



FM-POL-05 Procurement Policy

Version	4	Developed by	Director of Finance, Governance and Risk
Approval	17/12/2024	In Consultation With	
Classification Type - (Confidential, Restricted, Internal use only, None)			Internal use only

1. Introduction

Procurement directly impacts the delivery of value for money and contributes to an organisation's financial sustainability. Developing an effective approach to procurement is therefore crucial as it reflects and contributes to a number of our strategic aims and corporate objectives. The Procurement Policy is not an isolated document, but part of a wider ambition to continually improve and enhance what we do whilst embracing innovation and new technologies.

At a strategic level we are committed to using procurement as a key tool for reducing costs, increasing quality, and forming partnerships with good companies and contractors.

2. Aims and Objectives

The overarching aim of this Procurement Policy is to help deliver value for money, and thereby improve service quality and outcomes, and efficiency and profitability for the business. In doing so, we will apply the concepts of fairness, transparency, probity and accountability. This policy will help Framework deliver procurement activity in a streamlined and consistent way, which meets our legal and regulatory obligations.

3. Link to our Mission

The Procurement Policy is aligned to support delivery of the Mission and the Strategic Aims of the Corporate Plan and are aligned specifically to the Corporate Objectives:

- Growth
- Standards
- System Change and Joined-up Services
- Organisational Strength and Resilience
- Service User Participation and Empowerment
- Valuing our People

4. Procurement Principles

The procurement principles underpin the delivery of the Procurement Policy aligned to the above Corporate Objectives.

- Focus on contributing to the target annual operating margin of 3% of turnover rising to 4.0% in 2025/'26 and 2026/'27 whilst keeping services safe and effective. As set out within the Corporate Plan.
- Value for money is achieved through the appropriate balance of cost and quality and procurement activities are structured to deliver the most cost-effective outcomes.
- Whole life costing principles are used including capital and on-going revenue commitments as part of procurement considerations.



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- Procurement outcomes support continuous improvement and enhancement of staff capacity which underpin the focus on delivering high levels of Service User satisfaction.
- Procurement activity maximises the benefits for our service users and local communities within the resources available
- Procurement criteria includes sustainability and low carbon footprint factors as appropriate
- Our equality and diversity objectives are adhered to through procurement
- The utilisation of consortiums and frameworks are the preferred method of procurement, securing cost savings through economies of scale and reduced administration costs.
- The value of small and medium Enterprises are recognised within our procurement work.
- x. Procurement activity complies with all relevant legislation and regulatory requirements.
- xi. Procurement activities are operated with integrity, are transparent and controlled using practices seeking to prevent corruption and fraud.
- xii. Alignment to Framework's Statement on Modern Slavery and Exploitation and not dealing with contractors who are associated with this type of unacceptable practice.

The delivery of these principles, are applied at all stages of procurement and inform the onward contract management.

5. What we mean by procurement

Generally, procurement is the process of buying goods, services and works from suppliers and partners. This process covers the whole lifecycle of activities, beginning with identifying a need for the goods or service, evaluating the potential costs, purchasing, on-going management and termination. A Procurement Policy is not just about the big spend items, like our repairs service or our development projects, it is also about raising the awareness of procurement and how we manage our money and suppliers throughout every level of the organisation. This approach aims to ensure all procurement follows a fair and transparent process that is subject to the appropriate scrutiny and is compliant with relevant legislation and regulatory requirements.

6. Value for money

Before commencing any procurement activity, or undertaking a service review, management will consider the "Make or Buy" question: can Framework best meets its objectives by employing staff directly to deliver the service, or is out-sourcing to a contractor a better option? In some case the answer to this will be obvious, but in other cases a more thorough option appraisal will be undertaken. Switching between direct delivery and out-sourcing, or vice versa, will only be progressed following the approval of the Senior Leadership Team.



