CROYDON CHURCHES HOUSING ASSOCIATION

PROCUREMENT POLICY 2025

1.0 Introduction

1.1 The term “procurement” refers to the process by which goods, services and works are acquired from third parties.

1.2 The purpose of this procurement policy is to set a framework for all types of procurement as part of a focussed, coherent, and centralised approach to procurement practice.

The policy has been produced to support our vision:

Delivering on our promises

1.3 This policy will assist us in achieving this through ensuring a common and consistent approach to procurement in accordance with best practice.

1.4 The approach will support and assist us to achieve value for money objectives through adopting effective procurement practices and through the generation of efficient working practices that enable us to maximize the use of resources so that we may also reinvest in the quality of services to customers.

1.5 The approach will ensure compliance with The Procurement Act, introduced in February 2025.

1.6 The importance of achieving efficiencies and delivering value for money services through effective procurement practice is recognised through our value for money commitment in our 5 year strategic business plan ccha2030:

To develop Efficient and Effective ways of working to deliver a quality service to residents

1.7 It is also a corporate objective to focus upon service quality and recognises the close links between procurement and value for money. It highlights how the approach is not necessarily only about cost control and reductions but

procuring and delivering the best services at competitive rates in accordance with customer's needs and aspirations.

2. Procurement Objectives

2.1 Our approach to procurement will be in accordance with the following objectives:

- Develop and support a corporate approach to procurement which reflects the overall values and objectives of the organisation.
- Ensure compliance with law and best practice including The Procurement Act which was introduced in February 2025 replacing the PCR2015.
- Demonstrate good governance and an emphasis on value for money in accordance with the Regulator for Social Housing's value for money standards 2018.
- Maximise efficiencies in operating costs and procurement methods, thereby creating more capacity to achieve growth and quality improvements.
- Take procurement decisions that are based on an informed choice balancing both cost and quality, while considering customer's needs and aspirations.

2.2 To achieve this, we will recognise the importance of both cost and quality in everything we do. We will promote a culture throughout the organisation which understands the advantages of effective procurement, being cost conscious and working in partnership in order to achieve joint solutions to the challenges of efficiency and value for money.

3. Responsibility, Monitoring and Reporting

3.1 This policy applies to all contractual arrangements that we may enter into regardless of functional area and should be read in conjunction with the limits as laid out in our "delegated authorities". ccha's delegated authorities governs the procurement of works and services as well as the procurement process for consultants and contractors. It also outlines the Limits for the signing and approval of contracts which are laid out in the delegated authorities and if made under seal recorded in the "seal register" and reported at board.

3.2 Any deviation from the delegated authorities will be highlighted in the chief executive's annual report on the effectiveness of internal controls if not reported elsewhere.

3.3 Procurement, performance and delivery will be subject to internal audit processes, which are discussed at the audit and risk committee and reported to the board quarterly.

3.4 Whilst the accountability for procurement lies with the chief executive, it is the responsibility of all staff to ensure that procurement activity within their business area demonstrates value for money, is conducted ethically and in accordance with law and financial regulations.

3.5 This policy requires us to carry out periodic monitoring of our procured suppliers to ensure they remain compliant and continue to achieve value for money.

3.6 This approach will ensure that our costs remain competitive and that our resources are used efficiently to maximize the benefits to our customer base. This will be supported by ongoing benchmarking and performance monitoring that will compare the cost of services with our peers.

4. Procurement of goods and services

All suppliers of goods and services will be covered by an appropriate contract, purchase order or agreement (reflecting value and level of risk to the organisation). The type of agreement and the process followed should be in compliance with The Procurement Act and ccha's Delegated Authorities Policy approved by the Board annually.

4.1 When procuring goods and services, any ccha staff member or ccha representative including Residents or Board members who have an interest in the services which are being procured or have personal connection with any contractors who may be in competition to provide the services must declare this at the beginning of the procurement process.

