POLICY FOR THE PROCUREMENT OF GOODS, SERVICES AND WORKS

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Business Information provided by Gloucester City Homes

PROCUREMENT POLICY

Version Number	Date Amended	Comments	Date Approved	Author	Approved By
01	27/02/08	Consolidation of previous procurement policies and review of Standing Orders	27/02/08	RW	Audit & Risk Committee
02	02/07/2010	Reviewed	02/07/2010	GIH	EMT
03	15/09/2010	Reviewed&Approved	15/09/2010	RW	Audit & Risk Committee
04	16/10/2013	Reviewed&Approved	16/10/2013	RW	Audit & Risk Committee
05	29/09/2014	Reviewed&Approved	02/10/2014	RW	Board
06	25/09/2018	Reviewed	17/10/2018	RW	Audit & Risk Committee
07	22/11/2019	Reviewed & Updated	05/02/2020	MH	GCH Board
08	14/09/2020	Reviewed & Updated	21/09/2020	MGH	Michael Hill
09	28/04/2021	Reviewed & Updated	28/04/2021	MGH	Michael Hill
10	14/05/2021	Credit Check Added	14/05/2021	MGH	Michael Hill
11	26/08/2021	Bribery & Corruption & Social Value Policies Added. OJEU replaced by FTS to reflect post 2020 regulations & Public Contract Regulations Updated		MGH	Michael Hill
12	06/01/2022	Fraud Facts Added	07/01/2022	MGH	Michael Hill
13	21/11/2024	Revised & Updated to include current methodology and Regulations - Procurement Act 2023 Added	28/02/2025	Michael Hill	ELT

PROCUREMENT POLICY

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1. OVERALL AIM/INTRODUCTION

To Ensure that GCH:

- Complies with all legal and regulatory procurement requirements
- Maximises value for money when procuring contracts;
- Meets the requirements of GCH's payments and benefits policy
- Demonstrates transparency, probity, open and fair competition in all procurement matters

2. SCOPE OF POLICY

This policy details the process(es) to be used when procuring all contracts for Gloucester City Homes

3. LEGAL AND REGULATORY EXPECTATIONS

Until February 2025, the key current legislation setting out the law on public procurement is the Public Contracts Regulations 2015 (Statutory Instrument 2015 No.102) (the "Regulations"). Procurements started after October 2024 must comply with the Procurement Act 2023 which supersedes PCR 2015.

The Regulations set out the principles that apply for relevant Works, Supplies and Services contracts, which are above specified financial threshold levels [below]. The rules specify procedures for advertising and awarding contracts with which contracting authorities (of which GCH is one) must comply.

Contracts above the threshold levels must be advertised in the Find a Tender Service (FTS), the new Public Sector Procurement Process replacing OJEU following the effect of Brexit in 2021, before being notified elsewhere and one of a range of different procedures must be followed when tendering and awarding that contract.

The financial threshold (adjusted annually) levels at 1st Jan 2024 are;

Contracts for Works = £5,372,609
Contracts for Services = £214,904

Failure to comply with the Procurement Regulations for contracts above the thresholds could lead to a legal challenge by an aggrieved tenderer which will result in the contract unable to be awarded until the legal process has been concluded in the Courts!

Government guidance on implementing the Public Procurement Regulations is available at: https://www.gov.uk/guidance/public-sector-procurement-policy

4. SERVICE STANDARDS

This policy details the process that must be adopted when procuring any contracts, goods or services for GCH.
The [non-exhaustive] links below are additional UK legislation that has an impact on public sector procurement:

- Freedom of Information Act 2000
- Competition Act 1998
- The Transfer of Undertakings (Protection of Employment) Regulations 2006
- Environmental Information Regulations 2004
- Sale of Goods Act 1979 (as amended)
- The Suppply of Goods and Services Act 1982 (as amended by the Sale and Supply of Goods Act 1994
- Sale and Supply of Goods to Consumers Regulations 2002
- Public Services (Social Value) Act 2012
- Concession Contracts Regulations 2016
- Procurement Act 2023
- Section 20 of the Landlord and Tenant Act 1985

5. REVIEW

ELT will agree and keep under review this policy. The Board will hold Executive Directors accountable for any decisions they make under their delegated authority, or for failure to comply therewith.

This policy shall be reviewed, updated and approved by ELT on an annual basis, The Board or any other formally constituted member body operating within its terms of reference will approve award of contracts valued over £500,000.

This policy must be read in conjunction with statute and case law and in any conflict with those, the statute and/or case will take precedence. In these cases the Company's legal advisors must be consulted.

6. RELEVANT CONTRACTS

All relevant contracts must comply with this policy.
A relevant contract is any arrangement made by, or on behalf of, the company for the carrying out of work or for the supply of works/supplies/services or utilities. These include arrangements for:

- The supply or disposal of goods
- Hire, rental or lease of goods or equipment
- Delivery of works & services including those related to:

  - The recruitment of staff
  - Land and property transactions
  - Property & building works
  - Financial and consultancy services

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Relevant contracts do not however include contracts relating to:

- The employment of staff
- The engagement of Counsel
- The acquisition, disposal or transfer of land

Although this policy applies to all procurement for any Works, Supplies and Services by GCH, the estimated TOTAL value of the contract as detailed below, will determine the specific way to procure the work, supplies or service.

A) **Low value procurement policy** to be followed for works / supplies / services / utilities with an estimated **total** contract value of below £10,000 exc VAT.

B) **Intermediate value procurement policy** to be followed for works / supplies / services / utilities with an estimated **total** contract value over £10,000 and under £100,000 exc VAT.

C) **High value procurement policy** to be followed for works / supplies / services / utilities with an estimated **total** contract value over £100,000 exc VAT.