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7. Legislation

Procurement activity will comply with the requirements of the following relevant legislation:

- The Procurement Act 2023 (Act)
- Social Value Act 2012
- Landlord and Tenant Act 1985, section 20
- Equality Act 2010
- Bribery Act 2010
- Modern Slavery Act 2015
- Charity Commission

8. Types of procurement

There are various approaches to procurement that are regularly used by Framework. The choice of procurement route will be dependent on the value and/or the complexity of what is being procured. The responsibility for following the correct process will fall upon any staff member using the process who has the relevant budget/spend authority under the Financial Regulations.

The table below sets out the procurement activity requirements:

Value	Procurement Requirement
Threshold values for Public Contract Regulations. Currently Supplies and Services £214,904 and Works Contracts £5,372,609.	Compliance with the Procurement Act 2023. Utilising Open tendering or , Competitive Flexible procedures through the Find a Tender system or via a Framework agreement.
Over £100k – up to Public Contract Thresholds as detailed above.	Full tender process
£10k - £100k	Request for written quotations from a minimum of three suppliers supported by a contract specification and PQQ appropriate to the contract sum.
£3000 – Under £10k	Three written quotations
£500 Under £3000.00	Three verbal quotations with a record maintained.
Under £500.00	Operate the most efficient procurement solution aligned to the procurement principles.



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Further detail on the main types of procurement routes are set out below:

8.1 Procurement Act 2023

Registered Providers (RPs) must abide by UK public procurement laws and demonstrate compliance. The Procurement Act 2023 sets out the procurement methods which must be followed where the value of the contract reaches a specified threshold. These thresholds do fluctuate but are typically (for 2024) around £5.4m for construction work and £214,904 for use of professional services and supplies. If any contract approaches these thresholds then the matter must be reviewed by the relevant CLT Member. It is important to recognise that some works can be cumulative. The UK public procurement compliant tendering process can be time consuming and expensive, and all tender processes of this nature should be reported to Senior Leadership Team. It is the relevant CLT member's responsibility to ensure steps are taken to comply with procurement legislation requirements:

At the time of updating this policy, it had been announced that the reforms from the Procurement Act would be implemented from the 24th February 2025 the link providing the latest guidance is provided below. The latest fact sheet is provided at Appendix A.

[Procurement Act 2023 - Guidance documents - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/procurement-act-2023-guidance-documents)

8.2 Consortia and frameworks

Consortia and frameworks are utilised to achieve value for money and good performance standards. The current providers include Procurement for Housing, Efficiency East Midlands, Blue Skies Development Consortium and Eastern Shires Purchasing Organisation.

These types of arrangement are normally compliant with UK public procurement requirements and therefore remove the costs and burden of compliance. They also work on the premise that benefits are gained from the collective buying power of the subscribing organisations to provide economies of scale. Consortia and frameworks can be effective vehicles for delivery and are the preferred method of procurement for Framework. The decision to use a consortium or framework must be considered by the procuring manager and approved by the relevant member of CLT. Equally, where a framework or consortium exists and we are already procuring other goods or services through another source, the reasons for not using that route must also be detailed to, and approved by the relevant member of CLT. It is recognised that there are instances when an appropriate framework is not available.

8.3 Tendering

This process requires the preparation of detailed tendering documents and follows a very formal process for securing works or services. These are normally underpinned by formal contract documents and by a detailed schedule of works/bill of quantities. These are most commonly used by Frameworks Property Services department for maintenance works but should also be followed for other significant spend items, for example IT projects.

The Procurement Act 2023 sets out two options, the open tender or a flexible competitive flexible procedure for tendering. There have been no changes to the open tender process, however the flexible competitive procedure is new. Due to the potential complexities of a flexible competitive tender and that guidance is still emerging, there is a requirement for external support to be utilised if this option is being considered/progressed. Framework is a member of EEM and they are the preferred source of support in this situation.



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8.4 Written quotations

Written quotations will generally have less detailed specification of what is required than a tender process, but should still be requested in writing and within a prescribed timescale, to ensure consistency and fairness in the pricing process. The reduced formality should reduce the timescale and costs of obtaining a competitive price.

8.5 Verbal quotations

Verbal quotations are used for simple procurements that need to be completed quickly, and can also be used to provide an indication of likely costs before any work commences.