4.2 The Procurement Act

4.2.1 The Procurement Act has superseded the PCR2015 which provided guidance on compliant procurement. Whilst some of the requirements have changed, the financial thresholds for compliance? have remained the same. These are reviewed every two years and vary dependent upon whether it is goods, services or works which are being procured. These are currently set out below:

Contract for the purchase of:	Threshold inclusive of VAT:
Goods	£214,904
Services	£214,904
Works	£5,372,609

4.2.2 When determining the total contract value, this is the annual contract value including VAT multiplied by the length of the contract and should include any extensions.

4.2.3 The Procurement Act does not recognise “Rolling contracts”. These are considered as “above – threshold” as they have no end date so would eventually go above the amounts specified above.

4.2.4 There are no formal procurement requirements for contracts under £30,000.

4.2.5 For contracts over £30,000 but under the thresholds, there is the requirement to publish the award on “contracts finder”.

4.2.6 For contracts over the formal financial thresholds, The Procurement Act sets clear processes that are to be followed in all cases unless procured through a recognised framework.

4.2.7 Any goods, services or works procured through a recognised framework should follow the guidance and processes appropriate for that framework.

4.3 Delegated Authorities

The schedules set out in the Delegated Authorities list the main decisions required within the association and the person or board with authority to approve each decision. It also outlines the internal financial thresholds which would dictate the method of required procurement. This

makes reference to The Procurement Act but goes beyond the requirements of The Act. The thresholds within the Delegated Authorities are set out below:

Contracts up to £2,500	Tenders not required. More than one estimate not required
Contracts from £2,500 - £7,500	Tenders not required. Two written estimates required
Contracts from £7,500 - £30,000 (review in line with inflation)	Tenders not required. Three written estimates required and awarded based on procurement policy with a VfM review.
Contracts from £30,000 - £75,000 (review in line with inflation)	Tender procedures section 4 – Procurement Policy JCT contract not required for building contracts. Official order required
Contracts from £75,000 - £200,000	Tender procedures section 4 – Procurement Policy JCT or appropriate contract required
Contracts over £200,000 but within the Procurement Act threshold.	To be signed as a deed Performance bond or acceptable insurances required. Tender procedures section 4 – Procurement Policy JCT or appropriate contract required
As of 1st Jan 2021, Contracts over the Procurement Act Thresholds.	Follow new e-tendering platform called 'Find a Tender' (FTS) To be signed as a deed Performance Bond or acceptable insurances required. Tender procedures section 4 – Procurement Policy JCT or appropriate contract required

4.4 Selective Tendering

4.4.1 All contracts over a total contract value of £30,000 will be competitively tendered (subject to the exceptions detailed below) and as outlined above. The limits/levels for competitive tendering are reviewed by the board regularly and officers must ensure that they operate within their authorised limits.

4.4.2 The form of contract to be used will be selected in conjunction with our professional advisors and will have regard to the following: -

- Nature of work to be undertaken
- Assessment of risk
- Potential for changes and variations to the work undertaken.
- Size/scope of the contract
- Cost per unit/work
- Legal advice obtained or a prevailing model agreement/form of contract approved by the NHF or other trade body.

4.4.3 Tendering for the customer facing contractual work of gas servicing, responsive maintenance, planned maintenance and major estate services contracts would normally involve a process which includes PQQ assessment, viewing of existing on-site work, assessment of head office capacity and interview of key company staff. The procurement of any long term customer facing contracts should involve our customers and their feedback. The procurement should also involve receiving feedback from other organisations who have procured with the supplier being tendered.

4.4.4 The procurement of any contracts over £30,000 should normally be assessed on a 60:40 split of quality: price basis. However, if quality is a key factor in the delivery of the service, we should assess the contract on 70:30 split of quality: price.

The criteria for assessing the quality elements of the scoring should be set out clearly when tender prices or quotes are sought. They would normally be a series of questions focussing on satisfaction, quality service, experience and added value.

The price element is determined separately, and prices should be viewed after the quality scores have been submitted. The score for the prices is calculated based upon the cheapest price being given the best percentage and then the percentages for other prices are proportioned according to their costs in relation to the cheapest price, an example of how to apply this has been provided in Appendix 1.

