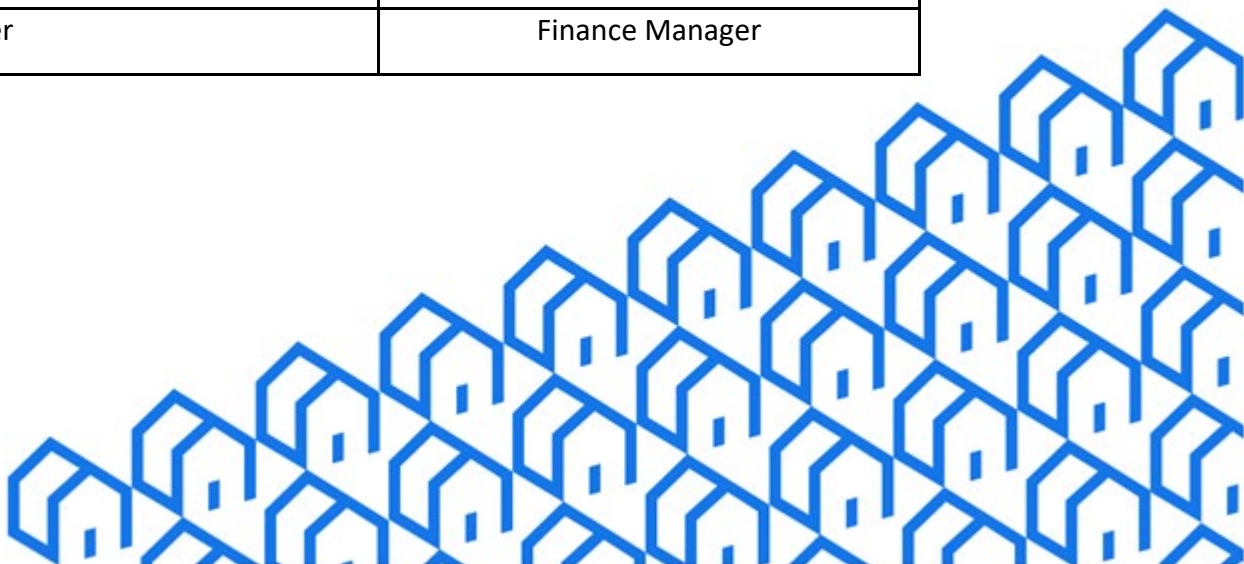


Procurement Policy

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1. Introduction

Empower Housing Association (EHA) seeks to procure services in a manner that not only complies with current legislation and best practice but also works creatively and collaboratively to support the economy. This Policy describes how EHA will purchase, or 'procure', goods and services.

The term 'procurement' as used in this Policy covers the process of purchasing the full range of goods and services we require, ranging from small items purchased from the petty cash float to large development and planned maintenance contracts awarded following a full tendering process.

2. Purpose

This Policy establishes how EHA 's Board expects procurement related activity to be undertaken by the organisation.

3. Policy Objectives

The objectives of this Policy are to ensure that EHA:

- Maximises its ability to benefit from aggregating the purchasing power of its procurement, recognising the need to achieve good value for money rather than simply cost savings;
- Employees are committed to effective procurement;
- Follows and complies with all statutory, regulatory and agreed best practice requirements;
- Ensures compliances with internal financial regulations, standing orders and Public Contract Regulations;
- Is transparent and fair in all its procurement activity

4. Governance Framework

All procurement activities will be in line with:

- UK Procurement Legislation
- EHA's governance requirements for procurement, financial and other internal regulations and procedures. This policy must be read in conjunction with EHA Financial Regulations.
- Functional or specific customer requirements

5. Bribery Act 2010

EHA acknowledges the provisions of the Bribery Act 2010 and aims to maintain compliance with this as part of its everyday business. This is particularly relevant with procuring works and services.

EHA will always carry out its business transparently and fairly and will operate a zero-tolerance policy towards bribery by its employees, Board members, contractors, agents and other associated persons.

