

## PROCUREMENT POLICY

### Document control

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### Revision History

Revision	Date	Status	Description	Author
R00		Issued	Update of existing document for new branding	PeterH
R01				

### Scheduled Reviews

This Procurement Policy will be reviewed by the Operational Board of Directors periodically as per the indicative schedule below and or scheduled in line with major projects requiring significant procurement.

The policy will also undergo continual assessment and review by HOD's to ensure that it remains current and reflects the deliverables of the team across all departments.

Any elements deemed to have significantly altered, or where key changes to the plan have been identified, will be incorporated into the policy.

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## 1. INTRODUCTION

ES GLOBAL is a lead contractor for major events and projects around the world, designing and delivering relocatable architecture and structures. Starting over 50 years ago, and with regional offices across four continents, the business provides touring stages for concerts and cultural events, sporting spectacles and critical infrastructure.

## 2. PURPOSE

ES Global Holdings Limited and its subsidiaries (ES Global) is committed to ensuring that our projects will be delivered in accordance with this Procurement Policy. This policy has been developed from existing and new company procedures, which have evolved during the production of major events over the past 30 years and in alignment with ES Global Principles and responsibilities to its Clients and Shareholders.

ES Global aims to implement decisions and activities which adhere to universal principles of good governance with a strong commitment to a policy that sources and manages the procurement of goods and services in a manner that allows it to deliver on its commitment to the Clients and shareholders in accordance with the guiding principles below.

## 3. POLICY STATEMENT

ES Global commits to the procurement processes being consistent, comprehensive, transparent, defensible, and commensurate with the levels of risk each procurement raises. Such activities will be undertaken ethically, honestly and with fairness to all parties.

## 4. GUIDING PRINCIPLES

To achieve this objective ES Global will apply the following principles:

- Drive Value for Money by ensuring that non-cost related factors including technical requirements, programme, quality, ability of company/ supplier to deliver, health and safety, sustainability, legacy, inclusion and diversity are all considered.

- Establish risk management and probity plans where appropriate to the scale, scope, and relative risk of each proposed procurement.
- Compliance with agreed guidelines and procedures for sourcing, evaluation and contracting.
- Incorporate the principles of sustainability into the procurement process.
- Use its best endeavours to deal only with ethical and socially responsible suppliers.
- Undertake a planned approach to all procurement through effective planning, market research, clarity of scope, sustainability, legacy opportunities, and negotiation.
- Ensure financial viability of all suppliers, prior to engagement with them on procurement.
- Manage and protect commercially sensitive and confidential information.
- Ensure that procurement activities are conducted in accordance with relevant legislation.
- Ensure that any Value in Kind opportunities are evaluated to determine if they can benefit the procurement process.
- Engage with the Clients, where applicable, to ensure procurement is aligned with any existing contracts and or frameworks.
- Endeavour to use local suppliers, in the region the project is based for suppliers and products.

## 5. SCOPE

This policy applies to all workforce involved in procurement processes. Only persons with delegated authority can commit ES Global to expenditure in accordance with their appropriate level of authority and in accordance with the delegated levels of authority and procurement procedure.

## 6. DEVIATION

It must be recognised that the unique nature of some projects may mean that it is not always possible to have strict adherence to all elements of the procurement policy and or procedure. If this situation arises the reasons for the deviation must be fully explained along with the decisions made as a result of any deviation and agreed at the appropriate approval level as a recorded derogation from this policy. Refer to Appendix C – Derogations Form, which must be used for all derogations from the policy, for orders in excess of £10,000.