7. DATA PROTECTION

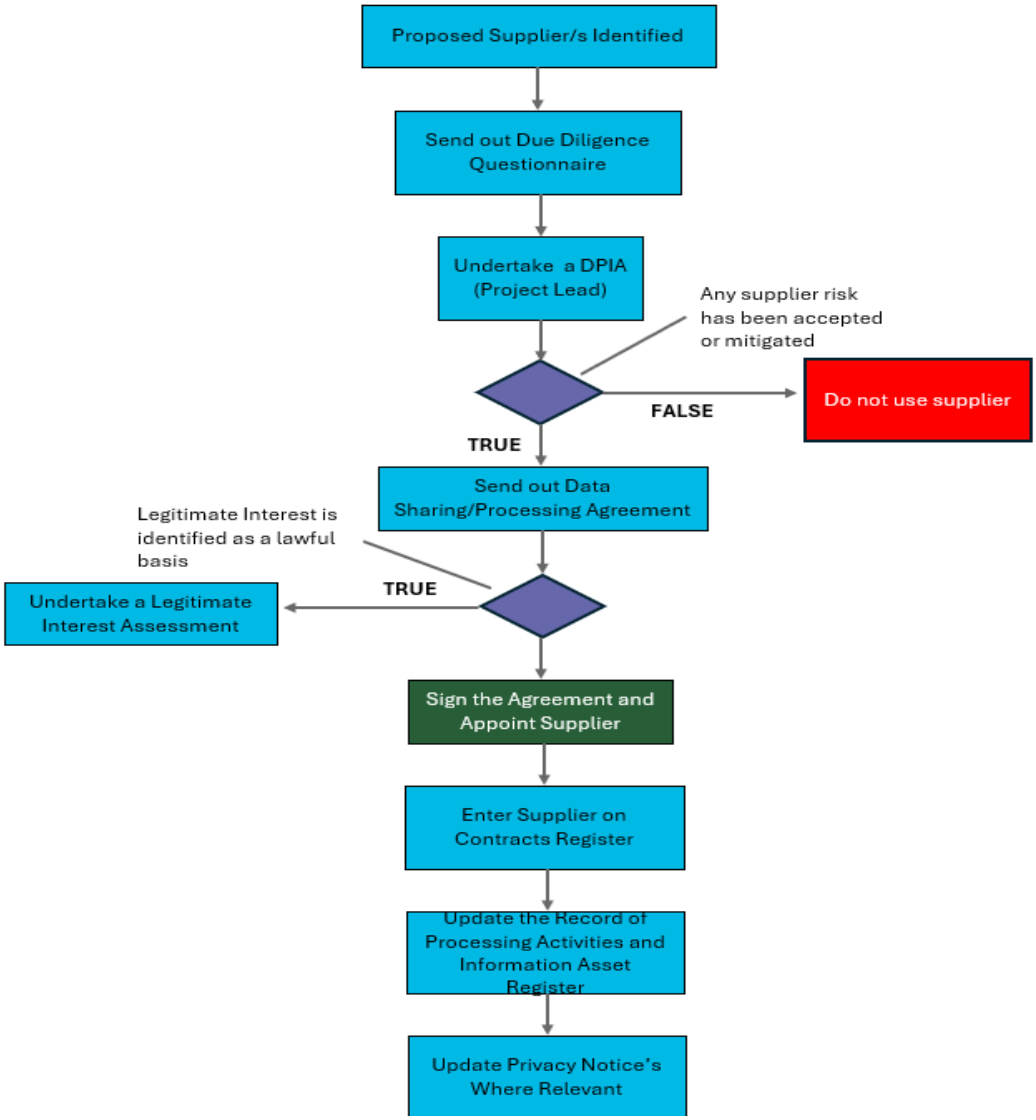
During the procurement process it is vital that we consider data protection implications. When approaching different suppliers, a Third-Party Due Diligence Questionnaire should be sent for completion for any supplier who will process personal data on GCH's behalf. Data protection law requires data controllers (GCH) to use only data processors who can provide sufficient guarantees to implement appropriate technical and organisational measures in such a manner that processing will meet the requirements of the data protection legislation and to ensure the protection of the rights of individuals. The

purpose of the questionnaire is to allow GCH to evaluate the suppliers' arrangements for data protection compliance management and information security. It also allows GCH to review the risk to its data processing activities and compliance.

When is this applicable?
If you are using a supplier that will be handling any personal data, a questionnaire will be required to be completed. Unfortunately, we cannot base the completion on value of contract because it is all dependent on the level of personal data being shared with the supplier. Please note, just an address is not considered as personal data but if you are also including the customer's name or any other details that make them identifiable then it will be.

What happens next?
Once the due diligence questionnaire has been completed, it will be reviewed and considered whether the risk is acceptable. A Data Protection Impact Assessment (DPIA) may also be required ahead of appointing a supplier depending on the level of risk presented. If there is not sufficient evidence in place that the supplier safeguards data, it will be recommended that we do not engage with the supplier.

The new supplier workflow can be seen below:



8. ESTIMATING THE CONTRACT VALUE

Executive Directors/Directors must ensure that the appropriate budget is available to meet the anticipated cost of the procurement. .

The contract value is the total value payable, exclusive of VAT over the entire contract period.

Contracts **must not** be artificially under or overestimated or divided into two or more separate contracts where the affect is to avoid the application of this Policy.

LOW VALUE PROCUREMENT

Competitive quotations are not required for contracts or orders with an estimated total value of below £10,000 exc VAT. A written quotation must be obtained from the proposed Supplier before a formal purchase order can be issued. The purchase order shall specify the services, supplies or works to be provided and set out the price and terms of payment.

Before an order is raised, a New Supplier Form must be completed by the supplier, if they are not an existing provider of works or services and lodged with GCH Finance to allow a Supplier to be paid. Invoices received without an order number **will not be paid**.

