

Policy Name	Procurement Policy
Version No.	5.0
Approval Date	
Category	Corporate
Classification	Internal

<b>Procurement Policy</b>	
Author	Head of Procurement
Contributors	Interim Head of Finance
Review Frequency	3 years or any material amendment to the EU Procurement Regulations
Latest Review Date	October 2018
Approved By & Date	ELT
Next Review Date	Jan 2020

## Contents

	Page No.	
1. Policy purpose & aim	2	
2. Objectives	2	
3. Scope of policy	3	
4. Responsibilities	3	
5. Monitoring & review	4	
6. Risk management	5	
7. Statement of commitment	5	
Additional Arrangements	8. Quotation/Tender levels	6
	9. Waivers	6
	10. Approved Suppliers	6
	11. Contracts Register	7
	12. Continuing Services/Annual Contacts	7
	13. Capital Expenditure (Building Projects/Works)	7
14. Other relevant ECCT policies & documents	8	
15. Relevant legislative & regulatory requirements	8	

Policy Name	Procurement Policy
Version No.	5.0
Approval Date	
Category	Corporate
Classification	Internal

**Version Control**

Version	Date	Description	Updated By	Approved By
5.0	October 2018	Comments on draft from ELT included	Rebecca Devaney	ELT
		Comments from Interim Head of Finance included	Rebecca Devaney	Executive Lead
	November 2018	Comments from Executive Director of Development, Sales & Procurement	Rebecca Devaney	Executive Lead

Policy Name	Procurement Policy
Version No.	5.0
Approval Date	
Category	Corporate
Classification	Internal

## 1. Policy Purpose & Aim

In order to achieve compliance, corporate strategic goals, Value for Money (VFM) excellent customer service and best practice, all procurement activities within ExtraCare Charitable Trust (ECCT) must be:

- Compliant with Public Contract Regulations 2015, Modern Slavery Act 2015, UK Law and ECCT Standard Financial Instructions; and
- All staff must comply with ECCT procurement procedures for obtaining tenders and quotations, not only for compliance reasons but to provide the best possible service to customers and VFM.

---

## 2. Objectives

The objectives of this policy are to:

- Ensure compliance with the above regulations in order to minimise any risk or exposure to ECCT and to ensure the purchase of goods and services is managed in an equitable, sustainable, open, competitive, non-fraudulent and non-discrimination manner, in line with legal obligations and EU Procurement principles; and
- Maximise value for money opportunities throughout the lifetime of a product or service.

---

## 3. Scope of Policy

This policy applies to every ECCT Trustee, employee, resident, volunteer, visitor and contractor. It also applies to activities undertaken within the subsidiary, ExtraCare Retail Ltd.

---

## 4. Responsibilities

That ECCT Trustees and employees, procure goods and services in line with Public Contract Regulations 2015, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost, consistent with value for money, quality, health, safety and environmental requirements, delivery requirements and sustainability. That procurement is to be in accordance with Financial Regulations, the Bribery Act 2010 and in accordance with sound business practice. Specific responsibilities are outlined below:

Policy Name	Procurement Policy
Version No.	5.0
Approval Date	
Category	Corporate
Classification	Internal

Audit & Assurance Committee	<ul style="list-style-type: none"> <li>Keep under review the policies.</li> <li>Receives compliance updates (upon request and periodically) – this includes number of waivers, suppliers, purchase orders and savings.</li> </ul>
Executive Director Development, Sales & Procurement	<ul style="list-style-type: none"> <li>To review compliance updates derived from the Procurement Dashboard – this includes information on waivers, suppliers, purchase orders, savings, contracts for renewal, tender plans and risk register.</li> </ul>
Head of Procurement	<ul style="list-style-type: none"> <li>Update the policy and keep the content under review.</li> <li>Monitor compliance and report any exceptions.</li> <li>Produce/update a procurement strategy for continuous, sustainable improvement in conjunction with ECCT corporate plan</li> <li>Produce the Procurement Dashboard to report compliancy and savings</li> <li>Produce a tender plan</li> <li>Produce a project plan</li> <li>Capture VFM &amp; cashable &amp; efficiency and social value savings</li> <li>Produce risk register</li> </ul>
Procurement Manager and Procurement Team	<ul style="list-style-type: none"> <li>Monitor compliance, via.</li> <li>Analysing on a regular basis all spend to identify “rogue spend” and anomalies. Findings will be reported back to the Executive Leadership Team (ELT) via Executive Director of Development, Sales &amp; Procurement;</li> <li>Communicating policies, forms to be used and supplier lists on a regular basis; and</li> <li>Support all staff in terms of advice and guidance, holding workshops if necessary.</li> <li>Categorisation of goods and services, including</li> <li>Analysing supplier spend and categorise goods and services into groups in order to understand and rationalise the suppliers list;</li> <li>Work with the relevant stakeholders in order to classify the categories; and</li> <li>Create a Procurement Plan for each category spend in order to reduce non-compliant contracts and minimise risk.</li> <li>Use the Contracts Register to identify expiring contracts.</li> </ul>
All managers	<ul style="list-style-type: none"> <li>Ensure that approval of expenditure from budgets is on the basis that quotes/tenders have been sought (as/where necessary)</li> </ul>

