



# Procurement Policy – Source to Contract (S2C)

## Policy statement

This Procurement Policy establishes clear guidelines for the acquisition of goods and services across M Group. Its purpose is to ensure that procurement activities deliver best value, maintain a safe and compliant supply chain, and uphold the Group's strategic, ethical, and operational standards.

## Who is this for?

All M Group Services employees, contractors, and affiliates involved in purchasing on behalf of M Group across all divisions.

## Procurement Principles:

- We deliver value for money by balancing cost, quality, and risk
- Our processes are transparent and fair
- We are ethical in all we do, proactively avoiding conflicts of interest
- We embed our environmental and societal responsibility into our procurement processes and supply chain
- We are always compliant with applicable laws, regulations, and internal policies

## Scope

This policy applies to the **Source to Contract (S2C)** process, encompassing the full procurement lifecycle: identifying needs, sourcing suppliers, negotiating terms, and formalising agreements.

It applies to all M Group employees and all third-party purchases across all divisions. Compliance is both an individual and corporate responsibility. Wilful breaches may result in disciplinary action, including summary dismissal.

For clarification or support, contact Group Procurement. This policy should be reviewed in conjunction with:

- Group Policy – Purchase to Pay (P2P)
- Group Policy – P Cards
- Group Policy – Sustainable Procurement
- MGS MOPS SCM 004 Management of Suppliers Procedure
- MGS MOPS SCM 032 Subcontractor Evaluation and Documentation Management

Ref:	Policy Owner:	Date:	Date of Review:
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## Definitions

Term	Definition
Vendor	Suppliers or subcontractors
Supplier	Provider of goods, materials, or services not operating on M Group sites
Subcontractor	Third party operating on M Group sites (CIS or non-CIS)
Overheads	Entities not subject to procurement selection (e.g., Local Authorities for permits)
Procurement	Group or Divisional Procurement teams

## Engaging Procurement

Procurement involvement is determined by the total value and the category of the goods or services required:

Category has preferred route available	
<ul style="list-style-type: none"> <li>Preferred vendors must be used where available</li> <li>Exceptions require Procurement approval</li> <li>The Preferred Supplier List (PSL) is available on the Procurement intranet via M Connect</li> <li>Orders should follow the prescribed buying route (e.g., Purchase Requisition via ERP systems or call-off contracts)</li> <li>Procurement engagement is not required unless specified by value thresholds in the PSL</li> </ul>	
Category has no preferred route available (Suppliers)	
<b>Standard Risk Categories</b> <ul style="list-style-type: none"> <li>Under £100k: Managed by the business</li> <li>Over £100k: Managed by Procurement</li> <li>Value is assessed over the full contract term (e.g., multi-year agreements)</li> </ul>	<b>High Risk Categories</b> <p>Due to the critical nature of particular categories, requirements of all values must be managed by Procurement. In summary these are:</p> <ul style="list-style-type: none"> <li>Plant and Fleet</li> <li>IT and Telecoms</li> <li>Business Process Outsourcing (BPO)</li> <li>Contract &amp; Temporary Labour</li> </ul> <p>Refer to the PSL for full category listings and their risk classification. For queries, contact Procurement via M Connect or <a href="mailto:procurement@mgrouppltd.com">procurement@mgrouppltd.com</a>.</p>
Category has no preferred route available (Subcontractors)	
<ul style="list-style-type: none"> <li>Value thresholds vary by division</li> <li>Contact the relevant Divisional Head of Procurement for guidance</li> </ul>	

Client mandated suppliers are exempt from the above, with pricing and terms typically defined by the client. Evidence of client-mandated status must be provided to Procurement during onboarding to ensure approval of vendor onto M Group systems.

## Sourcing Processes

### Business-Managed Requirements

Typically lower in value and risk. Use M Group standard PO terms. If insufficient, consult Procurement before initiating work.

For avoidance of doubt, enduring framework agreements cannot be let outside of Procurement, including executing extensions to frameworks.

#### Process Steps:

1. Define third-party requirements
2. Check PSL for preferred vendors
3. If no preferred vendors, review PEQ portal for all onboarded suppliers (these have been through M Group's onboarding process and supports management of overall vendor numbers)
4. Obtain quotes for the requirement (multiple quotes should be gathered for purchases over £50k)
5. Select best value quote meeting business needs
6. Complete onboarding registration for new suppliers if required (the onboarding process must be completed before any commitment is made to vendors). Onboarding is facilitated by Supply Chain Control.
7. Procurement approval for new vendors
8. Contract in accordance with SODA (if using more than M Group standard PO terms)
9. Store contracts (where used) in ContractSafe. Please send agreement copies to the Procurement mailbox to facilitate this.
10. Vendor is ready for use

### Procurement-Managed Requirements – Strategic Sourcing

Procurement will lead sourcing for requirements within its scope, tailoring the process based on complexity, value, and risk; following the below process:

#### Strategic Sourcing Process



#### Key Notes:

- Engage Procurement early to allow for planning (lead times may range from 2–10 months).
- Procurement may delegate sourcing to the business with written approval from the CPO or Head of Group Procurement.

#### Typical Process Steps:

1. Collaborate with business stakeholders
2. Establish baseline and define business requirements

3. Develop and sign off procurement strategy
  4. Engage Legal (standard M Group legal terms used wherever possible)
  5. Issue RfP to suppliers or negotiate directly with vendor
  6. Negotiate terms
  7. Obtain approvals for recommended outcome (Finance, Business)
  8. Complete onboarding and contracting (facilitated by Supply Chain Control)
  9. Store contracts in ContractSafe
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#### **Additional Principles**

- Procurement may decline involvement in low-value/low-risk requirements outside of its scope, but will offer guidance as needed.
- All new vendor requests must be approved by Procurement before onboarding; Procurement may reject vendor requests and suggest alternatives already onboarded.