INTERMEDIATE VALUE PROCUREMENT

At least 3 competitive quotations are required for contracts with an estimated total value between £10,001 and £100,000

It is not mandatory to accept the lowest priced quotation however, justification for non-acceptance must be given and recorded by the relevant Executive Director/Director.

If less than 3 quotations are received it is acceptable to proceed with the procurement with the approval of a relevant Executive Director/Director, provided that the 3 companies asked for quotations would have been suitable to deliver the requirements. For example, it is not acceptable to ask a company that produces milk cartons to quote for the supply of office equipment.

HIGH VALUE PROCUREMENT

For **High Value Contracts** (over £100,000 exc vat) the principal requirements of the Procurement Act 2023 that must be met are:

- Advertise the contract by means of the publication of a Contract Notice on Find a Tender (FTS), describing the requirements and inviting expressions of interest within given timescales;
- Determine whether a potential supplier that has expressed an interest has the necessary legal and financial standing and the relevant technical and professional ability to perform the contract;
- Invite a shortlist of qualified suppliers, selected on the basis of objective and non-discriminatory rules and criteria, to submit tenders or carry out negotiations before submitting tenders;
- Evaluate the tenders submitted based on pre-disclosed objective award criteria that must be linked to the subject matter of the contract, so as to determine the Most Advantageous Tender (MAT);
- Notify the contract award decision to all suppliers that have submitted a tender, as well as those that have participated in earlier stages of the competition in certain cases;

- Observe the standstill period of a minimum of eight clear calendar days, during which time the contract cannot be concluded;
- Conclude the contract only after the expiry of the standstill period (if there is no legal challenge to the contract award decision before then); and
- Advertise the contract award on Contracts Finder.

9. SOCIAL VALUE:

All contracts must ensure excellent customer care, equality of opportunity, achieve value for money and improve social wellbeing. To maximise social value from our procurement processes, suppliers who demonstrate a commitment to social and environmental responsibility will be prioritised. This includes considering factors such as fair labour practices, sustainable sourcing and community engagement.

Opportunities must also be explored to collaborate with local businesses and social enterprises to create local employment and support economic development. Integrating social value considerations into our procurement decisions will make a positive and lasting impact on our communities.

Social Value is a mandatory requirement for all High Value procurements. Once agreed with the service provider, the Social Value commitments must be submitted to the Governance Team, who will maintain a register for ongoing monitoring.

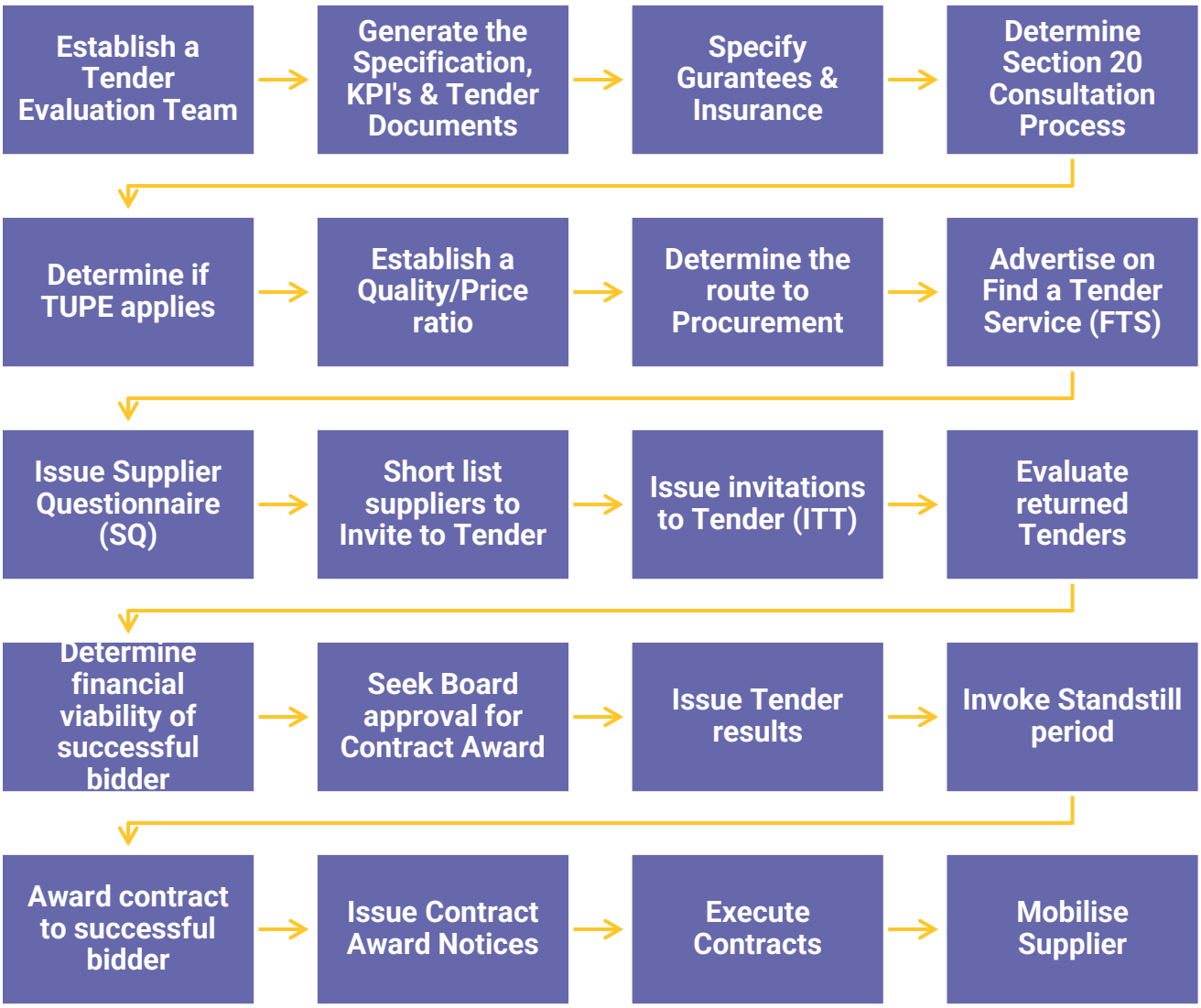
10. HIGH VALUE PROCUREMENT PROCESS

For High Value Procurements, the tender must be assessed on both quality and price. The Regulations require that contracts are awarded to the most advantageous tender (MAT) from the point of view of the contracting authority (GCH). When evaluating tenders, price must always form part of the evaluation criteria, however small. The following steps must be followed to procure high value contracts:

