



# Procurement

## 1. Background

Abbeyfield The Dales Limited (ATD) is committed to giving appropriate and proportionate consideration to obtaining and evidencing value for money when procuring works, services and supplies to maximise resources for front line services and deliver efficiency gains.

## 2. Objectives

ATD is committed to providing services that enhance the quality of life for older people and developing services that will meet the needs of future generations. This commitment is based on the Mission and Values of ATD. ATD will also comply with all relevant and current legislation.

Procurement's main purpose is to commit the organisation and every individual involved in buying to use their best endeavours to ensure contracting activities are legal, compliant, accountable and auditable, and to allow ATD to exploit appropriate technical developments. Procurement should mitigate risk in the supply chain, and all purchases should be in line with the ethical and charitable purposes. Efficiencies are based on reduction in costs and improvements in services therefore ATD aims to establish a cost-conscious culture where decisions will be made by taking account of price, quality, time and sustainability to achieve overall best value.

Recognition of the value of Small and Medium Enterprise businesses, voluntary and community sector providers and social enterprises, of environmental impact and the promotion of sustainability.

## 3. Scope

This policy applies to the procurement of all works, services and supplies.

## 4. Policy

### 4.1. Definitions

Procurement involves the process of selecting vendors, establishing payment terms, strategic vetting, selection, the negotiation of contracts and actual purchasing of goods, and is concerned with acquiring (procuring) all of the goods, services and work that is vital to an organisation.

Procurement refers to the overall process of acquiring works, services or supplies from third parties. The process spans the whole life cycle from the identification of a need, and specifying the requirements through to the end of the useful life of an asset or services contract. Good procurement is the delivery of this process in a timely and efficient way which meets all the specified quality criteria and provides incentives for continuous improvement.

### 4.2. Overall Principles

Procurement of all works, services or supplies will consider the following:

- Value for money, recognising that whole life costs may be more important than a low tender price and therefore involving an assessment of ongoing revenue costs as well as initial capital investment;

- Efficiency in procurement techniques and processes where possible, for example by accessing appropriate EU compliant;
- Procurement Frameworks or purchasing consortia, rather than undertaking in-house tendering of all requirements across the board;
- Management of risk which is shared with partners where appropriate;
- Compliance with EU procurement law and the principles of transparency and equality in procurement processes;
- A presumption in favour of competition. Any procurement will be supported by clear evidence of a rigorous value for money assessment in accordance with the Value for Money Statement; and/or
- However, where it is evident that greater value for money and improvements can be achieved, a negotiated contract or partnering agreement may be entered in exceptional circumstances where this is permitted by EU procurement law.

All members of staff involved in procurement will behave in a professional manner and:

- Comply with ATD Anti-Bribery Policy with particular attention to adherence to the rules on accepting gifts and hospitality;
- Comply with ATD Data Protection Policy and General Data Protection Regulations (GDPR);
- Treat all contractors, consultants and suppliers equally; and
- Report to Director of Shared Services (DOSS) any conflicts of interest and breaches of procurement procedures.

Electronic procurement will be undertaken where it can realise cost benefits. A corporate management register of all contracts of more than one year's duration will be maintained.

### **4.3. Standing Orders & Delegated Authority**

All members of staff must comply with ATD robust Delegation of Authority Policy which details the process of authorisation and certification of expenditure on works, services and supplies.

Expenditure may only be authorised by members of staff to whom appropriate authority has been delegated for such items, and within their financial limits.

Procurement of works, services or supplies will only be undertaken where there is an approved budgetary provision or the spending can be contained within the budget for that expenditure heading. Please note that there are exceptions for expenditure in the event of an emergency.

### **4.4. European Procurement Directives**

Registered Providers (including ATD) are regarded as 'Contracting Authorities' for the purposes of the European Procurement Directives. These regulations, designed to open public sector markets to providers from across the European Union, introduced requirements as to transparency and non-discrimination, and a regime of practical procedures to be followed in large scale procurements. Where contracts exceed the following EU thresholds (net of VAT) and are therefore subject to EU procurement regulation (Public Contract Regulations 2015), this will be complied with:

Supplies - £189,330

Services - £663,540

Works - £4,733,252

Valid up to 31.12.2021 and will be reviewed annually after this date.

There are detailed rules about how to value contracts for the purposes of the EU procurement rules. Often, this involves adding the value of other contracts for the same type

of services or supplies, or for the same “work” to the value of the contract which is being procured on a ‘whole life’ cost basis. Before commencing the procurement process, please contact DOSS.

Post Brexit, the UK procurement thresholds are governed by the World Trade Organisation’s (WTO) Government Procurement Agreement (GPA). These thresholds are not subject to review or change until January 2022, so thresholds will remain largely the same as usual, EU figures for now.

