

		Procurement & VFM Policy Manual					
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1	Contractor Code of Conduct	M Wood	Feb 2024	Board	Feb 2024	Feb 2024	Feb 2027
1	Procurement Policy	P Latham	Mar 2024	Board	Mar 2024	Mar 2024	Mar 2027
1	Procurement & VFM Policy & Procedure Manual	P Latham	Oct 2024	Board	Oct 2024	October 2024	Feb 2027

A - Procurement Policy

1. Purpose & Aims

The overall purpose of this policy is to outline our positions that support the delivery of our VFM strategy objectives and provide a basis for the ongoing development of our purchasing activities and processes.

It aims to ensure that ECBHA:

- Maximises its opportunities to aggregate its purchasing power.
- Recognises the need to achieve good VFM and social value rather than simply pursuing cost savings.
- Colleagues are committed to effective procurement.
- Procurement assists in improving efficiency and effectiveness of our operational and strategic activities.
- Follows statutory and regulatory requirements and agreed best practice.
- Is compliant with internal financial management and operational commitments.
- Is consistent, transparent and fair in all its procurement activity.

In addition, this policy also aims to further all the organisations objects but particularly in respect of:

The Association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community.

A2.1 The business of providing and managing housing, including social housing, and providing assistance to help house people and associated facilities, amenities and services for people.

2. Background & Context

ECBHA, owns or manages approximately 400 homes across the Vauxhall area of central Liverpool. It is run by Boards of Management which ensures each is managed efficiently,

effectively and in line with the requirements of the law, regulatory bodies, and best practice.

Since inception, ECBHA has sought to champion the development of local talent and businesses through using contractors and suppliers in the locality and using its purchasing to create training and employment opportunities where possible. This remains an important priority for the organisation.

For us to be efficient, effective and compliant the role of procurement needs to be carefully considered and as such we have developed this policy to assist the organisation in careful management of resources to maximise customer satisfaction. Procurement is recognised as a key part of a commercial business model and is at the heart of delivering improved efficiencies. ECBHA is committed to meeting the challenges in all aspects of procurement.

At the time of developing this policy it is recognised that there is scope to review and modernise the organisation's approach to procurement and its content is intended to reflect the commitment to doing so.

3. Definitions

Procurement: The acquisition of works, services and goods to meet customer and service user's needs, whilst ensuring value for money throughout the life of the product, including disposal or sale of property.

Procurement principally covers the management and maintenance of, and investment in existing properties and other goods and services purchased in support of these functions. However, it can also cover development of new homes.

Public Contracts Regulations 2015 (PCR): Regulations relating to the following types of contracts which are tendered for and awarded by a 'contracting authority':

- public supply contracts.
- public works contract.
- public service contracts.
- framework agreements including call-off contracts.
- contracts awarded under dynamic purchasing systems.

Which have an estimated value (based on the length of the contract including any extensions and including VAT) in excess of thresholds established by government each year.

The definition of contracting authorities is deliberately wide and is intended to include those bodies that spend public money and therefore encompasses Registered Providers such as ECBHA.

The Public Contracts Regulations distinguish between contracts for the provision of works, services and supplies:

Contract Type	Definition	Contract Valuation
Works Contract	(a) a contract for the execution, or both the design and execution, of works related to one of the activities listed in	Based on spend for piece of work for example building a scheme of new houses in a location.

Contract Type	Definition	Contract Valuation
	Schedule 2 Public Contracts Regulations 2015 ; (b) a contract for the execution, or both the design and execution, of a work; or (c) the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work.	
Supplies Contract	A supply contract is a contract for the purchase or hire (lease or rental) of goods (and for the siting or installation of those goods where relevant).	Based on spend for duration of the contract including optional extensions.
Services Contract	A services contract is a contract under which a contracting authority engages a supplier to provide services.	Based on spend for duration of the contract including optional extensions.

Social Benefit & Social Return on Investment: ECBHA considers the achievement of its objectives to include the maximisation of social value, which is defined in the Public Services (Social Value) Act 2012 as “looking beyond the price of each individual contract and looking at the collective benefit to a community.

Social value asks the question: If £1 is spent on the delivery of services, can that same £1 be used also to produce a wider benefit to the community?”. ECBHA seeks to maximise social value through:

- Procurement of goods and services
- Delivery of services
- Use of local labour and
- Understanding what customers want through the use of customer insight and intelligence.