1. **Establish a Tender Evaluation Team**
2. **Generate the Specification, KPI's & Tender Documents**
3. **Specify Guarantees & Insurance**
4. **Determine Section 20 Consultation Process**
5. **Determine if TUPE applies**
6. **Establish a Quality/Price ratio**

7. Determine the route to Procurement
8. Advertise on Find a Tender Service (FTS)
9. Issue Supplier Questionnaire (SQ)
10. Short list suppliers to Invite to Tender
11. Issue invitations to Tender (ITT)
12. Evaluate returned Tenders
13. Determine financial viability of successful bidder
14. Seek Board approval for Contract Award
15. Issue Tender results
16. Invoke Standstill period
17. Award contract to successful bidder
18. Issue Contract Award Notices
19. Execute Contracts
20. Mobilise supplier

The new 'High Value Procurement' workflow can be seen below:



1. Establish a Tender Evaluation Team

A Tender Evaluation panel comprising 3 to 5 staff members and at least 1 customer must be appointed for all services and works contracts proposed to be delivered directly to or for customers. This panel will be responsible for developing the specification & tender documents and evaluating all tenders received in accordance with the quality/price requirements. All members should have the skills required to undertake the evaluation process. Evaluation may still proceed if no customer is able to join the team.

Note: Customer representation is 'mandatory' for evaluating high-value contracts. It is also recommended for back-office contracts where customer input would enhance the procurement process.

2.Generate the Specification & Tender Documents

The Specification should describe all the parameters of the contract to ensure that the correct level of service and/or quality and/or timescales are specified which the works or services should meet. Performance requirements (KPI's) must be included and should be relevant, measurable & achievable as during the contract term if the supplier consistently fails to achieve them, this could be used as grounds for contract termination. The Tender documents comprise a Selection Questionnaire (SQ) (if not using a Framework) which requests supplier qualifications, financial stability and ability and experience and an Invitation to Tender (ITT) which details specifications and requests pricing.

3. Guarantees & Insurance

The Tender Evaluation Team shall consider as part of its process whether a performance bond and/or a parent company guarantee shall be required from the preferred Supplier. This must be stated in the ITT at the start of the procurement process.

The Tender Evaluation Team must also determine the appropriate type (employee liability, public liability, professional indemnity, etc.) and level of insurance requirements for each contract. The insurance requirements for the contract should be stated in the SQ and ITT.

4. Section 20 Consultation process

If appropriate, the Leaseholder Consultation process must be started and any affected leaseholders informed of the intention of any major work planned at their building, or any service provided to them as they will be required to pay towards the associated cost where those costs exceed £250. **Note: Failure to implement the process will limit the amount recoverable from Leaseholders to £250**

5. Determine if TUPE applies

TUPE – (Transfer of Undertakings (Protection of Employment) Regulations 2006)

The regulations apply when the whole or part of an employer's business or undertaking is transferred as a going concern to another employer. The regulations also apply to a "service provision change" where a contract for the performance of a function is outsourced, brought back in-house or transferred to a new contractor- which could be a consequence of the tender.

The effect of TUPE is to transfer employees, and specifically any rights, responsibilities and liabilities associated with them, from the old employer to the new employer. The Tender Evaluation team must determine whether TUPE applies to the new contract and detail the information in the ITT.

6. Establish a Quality/Price ratio

Determine a quality/price ratio - the Tender Evaluation team will need to determine if it is necessary to pay for a potentially higher quality submission. Care should be taken when determining the ratio that unrealistic costs are not loaded onto the Bidder which would increase the tendered price, as value for money is a key requirement.

There will often be instances when a higher emphasis on quality will be justified and higher ratios appropriate (e.g. 70 quality:30 price (70:30) or 60 quality:40 price (60:40)). This will particularly be the case when seeking tenders for professional services and the appointment of contracting partners where price within the tender submissions represents only a minor proportion of the full cost of the project.

7. Establishing the Quality Criteria

Having established the quality/price ratio, the Tender Evaluation team must determine the criteria that will be used to judge submissions and weight them in order of importance. The criteria should be project specific and reflect the professional judgement of the team. The following is an example of quality criteria that could be applied to a partnering agreement:

QUALITY CRITERIA	Weighting %
Capacity to resource the project and ability to deliver the proposals for the project within the tender price submitted.	30
Previous successful experience of delivery of the works/services, to include names of clients and project values (from whom references may be obtained)	25
Ability to deliver the project within the agreed target cost. Methods of providing management information and cost control	15
Approach to developing recruiting, training & apprenticeships suitable for GCH customers	10
Proposals to tender and negotiate work packages for each activity to achieve best value.	10

The ability to deliver GCH's identified social value & safeguarding requirements ***(Social value is a mandatory requirement to include in all 'high value' procurment)***	5
Delivery of robust environmental management through the contract	5
Total	100

In order to comply with the regulations, tenderers **must** be advised in advance of the criteria that will be used to judge their submissions. This will be achieved by including the above details within the tender documentation.