#### **4.5. Approved List of Contractors & Consultants**

As part of its ethos, mission and values, ATD will promote local community involvement. Therefore, local sourcing will be encouraged whenever possible. ATD recognises relationships developed with local suppliers are part of its ongoing commitment to local communities and will actively invite appropriate local companies to tender for contracts.

ATD will maintain a list of approved contractors, consultants and suppliers which meet ATD minimum technical and financial standards for the provision of building and engineering works. This can be used as a starting point for procuring works or services which are below the EU procurement thresholds set out above. Applications to join the approved list will be assessed to ensure that the company maintains appropriate professional indemnity insurance and is sustainable, can demonstrate the ability to undertake the work and comply with its responsibilities for health and safety, equality and diversity.

#### **4.6. Tendering**

Where a competitive tendering procedure is being followed, the degree of advertising of the opportunity should be scoped to ensure an appropriate level of competition. Organisations will usually be required to complete a pre-qualification questionnaire before being invited to tender, unless they are on the approved list.

The competitive process will be carried out transparently. All information given to any bidder will be shared with all other potential bidders.

Tenders will be impartially evaluated by experienced staff members or appointed consultants. The evaluation will be justifiable, defensible, fair and equitable. It will be based on evaluating evidence against predetermined criteria and free from hearsay, unsupported opinion and negative bias. Decisions will be recorded contemporaneously, and bidders promptly informed of the outcome. Where EU procurement rules apply, contracts will not be concluded until the appropriate standstill period has elapsed.

ATD may wish to benefit from procuring goods and services and achieving economies of scale and preferential pricing through joint procurement initiatives led by The Abbeyfield Society. Procurement policies for the two organisations are consistent in every sense, and ATD will defer to Abbeyfield if a joint procurement initiative was to happen, and if it is in the best interests for ATD.

#### **4.7. Partnering**

ATD recognises the benefits of partnering and will consider this as a means of procuring works, services or supplies whenever this will provide best value for the organisation and its customers.

ATD may select to partner with a contractor or supplier with a proven track record, who has consistently won contracts by competitive tender and has performed to the satisfaction of Abbeyfield. If there are several suitable contractors or suppliers, they will be compared using criteria such as expertise, areas of operation, resources, customer care, quality of work, cost,

health and safety records, experience of partnering, record of innovations, and approach to equality and diversity.

All partnering agreements will be entered with the specific understanding that:

- The involvement and commitment of all parties will only continue subject to satisfactory performance and the delivery of mutually agreed objectives;
- The arrangements must be in permitted by the EU procurement rules;
- A written agreement will be drawn up for each partnering arrangement and this will include mutually agreed and measurable performance indicators to carefully monitor the effectiveness of the agreement; and
- Each partnering agreement will be monitored using the agreed performance indicators and the results will be reported to the relevant person.

#### **4.8. Purchasing Consortia**

ATD will use recognised consortia, where appropriate, to achieve efficiency savings in the procurement of goods and services. There are 13 active Procurement Efficiency Initiative consortia operating throughout England which are recognised by the Homes England. These consortia are generally usable in development and housing procurement.

#### **4.9. Project Management**

Project management is the discipline of initiating, planning, executing, controlling and closing the work of a team to achieve specific goals and meet specific success criteria at the specified time. ATD will adopt a structured approach to project management. Each project will be subject to a project plan identifying responsible officers and establishing a timetable for completion. The project manager will be responsible for delivering the project on time and in accordance with this policy.

#### **4.10. Equality & Diversity**

ATD recognises our responsibility to encourage equality of opportunity within other organisations with which we have dealings. We expect all contractors, consultants and other external partners to have a suitable Equality and Diversity policy (or adopt our policy) and provide a fair and equal service to our residents.

#### **4.11. Resident Involvement**

ATD will endeavour to ensure residents are involved in and have appropriate opportunities to influence relevant procurement processes (i.e. Section 20 which includes tenant involvement in procurement).

### **5. Finance, Value for Money & Social Value**

The adoption of this policy in conjunction with the Value for Money Statement will help Abbeyfield to achieve value for money across its activities. This will enable the Society to better meet its charitable objectives.

### **6. Supported Appendices**

N/A

### **7. Linked Policies**

Anti-Bribery (LG001P)  
Delegation of Authority (LG014P)  
Equality & Diversity (LG016P)

## **8. Legislation/Regulation**

Bribery Act 2010

Data Protection Act 1998 including GDPR

Public Contracts Regulations 2015

EU Procurement Law

## **9. Review**

Every 3 years, subject to regulatory and legislative changes.

## **10. Procedure/Guidance**

N/A