Procurement Policy

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Contents

Part A: Policy Summary

This policy outlines the strategic approach to procurement aligned to the objectives outlined on the Two Rivers Housing our Corporate Plan 2024-27 which will ensure that procurement contributes towards the ultimate vision of everyone having a warm, safe, affordable home.

Two Rivers Housing Group spend on average £40 million per annum on commissioning and procurement therefore can have a significant impact on the business, customers, tenants, and the social and environmental well-being of the Forest of Dean, Gloucestershire and the surrounding area.

The policy is aimed at ensuring compliance with legislative requirements, our own standing orders and financial regulations, as well as driving value for money and good contractor management. It will provide a framework to ensure services are delivered well for our tenants.

Associated Policies and Procedures**:**

- Standing Orders Policy and Financial Regulations

1. Policy Statement

Overall aim

1.1 Provide procurement excellence by delivering best value through engagement with supplier organisations that not only exceed our cost and quality expectations but fundamentally share our corporate vision to deliver on our promise to ensure that everyone in our communities can live in a warm, safe, affordable home.

- Buy Local - We place special importance on the ability to engage with organisations that operate within and support our local area. Our processes provide a unique opportunity to help boost the local economy by helping to create a multiplier effect with every pound spent.
- Buy Social - The Social Value Act 2012 provides a platform on which to consider and encourage the environmental, social and economic benefits to an area when awarding contracts. These factors remain a vital part of our evaluation process as we seek to maximise and develop benefits that can be obtained from commercial arrangements we undertake.
- Buy Quality- To determine better outcomes we evaluate many quality factors and not just cost alone. We drive a quality agenda from commissioning, through the evaluation phase to contract delivery and management to achieve a high level of service throughout the life of a contract.
- Buy Fairly – Compliance with 30 days payment term is implied under the Procurement Act 2023, as such the policy intent is to ensure we have supply chain partners that will enable compliance by subscribing to the Fair Payment Code principles

2. Objectives

2.1 The policy will be delivered by achieving objectives as outlined below:

- Drive efficiencies and cost reduction initiatives to ensure we are delivering value for money throughout the life of our contracts and report this annually.
- Ensure procurement activities are planned, maintained, and reviewed effectively with service level agreements and key performance indicators with the involvement of all stakeholders.
- Ensure our processes help to identify and maintain sustainable, socially inclusive, and responsible standards which remain true to the vision.
- Identify opportunities for working with others both in the public and private sectors to widen the scope for maximising purchasing power and identifying innovation.
- Encourage SME involvement with procurement activity and monitor and report local spend data annually.
- Provide effective management and monitoring to ensure compliance with current the Procurement Act 2023 Regulations and best practice.
- Ensure our contract management delivers all the promises made through the procurement process.

3. E-Procurement and evaluations

3.1 We will adopt a range of procurement options to optimise the quality-of-service outcome and allowing innovation to maximise value for money. This will include the use of eligible and compliant framework agreements pre-procured for the sector.

3.2 We will ensure that every stage of the procurement process will be conducted in a manner which is open, fair, and transparent (See Appendix 3). Any award will have a clear audit trail indicating how the decision has been reached.

3.3 We will comply with Standing Orders (Including Financial Regulations) and use E-Procurement tools, which support both procurement and the subsequent contract management activities.

3.4 By adopting a proactive approach to procurement opportunities, we can undertake a full scoping exercise with all stakeholders when assessing the business need to always include the following.

- The strategic importance of the service, goods or works to us
- Item specification
- Cost targets
- Stakeholder involvement

- Quality considerations (Health and Safety, Capacity and Capability, social value, technical expertise, safeguarding, modern slavery, and environmental factors etc).
- Legal implications (compliance).

3.5 Qualifying responses will be evaluated against clear pre-determined criteria by an evaluation panel containing key stakeholders.

3.6 All bidders will be notified of the results of their submissions in writing and where applicable given structured feedback to help assist with future opportunities.

3.7 We will openly advertise all our opportunities in appropriate media to ensure that we engage with local businesses and social enterprises.

4. Savings and Value for Money Approach

4.1 Two Rivers Housing is facing increasing demands on our service delivery which places a critical focus on the effectiveness of the procurement activity. This policy outlines our approach to procurement but is inextricably linked to the drive for efficiency and achievement of challenging VFM targets.

4.2 In addition, to ensure we undertake competitive procurement projects to achieve the best value, we will also look to extract additional benefits from existing positions and drive cost reduction initiatives through value engineering methodology. This will remain a consistent programme which is part of contract management and reviewed as part of the annual strategic objectives.

We will lead a programme through regular key supplier spend analysis to achieve greater visibility in conjunction with the commitment of stakeholders to:

- Maintain a category management approach to procurement activities to help assist category strategies, market intelligence, effective contract management and overall performance management of outcomes. This will ensure supply arrangements are planned, executed, managed, and reviewed to drive the concept of savings.
- Reduce the cost, or improve the quality, of current contracts with key suppliers.
- Increase the proportion of spend via joint procurement with public bodies and Registered Providers where appropriate.
- Review our supplier base and seek to reduce inefficiency and processing costs by actively using existing suppliers for our requirements.
- Reduce the number of suppliers that fail to demonstrate value for money and our commitment to drive continuous improvement.

- Analyse spend across the group of companies to allow pooling of requirements to create economies of scale and further develop strategic partnerships with key suppliers.
- Periodically consider whether services offer better value for money if they are outsourced or insourced
- Maintain a strategic supplier matrix and evaluate risk.
- Ensure contracts are being managed at operational levels.