The issues that will be considered to judge each submission within each of the selected criterion should also be listed and if necessary weighted accordingly.

Establishing the Price Scoring Model

The usual mechanism for establishing price scores is that the lowest price tenderer is awarded 100% of the points. All other tenderers are awarded 100% of the points, less the percentage by which their price submission is above that of the lowest.

For example:

Contractor	Tender Sum	Percentage above lowest	Price Score
A	£213,921.90	0	100.00
B	£281,961.90	31.81	68.19
C	£303,921.90	42.07	57.93
D	£317,110.19	48.24	51.76
E	£345,180.66	61.36	38.64
F	£345,766.76	61.63	38.37

To achieve the above, the team may request that the tender documents provide for a 'tender sum' to be submitted. If the tender submissions are based on a number of variables, such as time or quantities, then estimates of these variables should be made and included within

the price-scoring model accordingly. The total contract costs must be readily comparable between the tenderers to ensure that an accurate assessment can be made.

It is essential that the full evaluation model (including quality/price ratio, weighted quality criteria and price scoring model) be established at the outset and prior to the starting of the procurement process and advert. These criteria **must** be detailed in the ITT.

8. Determine the Route to Procurement

Generally, there are 2 ways to procure a high value contract:

a) THROUGH A PROCUREMENT FRAMEWORK -

Also known as a Framework Agreement, this comprises pre-approved and qualified suppliers who have been evaluated as eligible to supply goods or services over a set period between a provider or range of providers that enables public sector buyers (GCH for instance) to place orders for services without facing a lengthy tendering process. Goods and services are procured with agreed terms, conditions and prices and are compliant with UK procurement regulations.
This means that supplies, services or works within the "framework" of the Agreement do not have to be put through the normal procurement exercise as this has been undertaken by the Framework originator.

Buyers (GCH) 'call off' from the Framework to award new contracts exclusively from within this closed pool of pre-approved suppliers. The pool is 'closed' because when the group of suppliers are first awarded onto the Framework no further suppliers can join, nor can suppliers not on the Framework bid on call-off contracts.

Framework Providers often specialise in specific service/works areas therefore it is suggested that several are researched in order to determine the most appropriate for the needs of the contract, a sample of providers is shown below:

- Crown Commercial Services - CCS
- Efficiency East Midlands – EEM
- Fusion 21
- National Framework Partnership – NFP
- Procure Public
- Procurement Consortium
- WestWorks

Procurement through a Framework is either via Direct Award from a pre-approved list of suppliers that can provide the works or services required to a pre-tendered price or via a Mini-Competition using an ITT - this is generally used to refine your requirements beyond that offered in the Direct Award. All the suppliers on the Framework will have already passed the minimum eligibility criteria such as financial standing and health and safety

requirements, therefore there is no need to assess the suppliers' capability or capacity only the service they offer and their prices. Framework providers will also be responsible for notifying FTS and Contracts Finder.

Dynamic Purchasing System – DPS is a variation of the Framework where new suppliers can join at any time, provided they meet the quality and financial viability requirements of the tender. A Mini-Competition using an ITT must be run amongst these pre-approved suppliers in order to award a contract.

b) THROUGH A FULL TENDERING PROCESS

A full tendering process is generally used when a Framework is inappropriate as they will generally only cover the most widely procured contracts and may not include the particular works/services being sought.

There are minimum timescales that must be adhered to and the full process will generally take up to 3 months. It provides open competition between any supplier that meets the quality requirements - The 'competitive flexible' procedure is normally used whereby a Selection Questionnaire (SQ) is issued to determine suitable suppliers that are able to meet the requirements. The SQ is a pre-qualification tool that helps ensure only suppliers that meet minimum requirements are invited to Tender. It includes questions about the supplier's background, financial standing, technical capability and other commercial & legal details. It also includes an overview of the contract, evaluation criteria and a deadline for returning the questionnaire.

An ITT then is issued to bidders that submit a successful SQ, after evaluation of the Tender submissions an award of contract can be made.

9. Advertise on Find a Tender Service (FTS)

- A contract notice must be published when advertising a Tender in the UK Find a Tender Service (FTS), that includes the following information:
- A clear explanation of what you're looking for
- A request for specific information from suppliers
- The location of the ITT and relevant documents online
- A timeline for the process
- A statement that evaluation criteria will be used to award the contract to the most advantageous tender
- All mandatory fields from the standard FTS notice form

- A statement that the procurement documents are available electronically from the date of the advertisement
- The specific requirements and minimum standards for the process

10. Issue Supplier Questionnaire (SQ)

An SQ is a Supplier Questionnaire used to pre-qualify suppliers and streamline the supplier selection process by only inviting to tender those bidders that meet the SQ requirements. The questionnaire requests information about the supplier's organisation, financial standing, and technical capabilities. It also asks suppliers to self-declare whether they meet any mandatory exclusion grounds.

The SQ contains:

- Basic information about the supplier, such as contact details and professional body memberships
- Self-declarations about whether the supplier meets exclusion grounds
- Self-declarations and evidence about the supplier's financial standing and technical capabilities

A sample SQ can be downloaded from The Cabinet Office - Procurement Policy Note: Standard Selection Questionnaire (SQ).

11. Short list qualified suppliers to invite to tender

On receipt of the completed SQ's, the Tender Evaluation Team must evaluate the responses and then short list the bidders that have met all the criteria and ask them to submit a Tender. Details of the reasons for exclusion and inclusion must be kept for feedback to interested bidders or if a legal challenge should arise. The minimum timescale from issue to receipt of SQ's is 30 days and a minimum of five Suppliers is recommended to be invited to tender.