6. Procurement Activities

The main goods and services that will be procured by EHA are as follows:

- Office supplies printing, stationery, postage and other materials consumable products
- Trade materials used by the Maintenance Team

- Other fixed assets, ICT equipment, office furniture and equipment, vehicles
- Maintenance contracts related to office-based equipment or services, other fixed assets e.g ICT equipment, fire and security alarm systems
- Maintenance contracts related to property based equipment or services, e.g gas servicing/maintenance, specialist equipment, legionnaires assessments
- Professional services including internal auditors, external auditors, IT support, and management consultants employed on specific projects
- Contractors covering the full range of trades and professions in relation to responsive repairs, planned maintenance, property compliance, and property development/refurbishment

7. Corporate and Social Responsibility

All procurement will:

- Be sustainable and support the delivery of high level customer service;
- Comply with Health & Safety requirements, EHA's Code of Conduct and other appropriate standards;
- Consider the use of small and medium sized enterprises to support local communities or determine how larger suppliers will contribute to the local economy;
- Be ethical and services supplied be based on good business principles.
- Require a social value offering and involve tenants in the process where applicable.

8. Equality Diversity and Inclusion (EDI)

EHA expects all employees and approved suppliers to promote EDI at all times. Individuals are treated fairly with dignity and respect regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (includes colour, nationality and ethnic origins), religion and or belief, sex, sexual orientation, social or economic background, or any other inappropriate distinction.

A copy of EHA's EDI Policy is available separately.

EHA will share with our suppliers any relevant information held relating to the risk from, or vulnerability of, our tenants in accordance with the General Data Protection Regulations.

EHA will consider the needs of all communities in the methods used for communication with tenants, employees and customers.

9. Expenditure

Prior to committing EHA to any form of expenditure the following principles apply:

- The spend must be legal;

- Budget provision must exist or if there is no allocated budget, any spend must be approved by the Executive team / Board.
- The decisions must be able to be justified in all respects;
- Any person involved in the procurement process must declare if they have an interest in accordance with EHA's Code of Conduct and remove themselves from the process if they are conflicted

10. Value for Money

In all procurement activities we will aim to achieve the 'best value for money' in a sustainable manner by ensuring that, whenever appropriate, we assess quality, cost and sustainability. We recognise that the lowest cost will not necessarily be the best value in the longer term, particularly when the contract being procured has a high degree of service delivery.

We recognise the importance of sustainable procurement, and our duty to demonstrate that we are procuring in a manner that improves economic, social and environmental well-being (this includes reduction of inequality) of the communities we operate in.

Sustainable procurement should be balanced with value for money and quality and needs to be proportionate to the risk involved in each individual procurement.

The specific procurement approach adopted will be based on the nature, scale and value of the contract being awarded.

In making procurement decisions we will also seek to contribute to maintaining and improving the environment, both by purchasing recycled 'environmentally friendly' fair and ethically traded goods and items whenever possible and/or by supporting suppliers or contractors whose values and production processes are environmentally positive.

11. Authority to Incur Expenditure

Where the proposed expenditure is already included in the approved annual budget, the Board will delegate the authority to procure goods and services and demonstrate VFM, as detailed in Appendix 1

Where the proposed expenditure is not included in the approved annual budget, either because it is an item or group of items not considered when the budget was drawn up or because the expenditure will result in an approved budget becoming overspent, no procurement should take place without the prior written approval of the Executive Team / Board in line with Financial Regulations.

In circumstances of emergency, expenditure may be incurred beyond authorisation levels by obtaining prior approval of the Executive team or in extreme cases the most senior member of staff on duty who will consult a member of the Board, if possible, before agreeing to any request. Any expenditure so incurred must be reported to the CEO the next day and reported by the Chief Executive to the next Board meeting detailing how this expenditure will be financed.

Procurement Thresholds

Appendix 1 lays out the thresholds of contracts and methods of appropriate procurement.

The Board will review these financial limits at least every 2 years, or earlier if the business requires it, to ensure that they remain appropriate for effective procurement and governance.

12. Obtaining Prices, Quotations and Tenders

The summary table in Appendix 1 also sets out the different methods of obtaining prices, quotations and tenders that must be followed when procuring goods and services. These methods are based on the value of the procurement and show the acceptable procurement method and the necessary level of approval. All quotations and tenders will be recorded in a quotations/tender book for transparency. EHA will also consider the use of established Procurement Frameworks where appropriate.

13. Prices

For items under the current cost limit which do not require quotations or tenders, the authorised employee will, where appropriate and/or possible, seek to check at least two alternative prices either by telephone, by accessing a current catalogue or price list, or by email to demonstrate VFM.

