



St George Housing

PROCUREMENT POLICY

August 2023

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PROCUREMENT POLICY

1. INTRODUCTION

1.1 This policy outlines the framework and principles governing the procurement of goods and services by St George Housing (SGH), in accordance with UK laws and regulations. The policy aims to ensure transparency, fairness, value for money, efficiency, and compliance with legal requirements in all procurement activities.

1.2 SGH maintains a well-defined system of financial delegations, authorising specific staff members to commit the organisation within allocated expenditure limits. This prudent approach ensures responsible resource management and aligns with operational decision-making. Furthermore, SGH holds an authorised signatory list that must be complied with to endorse financial and contractual documents, upholding transparency and accountability. These integrated frameworks harmonize decision ownership, fiscal discipline, and oversight, ultimately enhancing operational efficiency and strategic alignment throughout the organisation.

2. POLICY STATEMENT

2.1 SGH is committed to conducting procurement activities in a manner that upholds the highest standards of integrity, accountability, and value for money. This policy guides the procurement process by promoting competition, preventing conflicts of interest, supporting local businesses, and adhering to legal and regulatory requirements.

3. LEGAL FRAMEWORK

3.1 The legal framework that underpins this policy takes into account the following legislation, regulation and codes of practice.

- Public Contracts Regulations 2015 (PCR 2015):
- Competition Act 1998
- Transparency Regulations 2015
- Social Value Act 2012
- Environmental Impact Assessment Regulations 2017:
- Modern Slavery Act 2015
- Data Protection Act 2018 and General Data Protection Regulation (GDPR)
- World Trade Organisation Government Procurement Agreement
- Small Business, Enterprise and Employment Act 2015

- The Crown Commercial Service (CCS):
- Public Services (Social Value) Act 2012:
- Bribery Act 2010

3.2 State if this policy complies with Regulator of Social Housing (RSH) Standards.

4. SCOPE AND OBJECTIVES

4.1 This policy applies to all staff, volunteers, suppliers, Board members and other key stakeholders. The scope of this procurement policy applies to all procurement activities undertaken by SGH for goods, works, and services. The objectives of this policy include:

4.2 **Transparency and Fairness:** SGH aims to conduct procurement activities transparently, providing equal opportunities to all potential suppliers. Bidders shall be treated fairly, and decisions shall be based on objective criteria.

4.3 **Value for Money:** SGH seeks to achieve optimal value for money in its procurement activities, ensuring that resources are utilized efficiently and effectively.

4.4 **Compliance:** SGH ensures compliance with all relevant EU and UK procurement regulations, as well as internal policies and procedures. Procurement documentation and decisions are properly recorded and maintained.

4.5 **Sustainability:** SGH considers environmental and social sustainability factors in its procurement decisions, favouring suppliers with environmentally friendly practices and promoting social responsibility.

4.6 **Local Businesses:** SGH encourages participation from local businesses and SMEs, supporting the local economy and fostering growth within the community.

4.7 **Conflicts of Interest:** SGH prevents conflicts of interest by ensuring that its staff and decision-makers act impartially and ethically throughout the procurement process.

4.8 **Innovation:** SGH promotes innovation by considering new and innovative solutions that contribute to the organization's objectives.

5. ROLES AND RESPONSIBILITIES

- 5.1 The Director of Finance is responsible for procurement across SGH, ensuring robust assurance through vital gateway controls. These encompass pre-procurement authorisations, market approach decisions, selection criteria endorsement, and evaluation outcome approvals before contracting. Additionally, the Director of Finance will provide regular procurement activity reports to the Senior Leadership Team, and approve Procurement policies and guidance manuals
- 5.2 The Company Secretary will oversee legal assessments of terms and conditions of our procurement, goods and services contracts.
- 5.3 The Chief Executive is responsible for approving alternative procurement options outside the standard process. Such approvals will be communicated to the next Board meeting.
- 5.4 The Senior Leadership Team (SLT) promotes transparency and high standards of ethical conduct by:
- Initiating a procurement evaluation meeting with the relevant staff members to outline the business case, assess equality considerations, adhere to SGH scheme of delegations, evaluate the risk of modern slavery, outline the proposed market approach, address legal necessities, ensure data protection compliance, and confirm budgets.
 - When contracts potentially surpass the public procurement threshold, ensuring compliance with the Social Value Act of 2012 by incorporating social value considerations.
 - Securing authorisation from the Chief Executive before proceeding to the procurement phase.
 - Establishing and managing a centralised database for storing all business cases.
 - Implementing a centralised contracts tracker to oversee the progress of ongoing procurement activities.
 - Maintaining a central database to track contract expiration dates, facilitating timely re-procurement when applicable.
 - Overseeing procurement reporting by regulatory bodies, providing insights to the Senior Leadership Team.