12. Issue invitations to Tender (ITT)

ITT's must be sent to the short-listed suppliers and given a minimum of 30 days to respond. The use of the mailbox tenders@gch.co.uk is recommended for all communication with bidders and for the issue and receipt of SQ's, questions and ITT's as this will facilitate an audit trail should it be necessary and show date and time of opening.

13. Evaluate returned Tenders

Tenders must only be opened after the submission time and date by the Manager with overall responsibility for the procurement. Any Tenders received after the closing date must be disregarded and returned to the bidder with details of the missed deadline.

Where the responsible Manager is unable to open the Tenders, then an Executive Director/Director or their delegate may take their place. A permanent record should be made of the tenders received with the date and time of opening.

Tenders shall be evaluated by each member of the Tender Evaluation team on an individual score sheet for each issue of the selected criteria, together with any comments. Although the scores will be based on professional judgements, they should also be based on hard evidence such as references from other clients, past performance or proposed method statements in accordance with the relevant evaluation criteria set out in the ITT and in a transparent and proportionate way which ensures equal treatment of all tenderers.
On completion, the scores should be moderated with all panel members brought together and the reasons for that score being allocated, which should then be documented.

If the tender evaluation process is to include presentations by the tenderers concerned and/or interviews of tenderers, or site visits, then this must have been detailed in the ITT.

Any presentations and clarification interviews should be held after the members of the panel have completed their scoring, as the purpose of the interviews is to moderate and refine the scores that have already been recorded. After the interviews, each panel member should amend their score sheets, if appropriate and record any adjustments they have made.

NOTE:

The rationale for the scores may need to be disclosed to unsuccessful tenderers, therefore the notes justifying the decision must be legible, fair, reasonable and justifiable as the decision may be challenged in the courts.

Final Scores

On completion of the quality evaluation process, the final quality scores should be amalgamated with the price scores to determine the most advantageous submission.
A final summary score sheet incorporating both price and quality should be prepared for approval by a Director, project board or full board, as appropriate.

14. Determine financial viability of successful bidder

Financial and other references must be taken up to ensure the successful Supplier's suitability for the Contract. The Director of Finance or appropriate delegate must approve a credit reference check on the proposed supplier before award of contract.

The Company shall only enter into a contract with a Supplier if it is satisfied as to the Supplier's:

(a) legal eligibility
(b) economic and financial viability;
(c) technical and professional ability
(d) compliance with all relevant GCH policies i.e.-
Social Value, Bribery & Corruption, Modern Slavery, Diversity & Inclusion, Hospitality, Safeguarding & Small Gifts & Benefits.

15. Seek Board approval for Contract Award

All High Value contracts must be referred to the relevant Committee or full Board to agree an award of contract prior to confirmation of award to the successful bidder.

16. Issue Tender results

Once Committee or Board approval has been gained, the conditional Contract Award should be made to the successful bidder. **All** tenderers must be sent a contract award notification detailing:

- the criteria for the award of the contract;
- the reasons for the decision, including the characteristics and relative advantages of the successful tender, the score obtained by

  (i) the tenderer which is to receive the notice; and
  (ii) the tenderer to be awarded the contract.

- the name of the tenderer to be awarded the contract.
- details of the standstill period.

17. Invoke Standstill period

In order to ensure that tenderers have time to consider feedback and seek an effective remedy for any breach of the Regulations, an 8-day standstill period must apply following the provision of the above information to the unsuccessful bidders before the contract can be entered into.

The Executive Director/Director or designated lead responsible for the procurement shall provide a debriefing to unsuccessful tenderers if requested, based upon the Evaluation Criteria set out in the ITT.

18. Issue Contract Award Notices

Contracts Finder: Where a contract has been tendered pursuant to the Regulations, the Company shall publish a contract award notice in the Contracts Finder no later than 48 days after the date of award of the contract. Contract award notices are also required to be published in the Contracts Finder - GOV.UK for contracts and call-offs from framework agreements valued over £25,000.

Supplier: Confirm the Contract Award to the successful supplier

19. Execute Contracts

An appropriate contract must be drawn up and executed between GCH and the Supplier before commencement of the contract. The contract should contain clear KPI's and termination clauses whereby the contract could be terminated if the supplier consistently fails to meet these performance targets. Once signed, the contract is enforceable and both parties are obligated to carry out the terms agreed to in the contract.
Contracts may only be signed by an Executive Director, Director or a Manager with the appropriate delegated powers.

20. Mobilise supplier

Once the supplier has confirmed acceptance of the contract, mobilisation should be implemented. The mobilisation period should be specified in the procurement documents. The main objectives are:

- Ensure the project team has all the necessary resources
- Align all stakeholders
- Ensure all project risks are managed
- Holding inductions & training specific to the contract
- Integrating job & IT management systems
- Establishing social value commitments.

NOTE:

In order to ensure compliance with procurement law, when procuring contracts exceeding the Threshold values it can be beneficial to use an e-procurement organisation such as "myTenders", [a division of Spend Management Providers – Proactis]. Whilst there is a cost to use their service, notices can be published to any portal directly from myTenders, suppliers respond using the portal and all notices, communication and information is checked for compliance with procurement law and full traceability is guaranteed.

11. KEY RESPONSIBILITIES

Managers

The Manager responsible for purchasing must comply with this policy, financial regulations, code of conduct and with all relevant UK legislative requirements.

Tender procedures must be conducted in accordance with the details set out in the ITT for that procurement.

Managers must also ensure that agents, consultants and contractual partners acting on their behalf also comply and must take all necessary legal, financial and professional advice.

Executive Directors/Directors must:

- Ensure that their staff comply with the duties and responsibilities outlined above.
- Maintain a register of all contracts entered into by their service unit in the Contracts Register
- Keep a register of exemptions.
- Ensure that staff engaged in procurement and contract management shall be suitably qualified and trained for the purpose.

