

RAILWAY HOUSING ASSOCIATION

POLICY STATEMENT

PROCUREMENT

1. Statement of Intent

The Association is committed to giving appropriate and proportionate consideration to obtaining and evidencing value for money when procuring goods and services in order to maximise resources for front line services and deliver efficiency gains.

Efficiencies are based on reduction in costs and improvements in services. Therefore, the Association aims to establish a cost conscious culture where decisions will be made by taking account of price, quality, time and sustainability in order to achieve overall best value.

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

2. Definition of Procurement

Procurement refers to the overall process of acquiring goods or services 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 of the specified quality criteria and provides incentives for continuous improvement.

3. Implementation of the Policy

3.1 Overall Principles

Procurement of all goods or services will take into account the following factors –

- 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.
- Manageable risk, shared with partners where appropriate
- Procedures and standing orders
- Recognition of the added value that small companies, voluntary and community sector providers, social enterprises and Black and Minority Ethnic (BME) businesses might bring
- Environmental impact and the promotion of sustainability

There will be a presumption in favour of competition and any procurement will be supported by clear evidence of a rigorous value for money assessment. However, where it is evident that better value for money and improvements in services can be achieved a negotiated contract or partnering agreement may be entered into.

Procurement Policy continued

3. Implementation of the Policy

3.1 Overall Principles

All members of staff involved in procurement will behave in a professional manner in accordance with the 'Code of Conduct', including adherence to the rules on accepting gifts and hospitality. They will treat all contractors, consultants and suppliers equally and report 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.

3.2 Standing Orders and Delegated Authorities

The Association has a robust set of delegated authorities detailing the process of authorisation and certification of expenditure on goods and services. Expenditure may only be authorised by members of staff to whom appropriate authority has been delegated and only on such items, and within the financial limits, specified.

Procurement of any goods or services will only be undertaken where there is an approved budgetary provision or the spending can be contained within the budget for that expenditure heading. However, there is delegated authority within the standing orders for expenditure in the event of an emergency.

3.3 European Procurement Directives

Housing Associations are regarded as 'Contracting Authorities' for the purposes of the European Procurement Directives. These regulations, designed to open up public sector markets to providers from across the European Union, introduced requirements as to transparency and non-discrimination, and a detailed 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 legislation, this will be complied with –

Supplies - £139,893

Services - £139,893

Works - £3,497,313

3.4 Approved List of Contractors and Consultants

The Association will maintain a list of approved contractors and consultants for the provision of building and engineering works. Applications to join the approved list will be assessed to ensure that the company is sustainable, can demonstrate the ability to undertake the work and ensure that the company carries out its responsibilities for health and safety, equality and diversity.

The Association will monitor the performance of its contractors, consultants and suppliers to ensure that contracts are performed in accordance with the requirements set out in the contract documents or services are provided to the required standards.

Procurement Policy continued

3.5 Tendering

Where a competitive tendering procedure is being followed, companies will be invited to tender or complete a pre-qualification questionnaire before being invited to tender.

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 suitable experienced members of staff or consultants appointed for that purpose. The evaluation will be justifiable, defensible, fair and equitable. It will be based on demonstrable evidence and free from hearsay, unsupported opinion and negative bias.

Decisions will be made by the person(s) with the appropriate delegated authority in accordance with the Association's standing orders and will be based on predetermined criteria. Decisions will be recorded contemporaneously, and bidders promptly informed of the outcome. Where EU regulations apply, contracts will not be concluded until an appropriate period for challenge has elapsed.

3.6 Partnering

The Association recognises the benefits of partnering and will consider this as a means of procuring goods and services whenever this will provide best value for the organisation and its customers. All contracts for goods and services will be considered for partnering.

The Association 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 the Association.

If there are a number of 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 into 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.

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.

Each partnering agreement will be monitored using the agreed performance indicators and the results will be reported to the relevant Committee.

Procurement Policy continued

3.7 Purchasing Consortia

The Association will consider using recognised consortia such as the Northern Housing Consortium to achieve efficiency savings in the procurement of goods and services.

3.8 Project Management

The Association 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.

3.9 Equality & Diversity

The Association 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.

3.10 Customer Satisfaction

The Association will regularly survey residents for levels of satisfaction and use the results to monitor contracts and partnering arrangements as well as feed into other types of procurement decisions.

3.11 Resident Involvement

The Association will ensure that residents are involved in, and have appropriate opportunities to influence, relevant procurement processes.

4. Responsibility

The Chief Executive is responsible for the effective implementation of this policy.

5. Review

This policy will be reviewed annually in consultation with residents.

This policy applies to the beneficiaries of Joseph Hornby Stockdale Almshouses

February 2009

This policy can be made available on request in other languages, large type, Braille or in audio format.