4.4.5 Any individuals, staff or otherwise, involved in the procurement of services must make specific declarations of interest regarding any companies tendering to supply goods, services or works prior to them participating in the procurement.

4.4.6 Any companies contracted by us to supply goods, services or works must meet the minimum requirements to be on our approved suppliers list. The qualifying criteria is set out below:

- A relevant health and safety policy or certificate
- A relevant welfare policy or certificate
- Public liability insurance minimum of £1 million, dependent upon size of the contract
- Employer's liability insurance minimum of £1 million, dependent upon size of the contract
- Professional Indemnity Insurance minimum of £1 million if the works contain any professional opinion or design elements.
- Appropriate membership to the relevant trade body e.g. Gas Safe for gas safety works
- Provision of three years satisfactory financial accounts which could be subject to an external financial assessment dependent upon the value of the contract.
- Compliance with the financial standards set out in our financial regulations.
- Compliance with the organisational GDPR process
- A comprehensive and appropriate Equality Diversity and Inclusion Policy
- A comprehensive Sustainability Policy

4.4.7 Where relevant the following criteria will be monitored for any changes annually.

- A relevant health and safety policy or certificate
- A relevant welfare policy or certificate
- Public liability insurance minimum of £1 million, dependent upon size of the contract
- Employer's liability insurance minimum of £1 million, dependent upon size of the contract
- Professional Indemnity insurance minimum of £1 million if the works contain any professional opinion or design elements.
- Appropriate membership to the relevant trade body e.g. Gas Safe for gas safety works

4.4.8 We will take care not to procure goods or services in a way which may lead to a conflict of interest for that company.

4.5 Exceptions to the selective tendering process

4.5.1 Negotiated tenders – tenders may be negotiated in the following circumstances:

- Where an opportunity is introduced to us as a package and can only be delivered by partnership with the introducing contractor
- Where we are aware of a development opportunity but are unable to acquire the site itself because, for example unconditional offers are required, or timescale for disposal cannot be achieved and a developer is approached to purchase 'at risk' on our behalf.
- Where the scheme is identified as "phased" at the outset and we seek to negotiate with the successful tendering contractor of the previous phases
- Where a contract extension is justified with a contractor on the basis of recent contractor performance and value for money particularly where longer-term contracts would demonstrate significant savings and other benefits.
- Where the works proposed are of a specialist nature and contractors for that work are not readily available. In this instance at least two references will be sought before the contractor is commissioned.
- Where the contract is for the execution of work or supply of goods or materials certified by a relevant director as being required so urgently as not to permit the invitation of tenders.

- Where tenders have been invited on behalf of any consortium, collaboration or similar body of which we are a member in accordance with any method adopted by such body.
- Where the estimated cost of tendering would defeat the object of having a competitive process – in these circumstances an alternative Value for Money exercise would be undertaken.

4.5.2 In all circumstances where negotiated tenders are entered into the form of contract to be used will be selected by guidance in the Delegated Authorities and outlined above in section 4.2, and contracts are subject to legal advice as appropriate.

4.5.3 Negotiated tender procedure - the procurement policy regarding negotiated tenders must be strictly adhered to. A report to the relevant functional director or chief executive in their absence must be presented in good time prior to the existing contract terminating. The report will show:

- An appraisal with advice and clear recommendation
- Confirmation that the negotiated tender is fully justified on value for money grounds by relevant figures showing that the negotiated costings compare favourably with those previously obtained on comparable schemes by competitive tendering or bidding.
- Confirmation that the requirements of relevant guidance and legislation have been met.

4.5.4 Where the negotiated tender procedure is followed the leadership team will ensure that the project is within budgetary limits.

4.6 Framework agreements

4.6.1 A framework is an agreement with suppliers to establish terms governing contracts that may be awarded during the life of the agreement. It is a general term for agreements that set out terms and conditions for making specific purchases (call-offs) of goods, services or works.