## 7. DEFINITIONS

For the purposes of this policy, the following definitions will apply:

TERM	MEANING
Client	Any company or individual who signs an agreement with ES Global or its subsidiaries to deliver goods and or service for an agreed sum.
Employees	Includes all ES Global staff (full time, part time, casual, temporary, short term), excluding interns and secondees.
Evaluators	Those evaluating the suitability of all tenders/quotes received to provide goods and/or services for a particular procurement process with the purpose of providing a recommendation of a particular supplier or creating a short-list of potential suppliers.
Expenditure	This is the anticipated aggregated total value of the required goods or services, where known, in British Pounds or the applicable currency for the contract (converted to GBP at rate published on <a href="http://www.xe.com">www.xe.com</a> on agreed date excluding taxes – for the purpose of Procurement, Contract and PO thresholds).
Freelancers	All individuals contracted by ES Global under an agreement to work on the Projects as part of the Workforce who are not ES Global contracted staff members, including self-employed/members of limited companies, carrying out the role of Consultants, Contractors, Crew, etc.
Head of Department (HOD)	Includes the HODs for: <ul style="list-style-type: none"> <li>• Finance</li> <li>• Project Development</li> <li>• Business Development</li> <li>• Operations</li> <li>• Commercial</li> <li>• Project Delivery</li> <li>• CEO's</li> <li>• Or Project Lead</li> </ul>
Procurement	The purchase or entering a contract for supply of goods and or services via any method (e.g. contracts, purchase orders (PO's), credit cards or cash).

TERM	MEANING
Procurement Lead	The Workforce member leading each particular procurement process for the supply of certain goods and/or services for the Project.
Project Lead	The designated Project Manager Workforce member responsible for delivering the Project. (Director / Lead Project Manager)
Purchase Order (PO)	Issued to supplier terms and conditions for goods, services and hire at any value and approved at the appropriate level of authority.
Risk	An uncertain event or set of events which, should it occur, will have an effect on the achievement of objectives (the effect of uncertainty on objectives). A risk may have one or more causes and, if it occurs, one or more impacts. In procurement, this could relate to the degree of specialisation, urgency of supply, failure to deliver or limited sources of supply.
Request for Proposal (RFP)	Issued to supplier with Scope of Works that sets out the information required from the selected suppliers as part of their Proposal. It is the responsibility of the PM to work with the Commercial Department to ensure the efficacy of the contents of the documentation issued to potential suppliers.
Request for Quotation (RFQ)	Issued to supplier for request price specifically to exact requirements that ES Global have identified.
Supplier	An enterprise known to be capable of supplying required goods or services and includes manufacturers, stockists, resellers, merchants, distributors, and contractors.
Sustainable Procurement	<ol style="list-style-type: none"> <li>1. Procurement that aims to reduce the adverse environmental, social and economic impacts of purchased products and services throughout their life. For example.</li> <li>2. Environmental: inputs of natural resources, energy and water in the manufacture, use and disposal of goods.</li> <li>3. Social: labour conditions in the manufacture, use and disposal of goods or delivery of services; and</li> <li>4. Economic: costs of operations and maintenance over the life of the goods.</li> </ol>

TERM	MEANING
Terms and Conditions (T&Cs)	These are the standard terms and conditions each supplier will need to agree to in order to supply goods and/or services to ES Global. Any request to modify the terms and conditions should be discussed with and only accepted if approved by the relevant Department's HOD and the Finance HOD or Commercial HOD. If the particular procurement process is under £100,000 but particularly complex or high-risk then the Formal Subcontract may be more appropriate. If unsure, the Procurement Lead should discuss with their relevant HOD and the Finance HOD.
Value for Money	The optimal relationship between the cost of a procurement and the quality or fitness for purpose that procurement achieves.
Workforce	Includes all Employees, Freelancers, Secondees from other Companies, Interns and Volunteers working on the Projects.

## 8. RESPONSIBILITIES

### 8.1. CHIEF EXECUTIVE OFFICERS (CEO)

The CEOs take overall responsibility for procurement governance. The CFO and Commercial Director will review any changes to this policy and procedure and make recommendations to the CEOs. Any changes to the policy and procedures requires approval from the CEOs.