14. Quotations

Quotations may be requested either verbally or in writing. In either case, the authorised employee will ensure that sufficient detail is provided to those invited to quote to enable accurate, comparable quotes to be received.

15. Tenders

Following the development of the appropriate tender documentation, contractors will be invited to tender.

As outlined above, some goods and services may be procured on a basis other than purely price, e.g price, quality, added value and/or sustainability. Where this is the case, appropriate criteria and ratios will be agreed and be clearly set out for tenderers in advance.

16. Negotiation

Where it proposed that contracts are procured through negotiation, there must be clear justification for doing so and the decision to enter into contracts based on negotiation must be approved at the appropriate level of authority. Contracts should be negotiated a maximum of twice before being reprocured.

17. Contracts and Service Agreements

EHA will procure goods and services through contracts or service agreements for periods of one year or longer, where this offers best value. Examples are contracts for the provision of planned maintenance works, gas servicing/landlord certificates, compliance risk assessments and remedial works, equipment servicing and maintenance..

18. Specialist Suppliers or Contractors

Where there is only one specialist supplier or contractor for a particular item or service, EHA will seek to negotiate the most advantageous price and terms prior to placing an order or signing an agreement. Details of the discussions held and the reasons for the final recommendations will be fully recorded and documented within the quotations/tender book. reported to the Board for approval should financial limits dictate that Board approval is required.

19. Other Methods of Procurement

EHA will continually review our methods of procurement in order to achieve best value for money, meet our duty of sustainable procurement and to comply with current statutory regulation, Regulator of Social Housing guidance and 'good practice'.

We will seek to develop mutually beneficial tenant/supplier relationships, particularly with those local contractors and suppliers with which we wish to develop medium to long-term arrangements for the benefit of EHA and our tenants.

20. Community Benefits

EHA will ensure not only timely payment to contractors but will also make it a contractual requirement that main contractors who sub-contract any elements of their work also provide evidence of timely payment to their sub-contractors.

21. Repeat and Extended Contracts

EHA is conscious of the time and cost that is involved in the procurement process, both from the company's point of view and that of the prospective tenderers. As a result, it seeks where feasible and within the boundaries of current procurement legislation and good practice, to develop a partnership approach with contractors and consultants. In this respect, successful completion of specific pieces of work may lead to contract extensions.

The possibility, and maximum duration, or any such extension should be indicated in the original procurement process. In general, contract extensions should only be proposed where the cost lift is at or below inflation.

22. Monitoring and Review

The Chief Executive is responsible for ensuring that employees implement this Policy and the relevant procedures, when procuring goods and services. The Finance Manager will report of all contracts both tendered and negotiated will be presented to Board each year along with summary details of the value of goods & services by quotation.

During 2023/24 a review of procurement activity and spend analysis will be undertaken to identify any savings, benefits and social value that may be gained from our procurement activities. This plan closely links to our VFM strategy. We will also look at supplier management and performance to ensure we are getting best value from our spend.

This Policy will be reviewed every 2 years and updated with a change to procurement thresholds as required.

Appendix 1

Procurement Summary

Value (incl. VAT)	Primary Methods of Procurement	Approval
<£1,000	No formal competition, approved supplier if relevant and satisfied represents VFM	Budget holder in line with authorisation limits detailed in Financial Regulations
£1,000 to £4,999	Approved suppliers / At least one written quotation (email is acceptable) must be kept on file. Note some leaseholder works require 3 quotes under £5k.	Budget holder in line with authorisation limits detailed in Financial Regulations
£5,000-£24,999	At least three written quotations (email is acceptable) must be invited and the winning bidder identified using pre-determined evaluation criteria. Where possible one quotation should be from a local supplier. Quotations should be documented and held on the procurement quotation/tender file.	Chief Executive / Operations Director/Finance Manager
£25,000-to PCR thresholds – see Financial Regulations	A formal tender process will be undertaken and the winning tender identified using pre-determined evaluation criteria, or use of a procurement framework agreement.	EMT if within approved budget, or EHA Board

Notes

- a) *Employees may consider using a higher level of procurement method if it is deemed to be appropriate due to risk level of contract or if, for example, the company does not have knowledge of suppliers to invite to quote (e.g using full tendering for a project under £25,000)*
- b) *In all cases, a 'call off' from an appropriate framework to which EHA has access is acceptable.*
- c) *Quotations should be documented and held on the procurement quotation/tender file.*