

West Coast Partnership

Procurement Policy

January 2026



WEST COAST
PARTNERSHIP

Title:	Procurement Policy	Reference Number:	PRO.IPY.002
Status:	Published	Publication:	External - extract for AWC website
Revision:	3.2	Approved By:	(Senior Executive Responsible) – Carolann James – Exec Director, Finance
Review Due:	January 2028	Last Review:	January 2026
Owner:	Sue Ferm (Head of Procurement)	Author (if different):	Andrew Jarvis (Senior Procurement Manager)

Document Change Detail:

Status	Revision	Change Detail	Date
Re-draft	2.1	Document format updated, content amended and discussed internally	Oct 2023
Consultation	2.2	Internal Review	Oct 2023
Final Draft	2.3	Continued internal review and updating	Nov 2023
Updated Final Draft	2.4	Minor amends following discussion with Finance ED	Dec 2023
Regular Update	3.1	Minor revisions as required to bring document up to date	Jan 2026
Re-Published	3.2	Changes accepted & document re-published	Feb 2026

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1. Introduction

- 1.1. The role of Procurement within West Coast Partnership (WCP) is to support the business with respect to spend with external third-party companies, who supply both goods and services to us in delivery of our business objectives.
- 1.2. Third-party spend is one of the highest costs incurred by WCP. Effective management of this spend is fundamental to delivering on the requirements of the National Rail Contract (NRC) including Performance-Based Fee (PBF) areas and Business Plan Commitments (BPC's) The NRC contains specific guidance with respect to 'Commercial Considerations' and 'Good and Efficient Operator', the requirements of which have been incorporated into this Policy.
- 1.3. Procurement, as a key business activity, sits within the Finance Directorate, working closely with the Finance Business Partners (FBP's) who support each Directorate in the management of their budgets, in relation to the business requirements and associated third party spend.
- 1.4. Procurement have this role to ensure that as a business, WCP get the very 'Best Value for Money' possible for every £ that is spent (*see Section 3 for more detail on this*), and that the goods and services supplied meet the needs that our business define as well as ensuring compliance to all other policies and procedures within WCP
- 1.5. Procurement ensure that suppliers that we work with are the 'right' ones for us to do business with, in terms of their safety credentials & capabilities, and that they operate in a risk-minimised, legal, ethical, transparent, auditable & sustainable way, aligned with FirstGroup and WCP key Policies & Procedures and explicitly with Avanti's Sustainable Procurement Policy and the Sustainable Procurement and & Supply Chain Strategy (2 separate documents).

2. Purpose & Scope

- 2.1. The Purpose of this Policy, aligned to the First Group Procurement Policy, is to ensure that:
 - 2.1.1. Best Value for Money is considered for every purchase that is made on behalf of WCP, which should include consideration of sustainability.
 - 2.1.2. All third party spend is approved, in line with the WCP Delegated Authority Schedule before any commitment to purchase is made.
 - 2.1.3. All procurement is undertaken legally and ethically; is aligned to the WCP's Vision and Values; is auditable and aligns to our Responsible Plan (WCP's Sustainable Development Strategy). In terms of seeking sourcing outcomes that achieve the most positive environmental, social and economic impacts over the entire life-cycle, these outcomes may include supplier relationship management and contract management strategies, dependent upon spend, risk and criticality.
 - 2.1.4. There is transparency of process and compliance to both First Group and WCP governance requirements.
 - 2.1.5. Risks from third parties are understood, documented within a risk register and accepted or mitigated before any commitment to purchase is made.
- 2.2. This Policy applies to all employees of WCP as well as contractors, temporary staff or agents working on behalf of WCP where they are involved in:
 - 2.2.1. Procurement or any part of the Procurement process whether as a requisitioner, authoriser, sponsor or specifier
 - 2.2.2. Authorising expenditure or payments, in line with the 'LIVE Delegated Authorities AWC – MASTER' Excel file, maintained by Finance and updated periodically
 - 2.2.3. Business interactions with Suppliers on behalf of WCP
- 2.3. Adherence to the Procurement Policy is an individual employee responsibility. The effective implementation of the Policy is dependent upon the active involvement, commitment and adherence from each colleague involved in any Procurement activity. Colleagues should also consider whether any Conflict of Interest may arise from their involvement in any procurement tendering activity and should review / complete the FG standard form (contained within the FG Conflicts of Interest Policy document) prior to working on any procurement tender exercise.