Exemptions:

The Chair of Audit, Risk and Assurance Committee, in conjunction with the Chair of the Board shall have the power to waive the requirement of this policy (provided the value is below the relevant Threshold) in the following exceptional circumstances upon submission of a request by a Director.

- An emergency involving immediate risk to persons, property or serious disruption to the Company

OR

- There is only one supplier of the particular service or works that can fulfil the contract requirements.

ELT shall maintain, update and make the Policy available to every Manager and employee of the Company. Managers acting on their behalf shall apply the requirements of the Procurement Policy when engaging in any procurement activity.

The purpose of procurement activity shall be to achieve best value for the organisation in accordance with the Company's statutory or approved objectives and must conform to all relevant UK legislation

No Board Member shall enter into any contract on the Company's behalf.

No Board Member shall be permitted to become security under any agreement between the Company and a contractor employed by it.

12. COMPLIANCE AND PROBITY

Every contract entered into by the Company shall comply with:

a) the relevant UK procurement rules;

b) the Company's financial regulations and scheme of delegation;

c) the Company's Strategic Objectives, Procurement Strategy, Social Value, Bribery & Corruption, Modern Slavery, Diversity & Inclusion, Gifts & Hospitality, Safeguarding and Small Gifts & Benefits policies.

Board members and all staff must not accept any gift or hospitality from contractors or potential contractors or from any firm or organisation with which the Company has had, is having or may have any dealings of any kind, outside of the Gifts & Hospitality Policy (or outside of the appropriate policies noted above).

All hospitality, entertainment, gifts and other benefits with a value of £30.00 or more must be recorded and declared with the Company Secretary, members and officers must comply with the Company's Bribery & Corruption Policy..

If further clarity is required please contact a member of the Governance Team

13. DELEGATED AUTHORITY

Any procurement carried out on behalf of the Company may only be undertaken by Executive Directors/Directors or their Delegated Manager or Consultant. Managers shall be informed by their Executive Director/Directors of the extent of any delegated authority and the applicable financial thresholds for each procurement.

Officers Delegated by the Board are the Chief Executive Officer, Executive Director of Business Resources and Executive Director of Customer Experience – As Delegated Board Members the Chief Exceutive and Exexcutive Director of Resources have the authority to award new contracts with a value between £100,000 - £500,000 exc VAT. Contracts up to a value of £100,000 exc VAT can be signed off by all Executive Directors.

If a tendering process is undertaken by either or both the Chief Executive Officer and the Executive Director of Business Resources with a value between £100,000 - £500,000 exc VAT this contract must be approved by the Chair of the Audit, Risk and Assurance Committee, before an award is confirmed with the relevant contractor/supplier

All new Contracts with a value above £500k exc VAT must be approved by either the relevant Committee or Board, before an award is confirmed with the relevant contractor/supplier.

14. FINANCIAL REQUIREMENTS

Executive Directors, Directors, Managers or Delegated personnel shall notify the Director of Finance of the details of all works, goods and services contracts, or sub-contracts which provide for interim or periodic payments. Invoices and valuation certificates shall be forwarded to the Finance Team for payment.

All interim payments to contractors shall be on certificates issued by the Director or Manager, showing the value of work to date, the balance remaining and the amount of retention money.

Any variation shall be reported to the Director of Finance on High Value Procurements where a substantial change in design of any works or additional expenditure is involved. Any modification which is considered “substantial” under the Regulations shall require confirmation that it is permissible under regulation 72 of the Regulations. A “substantial modification” is one where:

a) the modification renders the contract or the framework agreement materially different in character from the one initially concluded;

b) the modification introduces conditions which, had they been part of the initial procurement procedure, would have

(i) allowed for the admission of other candidates than those initially selected,
(ii) allowed for the acceptance of a tender other than that originally accepted, or
(iii) attracted additional participants in the procurement procedure;

c) the modification changes the economic balance of the contract or the framework agreement in favour of the contractor in a manner which was not provided for in the initial contract or framework agreement;

d) the modification extends the scope of the contract or framework agreement considerably;

e) a new contractor replaces the one to which the contracting authority had initially awarded the contract in cases other than those provided for in paragraph (1)(d).

Claims from contractors in respect of matters not clearly within the terms of the contract shall be referred to the Company legal advisors for consideration of any legal liability to a contractor.

Where completion of a contract is unreasonably delayed, it shall be the duty of the Director concerned to certify under the contract whether, and, if so, how much, should be deducted as liquidated and ascertained damages, and to notify the Director of Finance accordingly.

15. CONTRACT TERMS AND CONDITIONS AND SPECIFICATIONS

Contracts shall be entered into on the Company's standard terms and conditions, which shall be included with each purchase order and Invitation to Tender. The Chief Executive and Executive Director of Business Resources, must approve exceptions to this rule, which may be appropriate for High Value Procurements.

Where contracts are subject to the Regulations, the rules relating to technical specifications shall be followed and any reference to a technical standard, make or type shall be prefaced with the words "or equivalent".

16. RECORDS OF TENDERS AND CONTRACTS

Each Executive Director or Director shall ensure that all contracts are registered on the Contracts Register entered into by their service area.

The Executive Director of Customer Experience shall maintain a Contracts Register of all contracts
above £10,000 awarded. The Contracts Register will be maintained electronically and may be presented to the Audit & Risk Committee on a 6 monthly basis

For every individual contract, a Contracts File shall be maintained which shall include a list of invitations to quote and quotations received, a record of exemptions and any reasons

for it, of the reason if the lowest price is not accepted and written records of communications with the successful contractor.

17. PROCUREMENT BY CONSULTANTS

Where the Company uses Consultants to act on its behalf in relation to any procurement, then the relevant Director shall ensure that the consultants carry out any procurement in accordance with this policy. No Consultant shall make any decision on whether to award a contract or whom a contract should be awarded to. The relevant Director shall ensure that the Consultant's performance is monitored.

