

PROCUREMENT POLICY

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Reviewed By	S Woods	Approval By	Exec Team
Consultation	-	Responsible Officer	Head of Corporate Services
Distribution	Extranet	Version No.	01

1. Policy Statement

This policy document has been created to outline the principles that must be followed when procuring works, goods or services on behalf of the Group, and should be read in conjunction with the BCHG Procurement Strategy, and the various procedures and guidance documents that have been made available.

The overarching purpose of the Procurement Policy is to ensure that all procurement activity conducted on behalf of the Group is designed to deliver maximum Value for Money to our Customers whilst ensuring that our approach is fair, transparent and proportionate to the goods, works and services being procured.

2. Objectives of the Policy

The objectives of this policy are to ensure that BCHG:

- Has sufficient procurement infrastructure to demonstrate that Value for Money has been achieved
- Has a consistent approach to procurements of varying values
- Appoints major suppliers & contractors that are competent, safe and have sufficient financial strength to deliver
- Delivers all procurement activity fairly and transparently
- Maximises the opportunity to enhance the prosperity of the communities in which we work

3. Associated Policies

This policy should be read in conjunction with the Procurement Strategy, and the relevant published Procedure Guides which have been tailored to the Group's Financial Standing Orders. In addition, the following Group Policies must be considered when carrying out any procurement activity:

- Financial Delegations
- Value for Money Strategy

Roles & Responsibilities

The key roles and responsibilities in relation to the procurement of works, goods and services by BCHG are illustrated below:

Executive Team – ensure BCHG governance is adhered to. Ensure sufficient skilled resource is in place to deliver or support procurement activity and that procurement considerations are considered in wider organisational plans and policy.

Heads of Service / Managers – ensure that strategy, policy and procedures are followed. Ensure that VfM is recorded.

4. Legislation and Guiding Principles

BCHG must comply with the following:

- EU Procurement Directives
- Public Contract Regulations (2015)
- BCHG Financial Standing Orders and Delegations
- BCHG Procurement Strategies
- BCHG Procedures (Published Guidance Documentation)

5. Financial Standing Orders

Each procurement must be assessed in terms of anticipated value, and the appropriate procurement route taken in line with BCHG's Financial Standing Orders, and the published procurement procedures. Wherever possible, anticipated values should be calculated based on total contract cost, up to five years.

The Chief Executive, by way of formal waiver, may from time to time in exceptional circumstances authorise the budget holder to procure outside of the prescribed procurement route providing the budget holder has presented a reasonable case for the waiver. Waivers would typically be acceptable where the budget holder has a very specific requirement that can only be provided by a sole supplier, or where timeframes and / or supplier / contractor failure renders following the prescribed procurement route unproductive. Any waivers granted will be recorded and presented periodically to the BCHG board for review. Waivers may not be granted for procurements that are governed by legislation, for example where EU Procurement Directive thresholds are exceeded. Current EU Directive thresholds can be viewed by visiting www.ojec.com/thresholds.aspx.

6. Lower Value Procurement

Where the value of procurement is considered to be low, budget holders must follow the appropriate Procurement Procedure guidance to obtain either best value, or competitive

quotations depending on the anticipated value. In both instances, budget holders must ensure that:

- The proposed procurement represents Value for Money
- The proposed provider can satisfy the minimum requirements to deliver the works, goods or services in question (including but not limited to insurance, health and safety, data protection and environmental factors)

It is likely that minimum requirements will vary from project to project, and as such the budget holder must make a reasonable assessment where practicable prior to commencing the procurement.

Where possible, budget holders must engage with providers from the local community, and ensure that any procurement exercise is accessible and not unduly favourable to only larger organisations.

Should lower value procurement result in a contract being created, the details must be recorded on the BCHG Contracts Register.

7. Below OJEU Threshold Tendering

Where the value of the procurement calls for a tender process, but is under the OJEU value threshold, budget holders must follow the appropriate Procurement Procedure guidance to deliver a formal tender.

All tenders must comply with and be administered in line with the BCHG Financial Standing Orders. In addition budget holders must record any Value for Money achievement within BCHG's VfM Log.

All tenders should follow the templates provided by published Procurement Procedures, and be assessed on both a cost and quality basis. The weighting of cost / quality assessment is likely to change on a project by project basis, however one element should not render the other insignificant. Tender documentation is to include as a minimum:

- A pre-qualifying questionnaire assessing a variety of criteria that major partners must adhere to (it is likely this criteria will differ on a project by project basis and the budget holder is responsible for identifying such criteria).
- Specification document(s) outlining the requirements of the procurement project
- A pricing pro forma, or a list of minimum pricing requirements
- A quality assessment, typically containing questions to be scored

Typically, below OJEU threshold tenders will be issued on an invite only basis meaning that pre-procurement market engagement to identify suitable bidders will be required. Where possible, local providers and SMEs will be considered, with the tendering documents and procedures designed to be simple to understand and not onerous as to disadvantage smaller organisations.

Tenders will be assessed by a procurement panel with scores awarded for the price submitted and the quality response. All assessments must be carried out fairly and transparently, and where necessary budget holders must be prepared to evidence both the tender process and the means used to evaluate and award a successful bidder.

Any contract created following tender must be recorded on the BCHG Contracts Register.

8. Homeforce

To maintain an effective sub contracted workforce, Homeforce may seek quoted process on a fixed price basis from sub-contractors for third party works within the following conditions:

- Contractors are on existing BCHG select lists meeting required quality and professional requirements;
- Works need to be complete within a set period where tendering may not be approximate;
- The minimum pre agree margin for BCHG is achieved.

9. Above OJEU Threshold Tendering

For procurements that are anticipated to be above the OJEU value thresholds, BCHG must ensure that all the EU Procurement Directives and the Public Contract Regulations (2015) are adhered to. Whilst the general approach to tendering remains the same, there are additional requirements of major procurements including public advertisement and the requirement to host the opportunity on an electronic platform. There are several compliant methods of tendering above threshold opportunities, which BCHG will assess on a project by project basis, where necessary engaging consultants to assist with the scoping and delivery of major projects.

10. Procurement Consortia and Partnering

Where appropriate, BCHG will explore the use of procurement consortia within the social housing sector as a means of quickly and efficiently procuring works, goods and services in a compliant manner whilst benefiting from the combined buying power of a consortium approach. Similarly, we will look to work with similar organisations that operate in and around our communities to identify opportunities to collaboratively procure and therefore share the cost of procurement and benefit from the association economies of scale.