

PROCUREMENT POLICY

Date Reviewed	November 2021	Next Review Date	December 2023
Consultation	PFH	Reviewed By	S Woods
EIA	-	Responsible Officer	Head of Corporate Services
DPIA		Approval By	Executive Team & GAC

1. Purpose

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 documents that support good procurement.

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 the Group's customers whilst ensuring that our approach is fair, transparent and proportionate to the goods, works and services being procured, and in line with our key strategies.

2. Objectives of the Policy

The objectives of this policy are to ensure that BCHG:

- 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 Documents

In addition to the Procurement Strategy, this Policy should be read in conjunction with the following documents, and the relevant published Procedure Guides which have been tailored to the Group's Financial Regulations:

- Financial Regulations
- Procurement Procedure
- Data Protection Policy
- Anti-Fraud Policy
- Anti-Bribery Policy
- Probity Policy

- Environmental Strategy
- Equality Diversity and Inclusion Strategy
- Customer Engagement 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 made with due regard to wider organisational plans and policy.

Heads of Service – ensure that BCHG governance is adhered to and that procurement strategy, policy and procedures are followed. Ensure VfM is recorded.

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

All parties to the procurement must declare any conflict of interest and this will be recorded on the Contract Register.

4. Legislation and Guiding Principles

BCHG must comply with the following:

- World Trade Organisation agreement on Government Procurement
- Public Contract Regulations (2015)
- BCHG Financial Regulations (reviewed at least annually)
- BCHG Procurement Strategy

5. Financial Regulations

Each procurement activity must be assessed in terms of anticipated value, and the appropriate procurement route taken in line with approved procurement thresholds and BCHG's Financial Regulations. Wherever possible, anticipated values should be calculated based on total contract cost which is inclusive of all contract extension terms, normally up to five years. The calculated total contract cost now needs to be **inclusive of VAT**.

Formal Waiver

The Chief Executive and in their absence, the Deputy 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 award of a contract. 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. Waivers must state a start and end date, they are not time unlimited.

Any Waivers granted will be recorded and reported as part of the Internal Controls Assurance process to the Group Audit Committee. Waivers may not be granted for procurements that are governed by legislation, for example where Public Contract Regulations (2015) thresholds are exceeded. The thresholds are set out in BCHG's Procurement Procedure and can be found online on the Governments website.

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 goods or services cannot be sourced through an existing contract
- 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 PCR Threshold Tendering

Where the value of the procurement calls for a tender process, but is under the PCR 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 Regulations.

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. A weighting of 40% cost and 60% quality is recommended with Environmental, Social and Governance (ESG) making up 20% of the overall assessment which is included within the quality section.

Typically, below PCR 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 appropriate;
- The minimum pre-agreed margin for BCHG is achieved.

9. Above PCR Threshold Tendering

For procurements that are anticipated to be above the PCR value thresholds, BCHG must ensure that all 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, the Find a Tender Service. 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.

11. Data Processing

Personal data can be shared with another organisation if it is imperative to fulfilling the contract obligations. The contractor would be a Data Processor and it must be ensured that they meet the technical, physical and organisational security requirements for processing personal data on BCHG's behalf. The contractor must complete a Processor Due Diligence Questionnaire and where required a Data Protection Impact Assessment (DPIA).

What is to be shared and how must be clearly documented. This can either be within the contract with the business/organisation or a standalone Data Sharing Agreement.