18. CONTRACT EXTENSION

Any contract may be extended in accordance with its terms provided the Supplier has delivered exceptional performance. Where the terms do not expressly provide for extension, contracts subject to the Regulations may be extended by agreement only in accordance with the rules set out in the Regulations and related case law. The Director of Customer Experience shall agree any such extension which should not constitute a substantial modification to the terms of the contract.

Other contracts may be extended by negotiation in the same circumstances. The relevant Director shall always be satisfied that extension will achieve Best Value for Money and is reasonable in all the relevant circumstances.

Retrospective approval for contract extensions is not permissible without the relevant Director/Executive Director obtaining the approval of the Chair of Audit & Risk Committee in conjunction with the Executive Director of Business Resources

19. TERMINATION OF CONTRACT

For any contract exceeding £100,000 in value, termination shall be approved by the Executive Director of Customer Experience. Contracts over £1m shall additionally be approved by the Chief Executive Officer and Executive Director of Business Resources before termination.

20. APPENDIX 1 – General Provisions Relating to Contracts

General Provisions Relating to Contracts for the Sale of Goods or Sale or Letting of Land by the Company Exceeding £2,000 (or an Annual Value of £500)

Interpretation

1.1 In the interpretation of this Policy:

'Company' means Gloucester City Homes Ltd

Executive Director/ Director' sits on the Senior Leadership Group

'sale' includes 'disposal', and vice versa

'tender' includes 'offer' and 'quotation'

'person' includes 'firm' and 'company'

'goods' includes 'materials', 'plant' and 'equipment'

'land' includes any legal or equitable interest in land

Exceptions to Appendix 2

1.2 No exception shall be made to Appendix 2 except by

(a) the Board

(b) in case of urgency, the Chair of the Audit, Risk and Assurance Committee.

and a written record of the decisions and the reasons for them shall be made and be open for inspection by any Board Member of the Company.

Means of Disposing of Goods or land

1.3 Except where the Board authorises some other means of disposal the goods or land shall be disposed of only in one of the following ways: -

(a) **Public Tender** - by public tender in accordance with the procedure set out in paragraph 1.4.

(b) **Public Auction -** by including the same in a public auction.

c)**'Trading In' Goods** - by 'trading in' goods at the best price obtainable against the purchase of other goods on behalf of the Company.

(d) **Exchange** - by exchange where authorised by the Board.

For goods or land of an equal value or subject to appropriate monetary adjustment where not of equal value.

(e) **Sale by Private Treaty**
by treaty with not less than three prospective purchasers approved by the Board

(f) **Sale to Another Local or Public Company**
by sale to a local authority or other public organization at District Valuer's valuation.

(g) **Sale in Accordance with a Statutory Requirement or Procedure**
To be in accordance with a statutory requirement or procedure.

(h) **Sale in Accordance with a Procedure Approved by the Company**
To be in accordance with a procedure approved by the Board.

Procedure for Disposal by Public Tender

Where goods or land are to be disposed of by public tender the following procedure shall apply: -

(a) **Public Notice of Disposal** - at least 14 days public notice shall be given in a local or national newspaper or appropriate trade journal inviting tenders, and shall include: -

(i) details of the goods or land to be sold;

(ii) the closing date and time for the receipt of tenders;

(iii) the manner in which tenders are to be submitted, including a requirement that tenders be submitted in a plain sealed envelope (i.e. with no name or mark indicating the sender) addressed to the Company Secretary marked:

Tender for the Purchase or lease of (*details of goods or land*) **to be received by** (*closing date and time*).'

(iv) a statement that the Company does not bind itself to accept the highest or any other tender.

(b) **Custody of Tenders**
all hard copy tenders received shall be kept in the custody of the Company Secretary or an employee designated by them until the time appointed for the opening of tenders.

(c) **Opening of Tenders**
all hard copy tenders received shall be opened at one and the same time in the presence of the Director of Finance or an employee designated by them and one

other employee. All tenders shall be initialed by the persons present at the opening and a written record shall be made in a bound book kept for that purpose, of the names of persons submitting tenders and the amount of their respective tenders, which shall be signed by the Director of Finance or the employee designated by them, and all other employees present. Any tender received after the closing date and time shall not be opened except on the instructions of the Chair of the Audit, Risk and Assurance Committee and then only if the other tenders received have not been previously opened.

(d) **Acceptance of Highest Tender**
acceptance of the highest tender may be authorised by the Board.

(e) **Acceptance of Tender not the Highest**
acceptance of a tender not the highest shall only be authorised by: -

(i) the Board; or

(ii) in case of urgency, the Chief Executive and the Chair of the Board after consultation with the Company's legal advisors.

and a written record of the decisions and the reasons for them shall be made and be open for inspection by any Board Member of the Company.

(f) **Acceptance to be Evidenced in Writing**
acceptance of the successful tender shall be evidenced in writing by the relevant Director and shall incorporate paragraph 6.2 (Bribery and Corruption). Where required by law a formal contract shall be prepared by the Company Legal Advisor for signing or sealing by or on behalf of the successful tenderer and the Company.

Disposal of Goods or Land of Minimal or Insignificant Value

(a) Appendix 2 shall not apply where a Director, on behalf of the Company, in the ordinary course of the day to day running of their service:
(i) disposes of goods or land of minimal or insignificant value;
(ii) disposes of salvaged materials.

but in any event, even in relation to transactions under £2,000 in value, the Director should, nevertheless, seek to obtain the best price for the Company and two or more competitive quotations should be sought, wherever this is practicable.

(b) For the purposes of (i) above a minimal or insignificant value in relation to any one item is a sum not exceeding £2,000 (or an estimated annual rental value not exceeding £500).