In seeking to optimise the achievement of its objectives, ECBHA will consider three specific aspects of Value for Money:

4. Legislation & Regulation

All procurement activities will be in line with any applicable procurement legislation, regulation and contractual obligations including:

- Public Procurement Regulations Act 2015
- Bribery Act 2010
- Modern Day Slavery Act 2015
- Equality Act 2010

- Regulatory Framework of Social Housing
- Conditions of Planning Permissions

5. Scope

This policy relates to all non-staff cost expenditure and procurement by ECBHA.

6. Policy Positions

6.1 Overall

Procurement will:

- Be sustainable and support the delivery of high level of customer service.
- Comply with Health & Safety requirements, the ECBHA codes of conduct and other appropriate standards.
- Prioritise the use of small and medium sized enterprises to support local communities or determine how larger suppliers will contribute to the local economy and/or the social impact of the ECBHA operational area.
- Aim to be proactive in procurement and minimise reactive, unplanned purchasing as much as possible.
- Be ethical and services supplied be based on good business principals.
- Support environmental protection and improvement.
- Require a social value offering and involve customers in the process where applicable.
- Promote equality, diversity and inclusion at all times including ensuring that all suppliers and contractors share the same commitment, especially where suppliers and contractors are delivering front line services to, and communicating with, directly with customers.

Procurement will also seek to deliver the four ECBHA VFM specific aspects outlined in the VFM Strategy:

- Economy: the minimisation of the cost of inputs to activities whilst having regard to the quality of those inputs
- Efficiency: the relationship between the outputs derived from activities and the input used to produce those outputs
- Effectiveness: the extent to which objectives are achieved and the relationship between intended and actual impacts and
- Equity: the extent to which services are available to and reach all people that they are intended to.

In optimising the achievement of its objectives, ECBHA will balance the interests of, and commitments to a range of stakeholders, including its residents, staff members, the local authority, funders, the communities in which ECBHA works and the Regulator.

6.2 Expenditure

Prior to committing to any form of expenditure the following principles apply:

- The spend must be legal.
- Budget provision must exist or if there is no allocated budget, any spend must be approved by at least two members of the Leadership Team

- Any person involved in the procurement process must declare if they have an interest in accordance with the code of conduct and remove themselves from the process if they are conflicted.
- A purchase order number should be provided for all procurement to enable committed expenditure to be monitored apart from small items purchased with company credit cards.
- Expenditure using company credit cards must be within the company credit cards policy.

6.3 Procurement Approach

- Procurement will be carried out in such a way as to obtain value for money (VFM) through competition on procurement of supplies, works and services whilst ensuring that the cost of procurement is appropriate to the size and scale of the project.
- The procurement approach will also demonstrate clear controls for management of risk both internally and to external agencies as appropriate.
- The procurement process should always seek to deliver optimum service delivery in a best value way. Best value is not cheapest price but a balance of quality and price appropriate to the goods and services being bought and the added social value created.
- Prices shall generally be obtained based on a MEAT (most economically advantageous tender) basis i.e., balance between price and quality. This shall generally follow the protocol of the cheapest price for the quality of works, service or supplies specified.
- Procurement activity should in all cases be transparent and fair and in accordance with:
 - The Code of Conduct
 - Anti-Fraud, anti-money laundering and anti-bribery related policies
- All suppliers and contractors will be required to pass due diligence checks. Any supplier must meet the minimum requirements for approval as set down within the approved supplier's process.
- For statutory bodies or similar, where ECBHA has no direct control and is mandated to use the supplier/contractor or consultant, certain certification requirements may not be waived, subject to approval by the Chief Executive.

6.4 Procurement Principles

For tenders and quotations purposes the values in this policy have been grouped in the following thresholds (all including VAT):

- Up to £5,000;
- £5,000 to £25000 (unless subject to exceptions process);
- £25000 to PCR threshold (currently summarised as: Supplies and Services £429,809, Works £5,372,609)
- Above PCR thresholds.

No sum should be artificially divided to circumvent the above thresholds. All values are inclusive of value added tax (VAT).

It is efficient and best practice to aggregate values and aim for longer term contracts with suppliers, this often brings better value, innovation, investment and service benefit.

However, it is recognised that ECBHA's operational advantage comes from being small and agile to take procurement opportunities that may be better suited to smaller and more short term contracts.

6.5 Identifying which regulations apply to mixed contracts

Where a contract covers both services and supplies, the classification should be determined by the respective values of the two elements:

- Where it covers works/services, it should be classified according to its predominant purpose;
- Where a contract provides for the supply of equipment and an operator, it should be regarded as a service contract;
- Contracts for software are considered to be for supplies unless they must be tailored to the purchaser's specification in which case, they are services.