8.6 Negotiated contracts

There can be situations when negotiating with a contractor or supplier would provide a commercial benefit. A negotiated contract will normally only be considered when the original work or supply was won through a competitive process within the last 2 years. In considering this option, relevant CLT Members approval is required up to £10k. Over £10k is to be approved by the Chief Executive or the Director of Finance, Governance and Risk. Over £50k requires Board approval. In agreeing to a negotiated contract, the relevant CLT Member will ensure the proposed contract can demonstrate the justification for negotiation measured against the procurement principles.

8.7 Specialised procurement

There may be instances when an innovative approach will not neatly fall into the procurement types described above, such as a joint venture. In these cases, the Board's prior approval must be obtained, noting they would play an active role in developing the approach to be used.

9 Exemptions

- There are no exemptions for procurement activity over the UK public procurement specified thresholds. In all cases the legislative requirements must be adhered to.
- There is an option to extend a contract for up to one year where the supplier agrees to hold the current contract prices. Only one extension can be granted and is subject to the approval of the Chief Executive or the Director of Finance, Governance and Risk.
- In response to an urgent repair which is not covered by the (previously tendered) current schedule of rates, Property Services Team leader are authorised to raise orders up to £3k using the most efficient procurement solution aligned to the procurement principles. This is in accordance with the Financial Regulations at paragraph 29.3.
- In the event of an emergency or urgent requirement the Director of Finance, Governance and Risk has authority to approve up to £50k, and the Chief Executive and Deputy Chief Executive up to £100k of procurement outside of the Procurement Policy rules.
- Any exempt procurement (as outlined above at ii to iv) must be reported to the next Senior Leadership Team meeting with a report outlining the mitigating circumstances, the value, the budget, the procurement route undertaken and the contract term.



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- The Board has the authority to approve procurement outside of the Procurement Policy rules up to the value of the UK procurement Act 2023 threshold. Any exempt procurement for Board approval must be reported to the next Board meeting with a report outlining the mitigating circumstances, the value, the budget, the procurement route and the contract term.
- Examples of Board exemptions include: a specialist supplier to support an IT system or an emergency or urgent requirement over £100k.

10. Procurement processes and controls

The internal delegated authorities and controls that apply to procurement are contained within Governance in Action and the Financial Regulations, which are approved by the Board. The Board receives an annual report on procurement activity over £100k. Periodically, Internal Audit review procurement processes and activity. The required behaviours and standards of staff are set out in the Code of Conduct seek to protect Framework against Fraud and impropriety.

Staff will select the most appropriate and expedient procurement mechanism in each case, in line with this Policy. Purchasing through Framework contracts offered by procurement clubs such as Efficiency East Midlands and Procurement for Housing will be considered as these can offer significant savings in terms of lead in time and effort.

Other forms of joint procurement with other providers may also be considered from time to time, where this offers value for money, subject to necessary approvals.

Where necessary and appropriate (normally for higher value, particularly complex, or long-term service contracts), Framework may seek expert consultant advice to assist with the specification and procurement of a contract.

Where appropriate, Service Users will be invited to participate in procurement activities, either by helping to review contract specifications, and/or by taking part directly in tender evaluations. For example, Framework has involved **Service Users** in the procurement of new maintenance service contracts for many years, and this has provided insight and has improved contracting outcomes.

Framework will adopt eProcurement processes, for example utilising **Esender**, whereby contracting opportunities will be advertised and processed on-line. This will help deliver efficiency, transparency and probity, as well as meeting legal requirements for higher value contracts.

Contracts will be let, wherever possible, following the spirit of partnering and continuous improvement with measures agreed to set Key Performance Indicators (KPIs). Effective contract management following on from the procurement process, including ongoing evaluation against these KPIs, is essential to ensure that services are delivered to the required standard, and the overall value for money objective is achieved.

11. Equality and Diversity (E&D)

Framework procures goods and services worth several £millions each year, and therefore its procurement activity can have both direct and indirect impacts on its equality and diversity



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objectives. All procurement activity is required to be consistent with Framework's Equality, Diversity and Inclusion Policy.