- 2.4. Breach of the Policy, or failure to properly adopt the documented Procurement process, may constitute a disciplinary offence. WCP will not tolerate:
 - 2.4.1. Breach of this policy by any WCP employee, or by suppliers
 - 2.4.2. Financial loss or reputational damage resulting from Procurement or Supplier Management activity
 - 2.4.3. Unethical treatment of suppliers and / or potential suppliers and their associated supply chains
 - 2.4.4. Non-adherence to the Procurement Policy, which leaves WCP exposed to unacceptable levels of risk
- 2.5. This Policy should be read in conjunction with the First Group UK (FG) Procurement Policy which sets the minimum standards and expectations for procurement activities within First Group; this Policy takes precedence over the FG Policy on any notable points of difference. Sections 3 ("Supplier Assurance & Approval – Onboarding") & 4 ("Legal, Ethical, Compliance, Transparency & Audit") of the FG Policy should be reviewed as these remain relevant but have not been duplicated in this Policy document.

3. Best Value for Money

- 3.1 WCP recognises the need to achieve best value for money in every procurement activity. "Best Value for Money" means that every effort should be made to:
- Ensure that a generic specification, scope, or requirements are defined at the start of any identified need to spend £ externally
 - Leverage our scale and expertise to deliver the best deal for the business
 - Minimise total lifetime cost by including factors such as ongoing maintenance costs; disposal costs; safety costs; sustainability considerations and any adverse impacts on the environment – together these are known as 'circular economy thinking'
 - Maximise total lifetime benefit including factors such as environmental and social benefits and encourage supplier diversity (e.g. support for Small and Medium sized Enterprises – SME's), aligned with fair operating practices
 - Adopt the best available procurement practices to drive effective competition, utilising available tools such as e-sourcing and multiple quotes, and where appropriate & relevant, incorporating a sustainable approach. This includes considering all procurement against such factors as price, quality, availability, transportation and the terms and conditions that govern the supplier relationship, as well as ensuring fair and open competition in the relevant supplier market
 - Ensuring that cost considerations examine the short-, medium- and long-term consequences of any sourcing decision made
- 3.2 To strive for best value, the respective Procurement Team must be engaged for any single / individual procurement for goods, works or services with a lifetime value over £100,000 (or equivalent). Any procurement under £100,000 must still be conducted in-line with the principles set out in this Policy.
- 3.3 In line with the NRC, WCP is required to operate within the rules and processes outlined in the UK government's Procurement Act (2023), or any successor legislation as may be implemented from time to time. The details of the lifetime contract values beyond which these additional processes must be followed are detailed in Section 4 – Table 4.A.

4. Procurement Processes and Engagement

- 4.1. The table below provides a high-level view of the Procurement Policy and the associated processes that must be followed for any purchase that WCP makes. The process followed primarily depends upon the value of the spend expected throughout the lifetime of the contract, along with whether the contract is designated as a 'Key Contract', 'Extended Term Contract', or an 'Affiliate Contract', as defined within WCP's NRC.
- 4.2. A basic process flow with associated steps, along with any specific tools / templates required to complete the process, are detailed in documents separate to this policy; details of which are found below the table.

Table 4.A – Procurement Policy 'on a page'