6.6 Method of obtaining prices and awarding contracts

Following identification of the estimated contract value, if greater than £5,000 (exc VAT) colleagues should consider the following questions prior to obtaining quotes:

- Is the purchase covered by an existing contract? identify if existing contract can be utilised. If no, consider Question 2
- Can the purchases be made via an existing internal or external framework agreement? If yes, contact the framework / DPS owner to discuss call-off / contract award options.
- If no, follow the guidance below in respect of obtaining prices and award of contracts.

Estimated Value £ (including VAT)	Process
Up to 5000	Written quotation from minimum of 1 supplier, preferably an pre-approved supplier.
5000 to 25000	Written quotation from minimum of 2 suppliers, preferably pre-approved suppliers.
25000 to UK Legislative Threshold	Defined Specification. Written quotation from minimum of 3 suppliers, preferably pre-approved suppliers.
UK Threshold plus	Full formal tender process via approved e procurement platform.

If an accessible framework or DPS is used then a 'sense check' should be undertaken through benchmarking with other RP's of similar size to ensure that the proposed framework purchase meets the wider procurement and VFM requirements of the association.

7.7 Acceptance of Tenders and Quotations

All quotation and tender selection activity shall be approved by:

Approval limits (£)	Purchase Orders	Purchase Invoices
	£ Per transaction	
Budget Holder	1000	1000
Leadership Team Member	10,000	10,000
Two Leadership Team Members	20,000	70,000
Chief Executive	30,000	75,000
Chief Executive and a Leadership Team Member	50,000	<100,000
Chief Executive and Chair or Vice-Chair of the Board	>50,000 <100,000	<100,000
Board Approval	>100,000	>100,000

The following information shall be recorded and provided as a minimum within the approval process:

- Value of contract/order.
- Number of suppliers quoting/tendering.
- Details of supplier's quotations/ tenders.
- Pricing information;
- Justification for recommended option.

6.8 Proactive Procurement Programme

A proactive procurement programme has been developed as a rolling working document for managing procurement resource and risk. It includes details of the areas of spend that are proposed to be re-procured over the coming three years. The formulation of this plan rests with the Chief Executive Officer. The delivery of the plan rests with the Chief Financial Officer. The programme will be presented to the Board annually for approval.

6.9 Partnering

Partnering is recognised as a valuable approach to procurement and should be used where appropriate such as clearly offering improved value for money, either through improvements in quality, reductions in cost or reduction in procurement risk.

Collaboration and partnering are also key to leveraging buying power on low-risk procurement.

ECBHA will explore procurement opportunities with other collaborations, consortiums, public sector procurement groups and other registered providers and similar as and when such opportunities arise.

6.10 Customer Participation

Opportunities for customers and other service users will be identified where their experience can be used to review or assess the tendering process for appropriate contracts. ECBHA will be mindful to identify and manage any conflicts of interest that customer participation that may arise.

6.11 Exceptions from Policy

Exception from this policy will only be allowed in extreme circumstances such as where time or market conditions prevent policy being applied and the required internal exceptions. Any exceptions under £30,000 in value can be approved by the Chief Executive, over £30,000 require approval of the approval of the Chief Executive and Chair or Vice-Chair of the Board. All approved exceptions over £5000 will be reported to the Board.

6.12 Modern Slavery

Section 54 of the UK Modern Slavery Act (2015) requires commercial organisations operating in the UK with an annual turnover in excess of £36m to produce a 'slavery and human trafficking statement for each financial year of the organisation. While ECBHA is under this threshold the organisation will, through our procurement activities, seek to support the eradication of modern slavery.

7. Responsibilities

Delivering the policy is not simply the responsibility of colleagues who have been allocated specific tasks or undertake specialist roles. It is the responsibility of all colleagues to recognise the need for effective procurement and business ethics and to understand how they support its delivery. Should a colleague be unclear on the requirement they should consult with their manager.

All managers will ensure staff comply with this policy, any related procurement procedures, the procurement programme and related financial processes and documents. Compliance will be monitored by the Chief Executive.

The Chief Executive will have ultimate responsibility for reporting and providing assurance on, and monitoring compliance with procurement legislation.

The Chief Operating Officer will provide an operational oversight of procurement activities.

All employees must comply with the requirements of this policy. Non-compliance may lead to action under the disciplinary procedures.