- Notifying contract project owners six months prior to contract expiration, extending support to ensure proper notice is given and re-procurement is executed punctually.
- Monitoring government procurement policy updates and promptly addressing any requirements to revise the current policy or central procurement guidelines.

6. PROCUREMENT PROJECT OWNER

6.1 Each procurement process must be assigned a **project** owner (A Senior Leadership Team member) who holds the accountability for acquiring goods and services in compliance with this policy and the approved guidelines. The designated project owner's details will be documented within the centralised procurement tracker.

7. CONTRACTS PROJECT OWNER

7.1 All contracts must be assigned a **project** owner (a Senior Leadership Team member) who is responsible for overseeing the management of goods and services delivery, monitoring supplier performance, and ensuring the fulfilment of contractual commitments. The designated contract business owner's information will be recorded within the procurement contracts.

8. MOST ADVANTAGEOUS TENDER (MAT)

8.1 SGH will consider the Most Advantageous Tender when procuring goods and services. This means when evaluating tenders, along with cost and value for money, we will take into account the following social value factors:

- supporting local communities and SMEs
- creating new jobs and new skills in the UK
- improving supplier diversity, innovation and resilience
- tackling climate change and reducing waste
- any additional local priorities

9. PROCUREMENT PROCESS

9.1 SGH adopt the following four principles in the procurement process to ensure that procures goods and services in line with regulations in a fair, transparent way that provide value for money. For the four stage process is as follows:

9.2 **Identify:** The procurement project owner should identify a business need and present a business case to the SLT, considering equality issues, modern slavery risk assessment, proposed route to market, legal support requirements, conflicts of interest, data protection and budgets. The business case report and meeting outcome notes should be stored centrally.

- 9.3 **Procure:** The Procurement Project Owner will undertake procurement activity in accordance with this policy. To ensure best practice the SLT will co-ordinate advice and operational support as required. To ensure probity and good practice in the process, at least two SLT members will facilitate all procurement evaluation meetings.

Route to Market

- 9.4 Route to Market is a strategy that determines which distribution channel SGH will adopt to deliver our products and services to our target market and customers.
- 9.5 The appropriate route to market depends upon the aggregate contract value detailed in section 10.2 below. The Director of Finance will determine the route to market as part of the procurement evaluation process.

Supplier selection and evaluation of offers

- 9.6 The procurement project owner will produce a request for quote / tender which must be authorised by the Director of Finance before being released externally. This will include details of the evaluation criteria.
- 9.7 The Director of Finance must approve evaluation outcomes before an award and contracting.
- 9.8 Where the Director of finance is the project owner at least 2 members of the SLT must approve the evaluation outcomes.

Contracting

- 9.9 Terms and conditions must be reviewed by the Director of Governance. Any contract involving the processing of personal data must be reviewed by the Director of Governance to ensure compliance with both UK General Data Protection Regulations and the Freedom of Information Act 2000.
- 9.10 All contract for works, goods and services will adopt the SGH terms and condition which can be found [here](#).
- 9.11 Contracts must only be authorised and signed by those in accordance with the scheme of delegations.
- 9.12 All supplier contracts will be stored within a centralised system by the Director of Finance.
- 9.13 **Manage:** Each contract will have a contract project owner (must be an SLT member) who is responsible for ensuring the delivery of goods and services is managed, supplier performance monitored, and contractual obligations fulfilled.