Spend Policy	Spend Value EXCL VAT (Full commitment term - LIFETIME)	Procurement (Legal) Engagement & Support for defined Requirements / Specification	Procurement Lead Time - Initiation to Completion	Functional 'Lead'	NRC Considerations	Signing of Formal Documents	Other Process Considerations
NRC / PA23	>£4,327,500	Works - PA23 Public Procurement tender process MUST be followed, which dictate longer, structured timelines (4-6 months elapsed minimum, depending upon complexity)	PA23 process - 4-6 months to be process compliant - highly dependant upon commodity complexity	Procurement-led	Any requirement MUST be reviewed against the 'Key' and 'Extended Term' contracts definitions within the NRC; DIT Approval will be required for any contracts that meet these criteria	ANY FG Statutory Director can sign a contract - but these are the ONLY colleagues authorised to do so. In the first instance, the AWC MD & / or FD should be the preferred signatories for any document that commits AWC to anything. Either of these roles can sign up to any value, providing full approval of the CAF (based upon lifetime contract value) has been completed	- Possible need for New Supplier / Supplier Onboarding - Supplier Relationship / Contract Management may be required, depending on spend / criticality
	>£346,200	Goods / Services - PA23 Public Procurement tender process MUST be followed, which dictate longer, structured timelines (4-6 months elapsed minimum, depending upon complexity)					
FG	>£500k	FG Legal must be involved in the negotiation / approval of the Contract terms	Contact Procurement 6 months ahead of deadline for Requirements - pipeline of projects should be available via FBP review meetings	Business-led	These thresholds all align to the NRC concepts of 'Commercial Considerations' and 'Good & Efficient Operator'		
	>£250k	- As below, but in addition:- - Procurement Strategy Paper is MANDATED for discussion / review and further completion with PM / PBP - Contract MUST be signed - preferably on FG Legal Terms					
AWC - 'Best Value for Money'	>£100k - <£250k	- As below, but in addition:- - PM will provide guidance / advice on Sourcing approach, which may involve producing a Procurement Strategy Paper for discussion / review, primarily related to risk, long-term strategy, and BPC - Procurement support in obtaining quotes, supported by a formal tender if required					
	>£50k - <£100k	- As below, but in addition:- - Seek a minimum of 3 quotes (using a formal tender methodology if required) or provide Single Source justification - Use Contract Approval Form (CAF) for Approval - Contract / Works Order likely to need be signed - Purchase Order will be reviewed by Procurement	Allow 4-8 weeks, dependent upon how formal the tender methodology used is				
	>£5k - <£50k	- Verify Budget with FBP; ensure that funds are not being repurposed from another budget line, nor that they are a possible Disallowable Cost - Seek multiple quotes if possible (use an off-line tender process; or from existing Preferred or Approved suppliers on SAP / Neptune) - Use Authority to Purchase form (ATP) for Procurement review / Approval - Contract may need to be signed; Procurement Manager will assist - Place a Purchase Order, aligned to Delegated Authority					
	<£5k	- Seek multiple quotes, if possible or economic, in line with Budget - Order via a Purchase Order, aligned to Delegated Authority - Procurement engagement not required					

5. Procurement Governance

5.1 WCP's Procurement Managers will be involved (to varying degrees) in any procurement activity with a value >£5k. At the lifetime spend value thresholds detailed in Table 4.A and the associated process documents, the Procurement Managers will also ensure adherence to / with the FG documented processes in relation to Category Management, Tendering, Supplier Assurance & Onboarding, Contract Approval (including the Contract Approval Form - CAF) and tracking and recording any associated Savings & Cost Avoidance.

5.2 To assist with this, the following documents / forms are provided for use by the business to use to provide the required level of information about the requirements and anticipated resulting contract(s):

- Procurement Strategy Paper
- Authority to Purchase (AtP)
- Single Source Justification
- Contract Approval Form (CAF)

This also makes sure that all purchases are made in line with agreed Delegated Authorities and Approvals, as set out by the Finance function. Please see table 5.A below for a summary of the differing types of approval required, depending upon the type of Agreement.

Table 5.A – Summary of Approvals required for different Agreement types

Contract / Agreement Type	CAF / AtP Required	DA Approval	DFT Approval	Signatory	Notes
Supplier Contracts and Variations – all values	✓	✓	✓	MD / FD only (value dependent)	*DfT Approval required for all Key Contracts, Affiliate Agreements and/or Extended Term (Designatable) Contracts
Non - Disclosure Agreements	x	x	x	Procurement team; FD or MD	Procurement hold Template(s)
Funding Agreement – 3 rd party funding to AWC	x	✓	x	MD / FD only (value dependent)	Budget Holder should propose agreement to MD / FD
Funding Agreement – AWC to a 3 rd Party e.g. Community Rail partnerships	✓ *	✓	x	MD / FD only (value dependent)	* 'Stripped down' CAF specifically for this purpose

Property Leases / Licences with Tenants	x	✓	✓	MD / FD only (value dependent)	only if beyond end of NRC and as a Key Contract
Property Leases / Licences with Network Rail	x	✓	✓	MD / FD only (value dependent)	only if beyond end of NRC and as a Key Contract
Property Leases / Licences with Other TOCs	x	✓	✓	MD / FD only (value dependent)	only if beyond end of NRC and as a Key Contract
Access Agreements	x	✓	✓	MD / FD only (value dependent)	only if beyond end of NRC and as a Key Contract
Rolling Stock / Leases including Variations	✓	✓	✓	MD / FD only (value dependent)	Standard Process for Key Contracts
Affiliate / Intragroup Agreements	✓ **	✓	✓	MD / FD only (value dependent)	'Affiliate' relates to any contracting entity within the First Group of companies for any goods / services and is a direct agreement; ** use i-CAF; same process as any Contract
Group Agreements (where is a beneficiary)	x	✓	✓	Use Delegated Authority table(s)	If AWC benefits from group leverage within a Group agreement, this can be covered by a PO only and does not require a separate contract or CAF.