The table below identifies the roles and responsibilities:

Leadership Team
Review and implementation of procurement programme strategy & policy Ensure processes & systems are in place for procurement, e-tendering, supply chain management and contract management. Provision of support, guidance and training in line with best practice Ensuring provision of appropriate Ensure compliance with Public Contract Regulations (PCR) 2015 Tender contracts above PCR2015 thresholds Provide support and guidance to staff on procurement options and processes for identified category areas. Corporate reporting of procurement programme activity to Board
All Employees
Procure all purchasing is in accordance with the policy and procurement related financial processes. Ensure appropriate involvement of customers in the procurement process. Responsible for appropriate contract management. All contractor / supplier / consultant due diligence during the procurement process and within contract management.

B - Contractor Code of Conduct

1. Introduction

This code of conduct is for contractors employed by Eldonian Community Based Housing Association (ECBHA). The code is a formal part of the contract relationship between ECBHA and the service provider. We have tried to include as much information as possible, but if you don't find what you are looking for, please contact us.

It is necessary to update Code of Conduct from time to time, but the latest version is available on our website or can be sent to you. The code has been set up to protect the interests of our tenants and leaseholders for whom ECBHA provide services; and, to protect contractors who deliver those services on behalf of ECBHA.

While contracted by ECBHA, you, your employees, and any sub-contractors you use are expected to comply with the terms of this code. Any breach of the code will be treated very seriously and will be investigated and acted upon.

Please note as a contractor you must make sure that you comply with all statutory requirements. Please ensure you always work safely and promote good Health and Safety standards. You will be responsible for putting right any work you do that does.

2. Compliance

The Association requires that all contractors observe their obligations under the law when providing their services to the Association. We will expect any contractor who is eligible to take part in the Taxation Construction Industry Scheme (CIS) to do so.

As a Contractor, you are required to have current public liability insurance cover to a minimum of £2 million payable for any one event. A copy of this policy must be sent to ECBHA every year. These legal and contractual obligations will include those under:

- the Health & Safety at Work Act 1974
- the Building Regulations
- All electrical contractors must be members of the NICEIC and/or the IEE and must comply with the legislation above and the:
 - Electricity at Work Regulations 1989
 - IEE Wiring Regulations 16th Edition
 - Provision of Works Equipment Regulations
- All gas engineers must be CORGI Registered and must comply with appropriate legislation, including the Gas Safety (Installation & Use) Regulations 1994.

3. Health and Safety at Work

You have a personal duty to always abide by Health and Safety rules and procedures. You must:

- Work in a safe way at all times, including when driving whilst at work
- Wear protective clothing where provided
- Be aware of health and safety policies and procedures and safe working practices
- Ensure that your conduct does not endanger the health and safety of yourself or other employees, visitors, customers and customers of ECBHA
- Follow risk assessment policies and procedures to assess whether behaviour or circumstances presents a risk of harm to yourself or others
- Report any accidents or dangerous occurrences
- Inform ECBHA about any personal difficulties that might affect your ability to do your job competently and safely
- Report any medical conditions that may affect your job

4. Conduct with customers.

You should always remember that when working in and around someone's home you must treat it as such.

You should ensure that all dealings with tenants, leaseholders, and employees of ECBHA are conducted in a professional manner. Additionally, you should recognise that residents are paying for the service you provide through their rent or other charges. If a tenant tells you that he or she does not want you to enter their home, please contact ECBHA as soon as possible and alternative arrangements will be made.

Some customers may feel nervous about having a stranger in their home. It is important therefore, to identify yourself, your organisation and purpose of visit before entering the premises. It is in the interest of both you and the tenant that you are approachable but formal and that the customer feels confident about asking you questions.

Under no circumstances must contractors make derogatory remarks to members of the public about the ECBHA or its employees.

Contractors must not under any circumstances enter arguments or debate with tenants or members of the public whilst undertaking work for the Association. Such confrontation with tenants and the public must be avoided and disputes and queries referred directly to the staff of the Association.

5. COMPLAINTS PROCEDURE

The Association is committed to continually improving levels of customer satisfaction. Tenants are encouraged to return a job Satisfaction Report Sheet each time a repair has been undertaken in their home and to report on any areas of dissatisfaction with the work undertaken. All complaints from tenants about the conduct and standards of work of contractors are fully investigated by the Association.