9.14 **Review:** The Director of Finance will maintain a procurement contracts tracker to ensure that there is sufficient time for re-procurement prior to contract extension notification and contract end dates.

10. CONTRACTS TRACKER

10.1 SGH maintains contract register which holds the following details:

- Contract subject
- Contractor/supplier/consultant
- Contract Type
- Contract value
- Date the contract was awarded
- Start date of contract
- Duration of contract
- End date of contract
- Duration of any contract extension

11. ADVERTISING

11.1 All contracts above the Public Procurement thresholds will be advertised on the e-tendering portal mytenders at <https://www.mytenders.co.uk/> in accordance with the Public Contracts Regulation 2015. For further guidance on the public procurement thresholds see the Cabinet Officer Procurement Policy Note [here](#).

12. PRE QUALIFYING CRITERIA

12.1 In order for SGH to evaluate whether a contractor can undertake

12.2 works that meet our standards we will require as a minimum the following information and supporting documentation:

- Financial resources
- Experience and capacity
- Health and safety policy
- Quality management procedures
- Staff resources and employment policy
- Sub-contracting policy
- Equal opportunities policy and practices
- Public liability insurance certificate
- Indemnity insurance up to a certain limited – for consultants
- Two years published accounts
- Valid registration card or certificate for a trade body or standard
- Proof of membership of federation or trade associations
- Details of labour force

13. ROUTE TO MARKET

- 13.1 SGH's preferred approach to procurement involves fostering collaboration through the utilisation of SGH approved framework agreements or engaging in joint procurement initiatives with other organisations. This preference remains in effect unless a distinct advantage in terms of value for money, encompassing economy, efficiency, or effectiveness, can be achieved via independent procurement contracts.
- 13.2 During the assessment of procurement options, the aggregate contract value over the duration of the contracts should be used to ascertain the overall projected costs. The most effective route to market will be guided by the following thresholds.

Thresholds (incl VAT)

Works contracts above £50,000 and up to and including £5,336,937

Works contracts above £5,336,937

Goods, services or works contracts up to and including £50,000 (excl VAT)

Goods and service contracts above £50,000 and up to and including £213,477

Goods and service above £213,477

Route To Market

A formal tender process, inviting a minimum of three suppliers.

Mandatory compliance with Public Contracts Regulations.
An informal quotation process, inviting as many suitable suppliers as possible.

A formal tender process, inviting a minimum of three suppliers

Mandatory compliance with Public Contracts Regulations

- 13.3 Under the Public Contracts Regulations 2015 a 'works contract' refers to a type of contract that primarily involves the execution, or both the design and execution, of works related to construction, renovation, repair, or demolition of a structure or civil engineering project. This can include buildings, infrastructure projects, and other construction-related activities.
- 13.4 In the context of these regulations, a "goods contract" typically involves the purchase, lease, or rental of tangible items such as equipment, materials, or products. On the other hand, a "services contract" involves the procurement of intangible services, which can range from consulting, professional, or technical services to maintenance, repair, and similar services

14. EVALUATION OF COST

- 14.1 Contract length or/and contract value should not be split to affect the thresholds. When calculating the cost of the procurement the whole duration of the contract must be considered not just the annual cost.
- 14.2 The cost of the procurement must be calculated to exclude the VAT and insurance premium tax when evaluating against the value thresholds.

15. ALTERNATIVE PROCUREMENT OPTIONS

- 15.1 Sometimes SGH will adopt an internal procurement process that will not require the approval of the Director of Finance but will follow the scheme of delegations' approval process. Procurement for instructing Legal advice and counsel would fall into this category as it may be urgent and time sensitive.
- 15.2 The procurement for individual Learning and development including conference attendance is exempt from this procurement policy and will instead be approved by the Chief Executive.

16. EVALUATION

- 16.1 Effective bid evaluations are crucial for making optimal contract award decisions that offer value for money. Bids and tenders must be meticulously assessed against predetermined criteria, clearly outlined for all bidders. An Evaluation Panel, consisting of at least two members of SLT, evaluates bids and maintains comprehensive records of the decision-making process. An evaluation matrix should be used to score bidders against these criteria.
- 16.2 Documented evaluations mitigate legal challenges and reputational harm, assuring bidders of a transparent, equitable, and robust process. Adhering to RSH duties under the Bribery Act 2010, panel members must be conflict-free, avoiding financial or personal ties to bidding companies. SGH's guidance on conflict of interest outlines procedures for addressing such situations. Additionally, the awarding of contracts must be authorised by the Director of Finance and Resources before bidder communication.

