



PROCUREMENT POLICY



Policy Statement

1. Community Gateway Association (CGA) has a duty to obtain maximum Value for Money (VfM) for all its supplies, works and services expenditure. CGA also has a duty to ensure that all its procurement activity is undertaken in a fair, open and transparent manner that complies with internal governance rules and statutory obligations. This Procurement Policy sets out the framework within which CGA shall meet these duties and how its procurement activity shall demonstrate best practice.
2. This Policy applies to all supplies, works and services procurement undertaken by CGA, to collaborative procurement projects undertaken in conjunction with purchasing consortia, other housing providers and other partner organisations.

Purpose and Objectives

3. The purpose of this Policy is to clarify, communicate and embed CGA's procurement approach and procedures across the organisation, thereby maximising its effectiveness and removing any ambiguity. This Policy shall change as the procurement approach changes and develops across the organisation.
4. The objectives of this Policy are to:
 - Ensure CGA meets its statutory and legal obligations, and to comply with its own internal governance rules;
 - Ensure that CGA's suppliers and contractors are commercially and ethically sound, and they embrace CGA's values;
 - Maintain CGA's reputation as a good organisation to do business with;
 - Utilise competition to achieve VfM potentially resulting in improved service delivery, added social value and financial savings;
 - Mitigate CGA from commercial and legal risk.

Governance and Statutory Obligations

5. Procurement activity at CGA is conducted in accordance with internal governance rules and statutory obligations as noted in the Relevant Legislation/Regulations and links to CGA documents sections above.

Responsibility and Accountability

6. The Executive Director of Resources has responsibility for the management and continued application of this Policy. Collectively, it is the responsibility of all CGA employees to ensure that the requirements of this Policy are adhered to. Failure to adhere with the requirements of this Policy may result in disciplinary action.

Use of Existing Contracts

7. The Head of Finance manages a register of existing contracts for the supply of a range of supplies, works and services. For any purchasing requirement this is the first consideration before any further procurement activity is undertaken. If a requirement cannot be met through the use of existing arrangements, the new requirement must still demonstrate VfM through the use of competition.

Use of Competition

8. In almost all cases, competition shall be used as the mechanism for demonstrating VfM. The levels of competition for all procurement activity are set out below.

Estimated Contract Value (including VAT)	Level of Competition Required
Up to £10,000	1 written quotation
£10,001 to £50,000	Minimum 3 written quotations
£50,001 to Threshold	Minimum 3 tenders
Above Threshold	Full tendering in accordance with Public Contracts Regulations

Thresholds

9. Procurement above the Procurement Thresholds falls under the full scope of the Public Contracts Regulations 2015. Procurement notices (relating to above threshold contracts) must be published on the UK e-notification service, Find a Tender (FTS). These procurements can be considerably more complex and carry additional commercial and legal risk. Further professional advice and guidance may be required to support the procurement process, depending on the complexity and risk.
10. The applicable Procurement Thresholds are as follows:

Procurement Type	Procurement Threshold (including VAT)
Supplies	£207,720
Services	£207,720
Social and other specific services	£663,540
Works	£5,193,000

To the extent that the Procurement Thresholds are updated at any point in time, the above-mentioned Thresholds shall be read as updated accordingly.

11. The levels of competition need not be applied if the procurement is made via a compliant collaborative framework, as long as the call off procedure for the collaborative framework being used is adhered to.
12. The financial value of the contract must be established or estimated at the beginning of the procurement process to ensure that the correct level of competition is applied. For example, a contract with an estimated annual value of £70,000 over 2 years duration with an option to extend for 1 additional year (3 years duration in total) should be estimated at a total contract value of £210,000 (3 x £70,000). Values are inclusive of VAT.

13. Contract values must not be deliberately underestimated, or requirements broken down into smaller lots to avoid the appropriate level of competition.

Approval of New Contracts

14. CGA has set delegated levels for the approval of new contracts, as stated in the Financial Regulations.

Contract Variations

15. Any Contract variations shall also be approved in accordance with these levels, so that the overall contract values still remains within the relevant thresholds.

Signing of Contracts

16. Contracts must be signed in accordance with CGA's Financial Regulations.

Procurement Business Case

17. All procurement requirements exceeding £50,000 (including VAT) in value must be managed via a tendering process. A clear Procurement Business Case, setting out the scope of the procurement, the procurement method to be followed, procurement timelines and defining the project stakeholder group must also be written and authorised in accordance with CGA's Financial Regulations.