6. PRIORITY CATEGORIES

Every works order is categorised according to the urgency with which remedial work is required to be undertaken. These categories are as follows:

- EMERGENCY - to be completed within 24 hours
- URGENT - to be completed within 5 days
- ROUTINE - to be completed within 21 days •
- PROGRAMMED - no set time for completion

Approved contractors are required to meet these targets and the Association monitors the performance of contractors to ensure that the work is completed (or temporary measures put in place) within these time periods.

7. INVOICES AND PAYMENTS

The Association is committed to paying all correct invoices for works satisfactorily completed. Payment will be made in accordance with normal commercial practices after receipt of a complete and correct invoice. In return, the Association requires all contractors to specifically include the following information on their invoice:

- Date of invoice
- Start and completion dates of work
- The official Association order number
- Address of property attended

8. Valuing diversity and inclusion

You have a legal obligation under the Equality Act 2010 not to discriminate in any way in the provision of services to the public and in the way that you deal with our staff. This includes services to our customers.

Contractors must ensure that the same quality of service is delivered fairly to all residents, whatever a person's race, colour, ethnic or national origin nationality, religion, sex, age, sexuality, physical or mental, disability, state of health, disability, state of health, appearance, marital status, family circumstances, background, and style of life. Contractors will respect the

diverse nature of ECBHA residents and will accommodate, so far as possible, any cultural or other needs or concerns of residents.

We have an Equality and Diversity Policy which can be found on our website. We are committed to equal opportunities in the provision of services and in the employment of staff. We wish to ensure equality of opportunity and treatment for all and expect our contractors to assist us in meeting this objective.

We expect you also to afford equal opportunities of employment to your operatives and sub-contractors to your operatives and subcontractors.

9. Safeguarding

We have legal obligations in relation to safeguarding children and vulnerable adults. Policies are in place for dealing with safeguarding issues and this includes protection from actual (or the risk of) various forms of abuse. Any concerns must be reported to your contract administrator who will investigate. These reports will be dealt with sensitivity and confidentiality. Do not enter a property if only minors are present.

10. Confidentiality

Contractors/operatives should treat tenants' names, telephone numbers and email addresses as strictly confidential and in no circumstances should any information whatsoever regarding tenants' circumstances, lifestyles, health or personal details, including any other information they acquire whilst working at the customer's home etc. be disclosed to any third party. This includes any other person in the customer's household.

Personal data about ECBHA's customers should only be retained for the individual instance of work being carried out. Once work has been completed it is the Contractor's responsibility to ensure that the destruction of personal data is carried out in a controlled and secure manner. In line with contract requirements and within the provisions of the most recent Data Protection Act. 7

Contractors must not discuss with the customer: ECBHA business, other customers, other properties, previous workmanship, or other contractors. If a customer inquiry about ECBHA's business, please redirect them to ECBHA.

11. Customer Care

For all day-to-day repairs, the contractor will be provided with a job order containing the name and address of the tenant, as well as the type and priority of work that is required, together with an appointed time to attend the property (if applicable). The contractor will then contact the tenant to arrange a date and time to carry out the works or make contact by letter or calling card. ECBHA has required targets for completion of works, which are as follows. Contractors must:

- Be on time for appointments
- Leave a calling card if the customer is out when they arrive
- Tell the customer their name and show photo identification cards before asking to come in, and if asked, give a contact number where the customer can check their identity
- Say clearly what they are going to do, when they will do it and how it will affect the customer
- Explain to the tenant the nature of the work that is to be carried out

- Check that this agrees with the work the tenant expects to be done. If there is a difference, contact ECBHA for advice
- Explain how long the work will take and which rooms will be affected • Let the customer know how work is progressing and give an approximate completion time
- Ask if materials and tools can be left in a particular place, checking they will not cause inconvenience to the tenant
- Tell ECBHA if the customer refuses to let you in when they need access to carry out work Inform ECBHA that the work is complete, and provide any associated paperwork
- 13. On completion of the job Contractors must ensure that:
 - All works are complete to a satisfactory standard
 - Remove all surplus material, equipment and rubbish, leaving the area of work clean and tidy
 - Instruct the tenant how to operate and maintain all new equipment and provide operation manuals
 - If an item needs to be left for a while before it can be used, ensure that protection or a notice is in place and that an explanation is given to the tenant e.g. 'Do not walk on the newly laid paving slabs for two or three hours'
 - Inform ECBHA that the work is complete, and provide any associated paperwork

14. APPROVED CONTRACTORS LIST

The Association constantly reviews its list of approved contractors. Those contractors who fail to meet the standards required by the Association will be removed from this list.