17. AWARDING A CONTRACT

- 17.1 Contract award notifications will be communicated to bidders in written form. Unsuccessful bidders will receive written notification regarding the award outcomes, along with a suitable feedback report.

18. EQUALITY AND DIVERSITY

18.1 In accordance with the Equality Act 2010, SGH is obligated to eliminate discrimination and advance equality. This duty remains with SGH and isn't transferable to external suppliers. However, SGH will evaluate its responsibilities and, when suitable, incorporate contractual clauses into supplier agreements. The integration of equality concerns starts at the initial procurement evaluation meeting. This ensures that equality and diversity are accounted for during specification development, supplier sourcing, pre-qualification processes, bid invitations, developers, formulation, and contract drafting.

19. SMALL, MEDIUM ENTERPRISES

19.1 In accordance with this policy, SGH facilitates the engagement of small and medium enterprises (SMEs) in contract bidding through the following measures:

- Swift payment to suppliers is ensured, and in cases of contracts with prime contractors, contractual stipulations guarantee timely payment distribution throughout the supply chain.
- For contracts falling below public procurement thresholds, a streamlined procedure is in place that doesn't require pre-qualification questionnaires.
- We advertise some of our contracts above a certain threshold on mytenders at <https://www.mytenders.co.uk/>

20. SMALL WORKS CONTRACTORS

20.1 The framework for repairs and maintenance contractors will be monitored by the Chief Executive and reviewed by the Board on an annual basis.

20.2 SGH will set performance metrics that will measure the contractors proficiency in completing of repairs, treating tenants with courtesy and respect, appointment management, and the success rate of competing repairs first time.

20.3 When evaluating a contractor's performance, we will also consider supplementary factors such as:

- Delivery of KPIs outlined in contract
- Results of tenants' satisfaction surveys and staff feedback
- Complaints and compliments
- Value for money / cost effectiveness
- Percentage of works carried out right first time
- Opportunities for apprentices, work placements and benefits to local community

21. MODERN SLAVERY

21.1 Our procurement processes are designed to uphold legal, ethical, and inclusive standards, while also maximising value for resources. We're committed to leveraging procurement for not only commercial gains but also social and environmental benefits. To reinforce our approach, we've introduced measures to ensure that suppliers and contractors confirm their adherence to the Modern Slavery Act 2015.

21.2 New supply contracts undergo thorough risk assessments within our comprehensive risk management framework overseen by our Senior Leadership Team. All identified risks, corresponding controls, and assurances receive annual approval from our Board. Furthermore, our contractual agreements incorporate provisions that bind our contractors to uphold compliance with the Modern Slavery Act 2015 throughout their supply chains.

22. EQUALITY IMPACT ASSESSMENT

22.1 In writing this policy we have carried out assessment to ensure that we are considering, equality, diversity and inclusion. Our assessments did not indicate that any group had been adversely impacted by our approach to allocations.

22.2 We have also carried out a privacy impact assessment as information regarding applicants is sensitive. However, responsible information sharing plays a key role in the letting of our homes. We follow information sharing protocols with local authorities and our partners where they in place.

22.3 To request copies of these assessments, please contact info@stgeorgehousing.co.uk

23. RELATED INTERNAL POLICIES

- Anti Bribery Policy
- Modern Slavery Statement
- Conflict of Interest Policy
- Scheme of Delegations
- Whistleblowing Policy

24. CONSULTATION

24.1 This policy will be reviewed in consultation the Board.

25. REVIEW AND APPROVAL

25.1 This policy will be reviewed at least every two years or as required to take into account changes in legislation.

Responsible officer: Director of Finance

Policy Author: Director of Governance

Policy version: V1

Date of Board Approval: August 2023

Date the next review is due: August 2025