Contracts without Competition

18. Only in limited circumstances shall a requirement be purchased without the appropriate level of competition. A Non-Compliance Form outlining the reasons for proceeding without the appropriate level of competition must be completed and requires the approval of the Executive Director of Resources.

Selecting Potential Suppliers and Contractors

19. All potential suppliers and contractors must first be assessed and approved for use before they can be authorised to supply services, works or services. Under no circumstances must a new supplier or contractor be instructed to provide

supplies, works or services prior to approval in line with CGA's Financial Regulations being granted.

Contract Award Criteria

20. Contracts exceeding £50,000 in value must, where practical, be evaluated on the optimum balance of whole life costs and benefits that meet the end user's requirements. Tenders shall be evaluated using the appropriate balance between quality criteria and cost criteria.

Contract Conditions

21. As a minimum CGA's General Conditions of Purchase, (available within the Procurement Toolkit) shall be used. However, a more detailed set of conditions may be required depending on the complexity and risk associated with the requirement.

Data Sharing Agreement

22. Any contractor or supplier who will be processing personal data on CGA's behalf will be required to sign and return CGA's Data Sharing Agreement (DSA). A DSA should be signed by the contractor alongside the contract. In certain circumstances, CGA may agree to sign a DSA issued by the contractor or supplier, however the prior agreement of CGA's Data Protection Officer must be obtained.

Insurance

23. Prior to the commencement of a contract, documentary evidence of the Supplier's/Contractor's insurances must be obtained. The types and levels of insurance cover required must be proportionate to the type, risk and value of the contract, and may include:

- Employer's Liability
- Public Liability
- Product Liability
- Professional Indemnity

- Cyber Liability
- Contract Works

Health and Safety

24. Any supplier or contractor providing works or services to CGA must be registered with the Contractors Health and Safety Assessment Scheme (CHAS) or any equivalent scheme recognised by the Safety Schemes in Procurement Forum (SSIP).

Ethics and Code of Conduct

25. CGA shall adhere to the principles of the Professional Code of Ethics of the Chartered Institute of Procurement and Supply.
26. The acceptance of gifts, entertainment and hospitality by employees from any current or potential supplier/contractor could have the effect of suggesting impropriety and may leave both the employee and CGA vulnerable to criticism. Detailed guidance on the acceptance of hospitality and gifts can be found in CGA's Board Member and Employee Codes of Conduct.

Separation of Duty

27. CGA shall ensure that there is a clear separation of duties and no single individual is permitted to authorise all stages of any procurement process. At least one other appropriately authorised person shall be involved in any procurement process.

Social Value

28. The inclusion of Social Value in the Invitation to Tender will also be considered where appropriate. This will include but not be limited to:
 - Creating employment and skills opportunities
 - Investing in local economies
 - Carbon reduction

- Waste reduction
- Reducing fuel poverty
- Reducing social isolation
- Reducing anti-social behaviour
- Improving community 'feel good'

Sustainability

29. CGA is committed to embedding sustainability into all relevant procurement activity. Sustainable procurement shall include measures to ensure that whilst achieving VfM, it shall take into account wider environmental and social benefits.

'Community Wealth-building'

30. As one of the anchor institutions within Preston, CGA is committed to improving local economic wellbeing. When procuring supplies, works and services the local supplier base should be engaged with and invited to tender where appropriate.

Equality and Diversity

31. CGA has a legal and moral duty to ensure that it does not discriminate against any particular group(s) and shall embed equality and diversity into its procurement processes.

Roles and Responsibilities

32. Compliance with the Policy will be monitored by the Head of Finance and reported to the Executive Leadership Team on at least a 6 monthly basis.
33. Day to day implementation of the requirements of this Policy is the responsibility of Heads of Service who are responsible for the delivery of this policy within their areas of responsibility.

Monitoring and Reviewing

34. This Policy will be reviewed on a regular basis, with a full review taking place every 2 years, to ensure accuracy and that CGA complies with relevant legislation and best practice.
35. CGA will ensure robust and systematic processes are in place to ensure compliance with this policy.
36. CGA will monitor performance in relation to:
 - a. Provision of training for colleagues to ensure they understand their role and responsibility in relation to this Policy;
 - b. Carrying out an annual spend analysis to assess the percentage of spend with a valid contract; and
 - c. The percentage of spend with a local supplier.

Further Guidance

37. Further, detailed guidance on the practical application of this Policy can be found in the CGA Procurement Guide.

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