Policy Name	Procurement Policy
Version No.	5.0
Approval Date	
Category	Corporate
Classification	Internal

	<ul style="list-style-type: none"> <li>• Ensure that the Procurement Approved suppliers are used when there is a contract in place</li> <li>• Allow staff to undertake tenders and provide them the time / space to do so</li> <li>• Complete a waiver request for any instances where it is considered that the quotation/tender process cannot be followed for example if the spend is non influenceable e.g music performances, property rents and subscriptions</li> </ul>
All staff	<ul style="list-style-type: none"> <li>• Comply with policy requirements.</li> </ul>

## 5. Monitoring & Review

ECCT, as a public body, has a legal obligation under the Homes England (previously Homes and Community Agency) to abide to Public Procurement Regulations Act 2015.

The success of this policy in delivering its aims and ensuring that ECCT complies with this Procurement Policy will be monitored by ECCT, with oversight undertaken by the Procurement Team.

Success will be measured on the reduction of risk associated with incompliant contracts and the creation of a compliant approved supplier list which is to be used by all staff in ECCT. A system recording value for money, transparency, fairness, encouraging competition throughout the procurement process has been defined.

This policy will be subject to a full review at least every 3 years or earlier if there is any material change to the Public Contract Regulations 2015 or any other legislation affecting this policy.

## 6. Risk Management

In December 2016, the Board of Trustees have defined their risk appetite for legislative and regulatory compliance: for this a low level of risk can be taken.

If found not to be compliant with the legislation, ECCT could face penalties such as suspension of a specific contract award procedure, payment of damages (post contract award) and cuts in/ the suspension of grants, as a whole or downgrading as a housing provider. This is a financial and reputational risk for the Trust.

Compliance with this policy and related documents ensures and reduces the risk also ensures that the Trust meets its legislative and regulatory obligations.

Policy Name	Procurement Policy
Version No.	5.0
Approval Date	
Category	Corporate
Classification	Internal

There is also responsibility upon ECCT as a charity and registered provider to ensure that Value for Money (VFM) is secured from use of our funds – adhering to this Procurement Policy and, specifically, seeking best value through competitive quotation/tender processes supports our achievement of VFM.

## 7. Statement of Commitment

ECCT will ensure, so far as is reasonably practicable, that the risk associated with Procurement will be managed in compliance with the Public Procurement Regulations Act 2015 and any other relevant legislation that may impact upon it.

ECCT will take a consistent and holistic approach to Procurement through each stage of village development from planning, construction, commissioning and operations.

ECCT staff are required to understand, agree and comply with the policy. Procurement procedures must be followed in accordance with Public Contracts Regulations 2015 and ECCT Financial Regulations, and a diligent process be followed for below spend thresholds.

## 8. Quotation/Tender Levels

Quotations and tenders will be sought as follows. Spend must be aggregated over a 3 year period. Where there is an approved supplier in place which has been through a tender exercise than this should be used. If there is no supplier in place then please complete the following process:

Contract Value (net) £	Purchasing Method
Less than £5k	2 written quotes must be obtained, and all details of pricing should be retained for audit purposes. In the case of non influenceable spend please refer to the waiver process (such as a musician or act)
£5,000 or more and less than £25,000	3 Written quotes should be obtained, again retaining details of pricing for audit purposes. In the case of non influenceable spend please refer to the waiver process (such as a musician or act)
£25,000 or more and less than £181,302	ExtraCare Tender to be completed in conjunction with Procurement.
£181,302 and more	EU Tender to be completed in conjunction with Procurement.

**Light Touch Regime** - Certain Service contracts covering Health, Social and Education Services may be of less interest to competition. Therefore the OJEU threshold is much higher at £615,278. Please contact the Procurement Team for advice on this.