4.6.2 A framework agreement is not normally a contract, but merely an agreement about the terms and conditions that would apply to any order placed during its life. In this case, a contract is made only when the order is

placed, and each order is a separate contract. The framework would go through a formal procurement route with candidates for the framework evaluated on quality and cost similar to a selective tendering process.

4.6.3 Framework agreements can be extremely flexible and set up in a number of different ways to suit the specific goods or services required. If the framework contains full details of the rates of services, then services can simply be "called off" as and when they are required on the basis of the original award criteria. Alternatively, a mini competition can be held, and bids invited from all relevant contractors/consultants on the framework for each project.

4.6.4 As well as developing our own framework agreements, there is the ability to sign up to established frameworks to allow us to procure goods, services or works without having to follow a full tender procedure. In all circumstances the framework must have been procured in accordance with relevant law and regulations and all contractors would still have to adhere to the requirements set out in section4 of this policy.

A list of the frameworks which ccha are members of and the services which have typically been procured through them has been provided as Appendix 2.

4.7 Procurement Clubs

4.7.1 A Procurement club in this context consists of a group of organisations that all need to procure services and feel that there may be economic benefits of forming a club and procuring those services collectively. As a small organisation, opportunities such as this could well arise in the future, and it is important to recognise these if they deliver better value for money. It would be prudent to undertake a value for money exercise prior to entering into any agreement.

5. Resident Engagement

5.1 It is imperative that we demonstrate value for money of services to our residents and as such residents would always be engaged in the procurement of any significant front line services such as repairs and estate

services. Resident involvement starts from defining the specification for the works through to contract award in some cases.

5.2 If it is an existing service provision, residents will be consulted as to whether the services currently provided are not only acceptable but meet the needs of the communities. This is an ideal opportunity for us to find out what residents really want and where possible tailor the services to accommodate these needs.

5.3 The front line services will be subjected to ongoing monitoring by the staff teams and our internal auditors.

5.4 Any procurement of resident driven services will include the provision for contractor attendance at residents' meetings and forums where we think it is appropriate.

6. Approved Suppliers

6.1 We commit to only using approved suppliers who will be expected to provide goods and services that meet the required specification. Where a new supplier is required, they shall be approved in accordance with the procurement procedures. The primary objective is to optimise the supplier base as to maximise purchasing power while ensuring sufficient sources exist for all significant goods and services.

6.2 All suppliers will be dealt with equally, with integrity, fairness and in a professional manner. Relationships with suppliers are expected to be constructive but built on a competitive approach that will lead to cost savings and better quality. Staff members must not put themselves in a position where their duty to us and their personal interests' conflict. They must not benefit in any way from their connection to the organisation outside of their contract of employment.

6.3 The procurement of goods and services will be monitored on a regular basis and an approved supplier report taken annually to the Audit and Risk Committee which includes a financial check to assess any risks.

7. Equality and Diversity

7.1 We will promote equality in our procurement processes in line with our Equality, Diversity and Inclusion Strategy 21 - 26. Within the legal framework, we will endeavour to ensure that our procurement practices do not exclude other equality target groups. We would look to integrate equality and diversity objectives into our contracts.

7.2 We are committed to not only ensuring that equality and diversity is embedded within the organisation but that all our suppliers and contractors are aware of our commitment to equality and diversity and have a similar ethos. Assessment of this can be done in various ways, for example at procurement stage, by examination of their equal opportunities or equality and diversity policies, their history of employing local labour or by looking at their staff composition and whether it reflects the local communities.

8. Corporate Social responsibility (CSR)

8.1 As a local housing provider, we are committed to helping the community by supporting local small to medium sized enterprises (SMEs) and will where possible include them in all procurement activities. For contracts up to £30,000, we will ensure that the procurement processes do not prevent SMEs from taking part and that any requested insurances are relevant and necessary. Where a service could be undertaken by an SME, we will actively seek them out and include them in the procurement process.

