of suppliers and external individuals that participate in any aspect of a procurement activity and the details contained in the policy will be applied to procurement activities. The detail in this document enables us to do this in a fair and transparent way.

CrossCountry encourage transparency and opportunities for all potential suppliers. Our procurement opportunities will be posted to Find my Tender when appropriate, and on occasion we may need to limit the supplier pool for operational reasons through -

- A supplier pre-qualification process.
- Previous railway understanding or experience utilising systems such as RISQS for pre-qualification.

**Our
Values**



We care
passionately



We make the
difference



We do the
right thing

crosscountry



Introduction

Our Vision

Our vision is to ensure that CrossCountry acts as a *'Good and Efficient Operator'* through all its procurement activities, ensuring value for money and robust and fit for purpose contracts.

To deliver our vision, we have a defined list of guiding principles that reinforce everything we do. These are outlined below.

- ✓ **Value** - Delivering value to the business.
- ✓ **Delivery** - Strategic supply chain management.
- ✓ **Risk** - Effective risk management.
- ✓ **Performance** - Improving business performance.
- ✓ **Sustainability** - Operating safe, socially and environmentally responsible businesses.
- ✓ **Governance** - Ensuring process and policy compliance with regards to decision making, accountability, control, and behaviours of the business and our suppliers.

**Our
Values**



crosscountry



CrossCountry Procurement

New Contracts

When a new contract is required, CrossCountry Procurement will ensure that all contractual commitments, current and anticipated are considered, and sourced in line with the defined procurement approach.

Wherever possible, contracts will be concluded on CrossCountry's general conditions of contract. From the outset of the procurement activity and when engaging with suppliers we will advise that contracting using CrossCountry's preferred terms is our favoured option.

The thresholds set out below detail the procurement approach required for competitive purchases of goods, works and/or services based on the value of the commitment - the full term of the arrangement. Where applicable, CrossCountry will undertake tenders in accordance with the Utilities Contracts Regulations 2016 (UCR). The table provides guidance on the procurement approach; however, this is subject to change depending on the value and level of risk that the purchase may impede on the business.

Table 1. Thresholds

Potential Spend Net Value	Procurement Approach
Up to £5,000	One written quotation
£5,000 - £10,000	Two written quotations
£10,001 – £25,000	Three written quotations
£25,001 - £355,795 (£426,954 inclusive of VAT)	Competitive tender and contract formulation
Purchases of services and goods applicable to the UCR which are over the UCR threshold (as at the date of publication of this Policy - £426,955 inclusive of VAT)	UCR competitive tender
Purchases for works applicable to the UCR which are over the UCR threshold (as at the date of publication of this Policy £5,336,937 inclusive of VAT)	UCR competitive tender



Key Contracts

Under the terms of our National Rail Contract (NRC) specific contracts are designated 'Key Contracts' by the Department for Transport on behalf Secretary of State for Transport (DfT).

These contracts are necessary for the purpose of securing continuity of the rail services by a successor operator on the expiry or termination of our NRC. Our NRC states that no key contracts can be entered into or amended without DfT approval. Processes have been designed within CrossCountry to ensure that we remain compliant with these obligations under our NRC. Where a contract is to be designated as a key contract under our NRC it is a requirement that the supplier enters into a "direct agreement" with the DfT in a form satisfactory to the DfT to deal with continuity of service, this will be a condition of any award following a tender exercise.

Our obligations in respect of purchases and key contracts are more fully set out in our NRC.

Direct Awards

In certain circumstances it may be appropriate to direct award a contract to a supplier. This is permitted under the UCR in certain circumstances, for example, if there is no other supplier in the market or the goods, works or services are urgently required to ensure continuity of operations. No direct awards can be made without the consent of the Head of Procurement and Property and the Finance Director.

Tender Process

CrossCountry will ensure tenders are conducted in accordance with this policy observing to the following principles:

- Tenders will be conducted fairly, consistently, and transparently.
- New contracts will be sourced in line with this policy and the thresholds in *Table 1. Thresholds*, and where applicable tenders will be published on Find my Tender.
- All bidders who express an interest in the tender will be treated fairly and equally which shall include all suppliers being provided with the same information (including answers to clarification questions unless they are deemed confidential to a bidder) and evaluated in accordance with the pre-determined evaluation criteria.
- For tenders for which the UCR is applicable, the provisions of the UCR shall be followed.

No Purchase Order, No Pay Policy

CrossCountry adopts a "**No Purchase Order, No Pay**" policy. Purchase Orders (PO's) must be used for purchase of goods, works and services by CrossCountry and PO's will be raised and issued to suppliers upon internal approval.

It is not acceptable for PO's to be raised after the receipt of an invoice, and this could delay the payment of an invoice. This means that all goods, works or services should not be ordered or instructed until the requester has an approved PO.

It is the suppliers responsibility to include the PO number on their invoice to enable the PO to be goods receipted, matched, and paid successfully.



Corporate and Social Responsibility

CrossCountry are committed to buying more sustainable fuel and energy and procuring other sustainable goods, works, and services wherever this is practical. We are also committed to using more renewable electricity and implementing the waste hierarchy across our supply chain. CrossCountry will ensure that a life cycle approach is adopted where appropriate to ensure minimal environmental impact and continual improvement.

Through our contracts we look to ensure payment of a living wage and where possible avoid the use of zero-hour contracts.

CrossCountry observe the following as part of our commitment to corporate and social responsibility:

- Gifts, hospitality, and other inducements
- Conflicts of Interest
- Anti-competitive behaviour
- Anti-bribery
- Code of Conduct for Business Partners
- Whistle-blowers

As a responsible business, CrossCountry is proud to work with and support Small and Medium-sized Enterprises (SMEs), and such organisations are encouraged to engage with us in supplying goods, works and services. Under our NRC, we are required to report annually on our use of SMEs, in supporting other areas of Government policy.

New Suppliers

All new suppliers identified for use by CrossCountry are required to be set up in our finance system following the completion of the Supplier Details Request Form and confirmation of appropriate sourcing documentation such as quotations, tenders, references, VAT validation and a company registration check. The Supplier Details Request Form is also used for changes to existing supplier details.

All new suppliers' requests require the approval of the Financial Director and the Head of Procurement before they can be submitted for set up.

Where a member of Procurement has not been directly involved in the sourcing exercise, all required documents must be provided, or the new supplier may be rejected.

Further Information

For further information about our procurement policy and how we purchase goods, works and services contracts please contact procurement.admin@crosscountrytrains.co.uk

**Our
Values**



crosscountry