Policy Name	Procurement Policy
Version No.	5.0
Approval Date	
Category	Corporate
Classification	Internal

Factors to be considered, but not limited to include, purchase costs, maintenance costs, costs of disposal (if applicable), social value, sustainability, fitness for purpose, terms of payment, warranty, running costs and disposal, agreement to ECCT Terms and Conditions. The determining factors as to whether value for money has been obtained is to be fully justified and recorded.

Please see supporting **Work Instruction**.

## 9. Waivers

Any deviations from procedures must be declared and approved initially by the village or project manager and then by the Procurement Team via the waiver process. Waivers higher than £10k are approved by the CEO and Executive Director for Corporate Resources.

Please see supporting **Work Instruction**.

## 10. Approved Suppliers

Approved suppliers should be used, this is mandatory. The list is available from Procurement and can be located in the G drive

## 11. The Contract Register

The contract register is held and managed by the Governance & Risk Team.

All awarded contracts and agreements must be added to the contract register where contract owner, cost and notice period can be viewed. A contract register update form should be completed by the ECCT contract owner and sent to Governance in line with the Contracts Management Policy.

The contract register will be reviewed by Procurement and Governance. Contract owners will be notified of end dates in order to prepare for a new agreement.

## 12. Continuing Services/Annual Contracts

For existing/continuing supplies/services, tenders are to be invited on a periodic basis but at least every 5 years (appropriate to the services or products being purchased, the commercial situation of the particular market and the expiration of the contracts) to ensure supplies are obtained compliantly, at the best possible prices, social value is gained and terms agreed in line with this policy

Policy Name	Procurement Policy
Version No.	5.0
Approval Date	
Category	Corporate
Classification	Internal

Annual contracts are to specify quality and duration of supplies. Any extension to the provision of goods by the same supplier is to display value for money and transparency.

Where repeated goods and services may be required, the artificial dis-aggregation of supplies and services in order to avoid setting up a contract cannot be undertaken. Aggregation of spend, compliance and Value for money must be a priority.

A commitment to a contract in excess of one year must receive prior approval from an Executive Director in accordance Financial Regulations.

## 12. Capital Expenditure (Building Projects/Works)

All building projects with a contract value of £4,551,432 or more should use an EU compliant framework or conduct an EU tender

The Executive Director of Development, Sales & Procurement is responsible for ensuring that, for any capital building project above £1,000,000 an appraisal is approved by the Board prior to any commitment to expenditure being incurred. Expenditure is then only to be incurred in line with the authorised document (and delegated powers), which will include a full and detailed financial appraisal in a format that the Board has agreed.

All supporting documentation is to be retained.

## 14. Other Relevant ECCT Policies & Documents

General	<ul style="list-style-type: none"> <li>• Risk Management Policy</li> <li>• Whistleblowing Policy</li> <li>• Anti-Social Behaviour Policy</li> <li>• Waiver Form</li> <li>• Simple Procurement Guide</li> </ul>
Records & Checks	<ul style="list-style-type: none"> <li>• Procurement Dashboard</li> <li>• Risk Register</li> <li>• Contract Register &amp; Contract Register Update Form</li> </ul>
Work Instructions	<ul style="list-style-type: none"> <li>• Work Instruction 1 – Procurement: General Principles</li> <li>• Work Instruction 2 – Waivers</li> <li>• Work Instruction 3 – Quotations and Tenders</li> </ul>

## 15. Relevant Legislative & Regulatory Requirements

Legislation	Regulation	Guidance & In House Document
-------------	------------	------------------------------

Policy Name	Procurement Policy
Version No.	5.0
Approval Date	
Category	Corporate
Classification	Internal

Public Procurement Regulations Act 2015	Regulatory Framework of Social Housing 2012	New Village Development Scoping Policy Environmental Policy Gifts & Hospitality Policy Planned Repairs and Renewals Policy* Responsive Repairs Policy  Contract Management Policy  Appointing Construction Contractors and Consultants Policy Planning Application and Land Acquisition Policy Design Specification Policy* ECCT Financial Regulations Conflict of Interest document ECCT Terms and Conditions for supply of goods or services Variation to Terms Form Service Level Agreement template Purchase Order List of Approved Frameworks Invitation to Tender Document (ITT)
Bribery Act 2010		
Modern Day Slavery Act 2015		
Equality Act 2010		Equality & Diversity Policy