8.2 We recognise that for some contracts, SMEs would not always be the cheapest route of procurement so in order to demonstrate value for money would look to include an element of social value in the tender evaluations.

8.3 We encourage contractors and suppliers to source local labour in order to reflect the community in which they are working including employing BME and vulnerable groups. It is also a requirement that contractors and suppliers give something back to the local community. Dependent upon the value of the contracts this may vary from offering opportunities for work experience for residents to funding a major community project on one of the estates.

8.4 We will only work with contractors who apply socially aware business practices and have awareness of or working towards responsible and sustainable ethical standards.

9. Sustainable Procurement

9.1 Sustainable procurement leads to the embedding of environmental considerations into routine procurement decisions, the delivery of better value for money e.g. use of energy efficient products, improved organisational environment and improved reputation. This will be achieved by building sustainable considerations into all aspects of the procurement process.

9.2 Through legislation, the requirements around sustainable performance for social landlords become more and more demanding in order to support the Government's Carbon Net Zero targets. Standards for both new and

existing homes are ever increasing which makes fulfilling all requirements and working within tight budgets a challenge. However, it is important not to lose sight of one of the main benefits of the improvement works which is reduced utility costs to residents.

10. Ethical Standards

10.1 All personnel shall, at all times, maintain the highest possible ethical standards when dealing with suppliers. As a minimum this is to follow the guidelines outlined in the staff handbook and governance rules and policies.

11. Data Protection

11.1 We are committed to protecting the personal data of our residents, partners and staff and to adhere to the requirements of the General Data Protection Regulation (GDPR) and the Data Protection Act 2018.

11.2 Where ultimately the contract will result in personal data being shared, a Data Protection Impact Assessment (DPIA) form must be completed prior to the tendering process.

11.3 Firm tendering for contracts will be expected to show that they have the necessary organisational policies and processes in place to ensure compliance with GDPR and Data Protection Act 2018. In particular, if sub-processors will be used to undertake the contract, the management of this will need to be explained as part of the tender process.

11.4 It is not expected that personal data will need to be shared during the tender process, however, should personal data need to be shared, a data sharing agreement will be put in place and signed as part of the contractual process.

11.5 Organisations placed on a framework will be expected to sign either a controller/processor or joint controller data sharing agreement at the point of being placed on the framework. This will ensure that subsequent contracts can be put in place quickly.

11.6 The successful organisation will be required to sign a data sharing agreement or have the necessary terms included in the contract.

Appendix 1 – Example of the price element of the tender evaluation

The price element should be viewed after the quality scores have been submitted. The score for the prices is calculated based upon the cheapest price being given the best percentage and then the percentages for other prices are proportioned according to their costs in relation to the cheapest price.

This is example is based upon a quality:price split of 60:40.

Contractor	Price	Percentage score
J Black Builders	£20,000	40%
A Smith Contractors	£40,000	20%
P Jones Limited	£30,000	26.67%

The cheapest price is with J Black Builders and so they receive the maximum score of 40% contribution to the overall score out of 100%

A Smith Contractors price is twice as much as the cheapest price from J Black Builders so would only receive a score of 20% against a total score of 40%.

P Jones Limited price is 1.5 times the cheapest price from J Block Builders so would only receive 26.67% against a possible total score of 40%.

Appendix 2– List of Frameworks which ccha are a member of.

Framework	Services procured	Other info
The cloud buyers guide	IT services	https://www.gov.uk/guidance/g-cloud-buyers-guide
Matrix Milestone	Media, Publications and PR services	Ealing Procurement Framework Matrix Milestone: Managed Procurement & Supply Chain Service - Matrix (teammatrix.com)
South East Consortium	Repairs, maintenance and compliance services	Reliable Public Sector Frameworks since 2005 - SEC (southeastconsortium.org.uk)
Fusion 21	Compliance services Warden Call and Tele-care	Experts In Public Sector Procurement Frameworks & Solutions (fusion21.co.uk)
CHIC	Compliance services Legal services	Procurement - Communities & Housing Investment Consortium (chicltd.co.uk)

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