The Social Value Act 2012 requires public authorities (which includes housing associations in this case) to consider how what is being procured can improve the social, environmental and economic wellbeing of the relevant area, when contracts are above the UK public procurement thresholds. The legal requirement will not fall upon Framework very often as we do relatively few procurement exercises above these thresholds. Nevertheless, the principles are consistent with Framework's strategic aims and corporate objectives and so due consideration will be given as part of all procurement activity. Therefore, Framework will seek to encourage smaller and local suppliers to bid for contracting opportunities as appropriate through pre-tender engagement and support. Typically this might include arrangements for local employment, the specification of materials and equipment used and so on.

Where contractors are employed to undertake services direct to Service Users, as part of the tender evaluation and service quality assessment, examination on their approach to and experience in dealing with equality and diversity matters, including working with vulnerable customers.

Significant current contractors and suppliers are asked to provide information on the diversity of their management and workforce.

Whilst this does not in itself directly contribute to Framework's Equality and Diversity objectives, the monitoring data provides a benchmark against which progress can be assessed, and it also sends out a useful message to our service providers that Equality and Diversity is important. Potential contractors and consultants are also asked to provide information on any findings against them for breaches of employment or equality legislation.

12. Risk Management

The reputation, regulatory status and financial well-being of Framework is dependent on procurement work being undertaken in a robust and transparent way. Governance in Action details matters reserved for the Board and delegation to the Senior Leadership Team. The Board and the Senior Leadership Team monitor the application of Governance in Action and procurement activities. Successful procurement outcomes lead to efficient and enhanced services to customers.

Framework is audited, both internally and externally, on an annual basis. Recommendations put forward by the auditors are incorporated into action plans and are implemented according to priority and as resources allow.

Effective procurement is key to the delivery of the Corporate Plan mission, strategic aims and corporate objectives, operating within an increasingly competitive environment. It is important therefore that sufficient resources are made available for the delivery of effective procurement exercises, and contract management thereafter.

The delivery of this Procurement Policy will require Framework to embrace change and new ways of working. Staff are required to update their skills and knowledge on an ongoing basis and training is provided as appropriate



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Appendix A Procurement Fact Sheet

Appendix B: Procurement Policy Activity Plan 2024-2027

Activity	Timescale	Lead	Resources	Outcome
Procurement Policy to CLT	December 2024	SW	Director of Finance, Governance and Risk, CLT	Assurance and Compliance Controls enhanced.
Update procedures to support delivery of the Policy	January 2025	SW	Property and Development Services	Work with EEM and property services to review the suite of procurement procedures to support compliance and consistent application of the emerging guidance on the implementation of the new Procurement Act from February 2025.
Review of the delivery of 2024 Procurement Plan supported by a review of the 2024 Suppliers over £100k reporting. This work informs the 2025 procurement plan.	March 2025	SW	Director of Finance, Governance and Risk Assistant Director HR Corporate Services Director	Maximise VFM through procurement and contract management.
Approval of the procurement Plan 2025	April 2025	SW	CLT	Ownership of procurement plans and efficiency.

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Delivery of the 2025 Procurement Plan	March 2026	SW	Director of Finance, Governance and Risk Assistant Director HR Corporate Services Director	Delivering the 2025/26 Budget. Maximise VFM through procurement and contract management.
Enhance partnership working EEM	December 2024	SW	Director of Corporate Services	Development of Esender solutions including publishing contract awards.
Onward reporting to Board on procurement activity over £100k on an annual basis	July 2025	SW	Director of Finance, Governance and Risk	Annual compliance reporting delivered aligned to the completion of the Financial Statements. Procurement Plans for 2025/'26.
3 year review of the Procurement Policy	June 2027	SW	Director of Finance, Governance and Risk	Fit for purpose Policy delivering compliance with appropriate legislation and regulatory requirements (to be approved by the Corporate Leadership Group).

Removed data on procurement transactions as dated.



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