6. Mandated, Preferred & Approved Suppliers

- 6.1 Within designated supplier spend category areas / Material Groups (as designated on WCP's ERP systems), WCP or FG have undertaken competitive sourcing activities and have contracted with certain suppliers for providing nominated sets of goods and / or services. In these areas, these suppliers must / should be used as directed by WCP, in order to align with the stipulations 'best value for money' within this Policy.
- 6.2 A list of Mandated and Preferred suppliers is maintained by Procurement and made available through the relevant communications channel(s), such that colleagues can ensure they are buying / ordering from these suppliers at contracted prices and aligned to agreed contract terms. WCP understand their capabilities and they should be actively able to take on more work as required. These will be our 'first choice' supplier within a defined category area.
- 6.3 Approved suppliers have been appropriately vetted and loaded on to our Finance / Procurement and supplier accreditation systems, so Purchase Orders can be placed and goods / services ordered from these suppliers. A formal contract may exist, but typically we will transact with these suppliers via Purchase Order terms.

7. Contracting

- 7.1 WCP's MD & FD are the ONLY authorised signatories (within WCP) for ANY DOCUMENT (besides NDA's) that commits WCP to anything. Therefore, under no circumstances should any employee sign any formal documents that commit spend with third parties. First Group & First Rail Holdings also have authorised Statutory Directors who can sign such documents, but their approval is typically provided at the relevant level via the CAF process and the local TOC MD or FD should be sought to sign in the first instance (once appropriate approval has been gained – see table 5.B for details)
- 7.2 As aligned with the First Group policy, a formal written Contract must be signed for any requirement where the lifetime contract value is in excess of £250,000.
- 7.3 The First Group Legal team must also be engaged in the negotiation of the Contract for any procurement with a lifetime value over £500,000 (or equivalent) and / or where there are particular legal or strategic risks to the procurement (e.g. significant volumes of personal data are being processed).
- 7.4 Involvement from the First Group Legal team will also typically be the case where the supplier will not contract on FG standard Terms & Conditions, or where Legal's list of additional 'rider' clauses will not be accepted as being added to supplier terms without any variation.

8. Related Policies

- 8.1. WCP and FirstGroup operate various policies which relate directly to the Procurement activity but by which all employees are bound. It is each employees' responsibility to ensure that they understand and follow the policies in relation to Procurement.

The related Policies / documents are detailed below:

- 8.1.1. Procurement Policy (FG)
- 8.1.2. Supplier Code of Conduct (FG)
- 8.1.3. Modern Slavery Statement (FG)
- 8.1.4. Group Anti-Bribery Policy (FG)
- 8.1.5. Group CSR Policy containing Code of Business Ethics (FG)
- 8.1.6. Group Gifts and Hospitality Policy (FG)
- 8.1.7. Group UK Data Protection Policy (FG)
- 8.1.8. Group Whistleblowing Policy (FG)
- 8.1.9. Group Anti-Fraud Policy (FG)
- 8.1.10. Health and Safety Policy (FG)
- 8.1.11. Environmental Policy Statement (FG)
- 8.1.12. AWC Sustainable Procurement Policy
- 8.1.13. AWC Sustainable Procurement & Supply Chain Strategy
- 8.1.14. Group Asset Management Policy (FG)
- 8.1.15. Group Conflicts of Interest Policy (FG)
- 8.1.16. WCP Drugs and Alcohol Policy
- 8.1.17. FG Travel & Expenses Policy (FG)
- 8.1.18. WCP Expenses Policy
- 8.1.19. AWC-PAMS-AMP Asset Management Policy - April 2025
- 8.1.20. Contractors Handbook (AWC)

8.1.21. Conflicts of Interest & Confidentiality Form – Internal (FG)

9. Acronyms

AtP	Authority to Purchase
AWC	Avanti West Coast
BPC	Business Plan Commitment
CAF	Contract Approval Form
DfT	Department for Transport
FBP	Finance Business Partner
FD	Finance Director
FG	FirstGroup UK
FRH	First Rail Holdings
NRC	National Rail Contract
MD	Managing Director
NDA	Non-Disclosure Agreement
PBP	Procurement Business Partner
PM	Procurement Manager
SME's	Small & Medium-sized Enterprises
UCR	Utilities Contract Regulations
VAT	Value Added Tax
WCP	West Coast Partnership
WCPD	West Coast Partnership Development