### 8.2. COMMERCIAL DIRECTOR (CD)

The CD is responsible for ensuring compliance with the policy and procedure for all procurement. This includes the reviewing of all procurement and providing agreement via signing the approval form for the relevant level of delegation. The responsibilities also include financial due diligence, finance tracking, financial risks, contracts agreement and agreeing payment terms and conditions.



### **8.3. CHIEF FINANCE OFFICER (CFO)**

The CFO is responsible for ensuring compliance with the policy and procedure for all procurement. This includes the reviewing of all procurement and providing agreement via signing the approval form for the relevant level of delegation. The responsibilities also include financial due diligence, finance tracking, financial risks, contracts agreement and agreeing payment terms and conditions.

### **8.4. HEADS OF DEPARTMENTS / PROJECT LEADS (HODS)**

#### **8.4.1. PROJECT LEADS**

Project Leads are responsible for reviewing and approving their department / project procurement. This includes reviewing RFPs or RFQ, Technical evaluations (including Risks) and recommendations and identifying regional suppliers where possible.

#### **8.4.2. COMMERCIAL LEADS**

Project Commercial Leads are responsible for working with the Project Lead on the Project Procurement Plan and project cost-tracking. Also ensuring scrutiny of procurement proposals, and approving procurement at the relevant level of delegation.

### **8.5. EMPLOYEES AND FREELANCERS**

All Employees and Freelancers initiating procurement activities are responsible for complying with this policy and procedure.

## **9. LOCAL AND REGIONAL SUPPLIERS**

ES Global is committed to providing opportunities for Local and Regional suppliers where projects are delivered whenever possible. ES Global will use reasonable endeavours to ensure all business opportunities are advertised to local and regional businesses.

## **10. INCLUSION AND DIVERSITY**

Across every part of ES Global's business, ES Global strives to create an inclusive culture in which difference is recognised and valued. By bringing together people from diverse backgrounds and giving each person the opportunity to contribute their skills, experience and perspectives, ES Global will deliver the best solutions to challenges and deliver sustainable value for our stakeholders.

All Workforce members have personal responsibility for the practical application of ES Global's Inclusion and Diversity policy (included as part of the Recruitment Policy). HODs (and other relevant delegated department members) involved in supplier recruitment have special responsibility for the practical application of this policy.

## **11. RECRUITING LOCAL AND REGIONAL SUPPLIERS**

ES Global will review the best methods for advertising and promoting business opportunities locally and regionally which may include (but is not limited to) the following:

## **12. PROCUREMENT**

Briefing sessions will be held for potential suppliers to hear about the opportunities that will be made available for the Projects.

The procedure of how to procure goods and services please refer to Procurement Procedures document.

## **13. COMMUNICATION**

ES Global will endeavour to utilise the services of suppliers and contractors in the locations of where the Projects are being carried out.

This might include utilising the connections gathered from the Client, and or any agencies, to assist ES Global in securing local and regional suppliers.

## **14. DEVELOPMENT**

ES Global will provide feedback to all local and regional suppliers that are unsuccessful in winning contracts for the supply of goods and/or services for the Projects.

ES Global will consider and, where reasonably possible, provide opportunities for unsuccessful suppliers to work with chosen suppliers to gain experience.

## **15. VALUE FOR MONEY**

One of the key guiding principles for this policy is to obtain Value for Money. By following this policy and using the process and documentation outlined in the Procurement Procedures document, ES Global will be able to obtain Value for Money in relation to each procured goods and or service.

## **16. SUPPLIER ASSESSMENT**

ES Global will ensure its suppliers can demonstrate their commitment to Quality Management, Health and Safety, Environmental Management, employee training and competency, and their commitment to carbon reduction through its supplier assessment procedure

## **17. APPENDICES**

**APPENDIX A – ES GLOBAL DELEGATED LEVELS OF AUTHORITY FOR SIGNING OF CONTRACTS AND PURCHASE ORDERS**

**APPENDIX B – ES GLOBAL PROCUREMENT PROCEDURE**

**APPENDIX C – DEROGATIONS FORM**

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