5. Quality Drivers

5.1 When evaluating organisations during the selection process we ensure that they share the Two Rivers Housing vision by the critical appraisal of their quality submission which can typically include the following sections (these parameters also apply if work is subcontracted to a third party)

Equality, Diversity and Inclusion

5.2 The Equality Act 2010 requires TRH both to eliminate discrimination and to promote equality. This duty cannot be transferred to external suppliers, but TRH will consider its responsibilities and where appropriate seek to include relevant contractual provisions into contracts with suppliers.

5.3 Consideration of equality issues is included within the initial triage meeting, this ensures that equality, diversity and inclusion is considered when developing specifications, sourcing suppliers, preparing pre-qualifications, inviting bids, developing performance indicators, and drafting contracts.

Small, Medium Enterprises (SMEs)

5.4 In accordance with government policy, TRH supports SMEs bid for contracts by:

- Ensuring prompt payment to suppliers and where a contract is let with prime contractors, contractual provisions ensure that payments flow down through the supply chain without undue delay
- Operating a simple process without pre-qualification questionnaires for contracts less than public procurement thresholds; and

6. Safety Assurance and Compliance

6.1 We will ensure that the Supplier complies with the highest safety standards and regulations, including but not limited to the Building Safety Act, Fire Safety England Regulations 2022 and any other applicable regulations for the built environment sector.

6.2 The Supplier is required to:

- Conduct thorough safety checks and risk assessments on all products prior to installation.
- Provide detailed documentation of safety certifications and compliance with relevant fire safety regulations.
- Ensure that all installation procedures adhere to the latest safety guidelines and best practices.
- Perform regular audits and inspections to verify ongoing compliance with safety standards.
- Immediately report any safety concerns or non-compliance issues and take prompt corrective actions.

6.3 We will ensure that the supplier acknowledges the critical importance of these measures in safeguarding the residents and agrees to cooperate fully with any additional safety checks or audits requested by Two Rivers Housing.

7. Social Value

7.1 We will encourage organisations to consider carefully details of their bids and the potential to add value to the local area both in terms of labour opportunities and the general economy. We are supported in our aim by the Social Value Act 2012 which allows us to build these aspects into our overall evaluation process.

7.2 We will maximise the opportunity through our supply chain with the expectation that the use of apprenticeships form part of the service delivery along with other employment and skills options by prioritising this in our procurement decisions. We will ensure we report outcomes of our social value activities.

8. Sustainability / Environmental Characteristics

8.1 Sustainable Procurement is 'a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment'.

8.2 Sustainability will be ensured within the four-phase procurement process (Appendix 3) by:

- Identifying relevant environment issues at the triage meeting including the full life cycle of goods and services to be procured
- Including sustainable requirements, where relevant, in the specification (i.e., meeting requirements of any Government Buying Standards)
- Evaluating bidders' responses to sustainable requirements; and
- Managing contracts using agreed delivery targets.

9. Modern Slavery Act 2015

9.1 Modern slavery takes various forms including slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of one person's liberty by another to exploit them for personal or commercial gain. Modern slavery is a crime and a violation of fundamental human rights.

9.2 The prevention, detection, and reporting of modern slavery in any part of our business or supply chain is the responsibility of all those working for us or under our control. Two Rivers Housing will not support or deal with any business knowingly involved with slavery or human trafficking. We will review any suppliers who we believe may be engaging in Modern Slavery. We are committed to removing modern day slavery in our supply chains.

9.3 Employees must raise concerns (with their manager) about any issue or suspicion of modern slavery in any parts of our business or supply chain immediately on becoming aware of a potential problem.

10. Continuous Improvement and Innovation

10.1 We will encourage and promote continuous improvement throughout the term of the contract and seek innovations to increase service value or deliver efficiencies. These will remain a theme of contract review meetings.

11. Risk Management

11.1 We will take all reasonable steps in the management of risk to ensure that any service disruption is minimised. For procurement to deliver best value it is appropriate to adopt an approach based on risk management principles. In this way, contracts involving a high level of risk (whether that risk is in terms of impact of customers, finance, time, the environment, or service delivery) should involve a more detailed process, whereas low risk projects would not generally justify a resource intensive procurement procedure.

11.2 We will carry out financial assessments and due diligence on all key contractors above limits set within our financial regulations and seek to limit the exposure of our suppliers to an over reliance on our business as the main source of their income.

11.3 We will ensure that all contracted organisations have effective business continuity arrangements in place to ensure that they are able to maintain service delivery in the event of a major incident.

11.4 Our new supplier request process will ensure separation of duties whereby all requests must be approved by a different individual who is an authorised manager with appropriate budgetary responsibilities. Completed supplier request must be independently verified by Finance Assistants and authorised by a Finance Manager on the finance system.

12. Customers and tenants' involvement

12.1 Participation from our customers and tenants is an integral and valuable part of some procurement activity. The requirement will be assessed at the commencement of such procurement activity and suitable representatives engaged, with training provided as necessary.

13. Partnership

13.1 We aim to build our capability and capacity for working with partners across the public sector to develop a regional procurement centre to ensure greater outcomes for the Forest of Dean, Gloucester and surrounding area. This will be based upon:

- sharing a common set of values;
- maximising the value of local spend;
- promotion of sustainable economic regeneration

14. Small / Local business engagement

14.1 Our approach brings a unique opportunity to boost the economic fortunes of the Forest of Dean and produce a regenerative effect by ensuring, where appropriate, our spend is in the locality and helps to create a positive multiplier effect by being spent many times over in the local economy.

14.2 We will actively seek to engage with small and/or local businesses when awarding contracts and recognise the contribution that can be made and therefore ensure that contracts are structured in a way that allows those to compete subject to delivering best overall value. We can further support their participation by:

- working proactively with local businesses to explain how to do business with us and obtain and act upon feedback to improve our processes and documentation.
- providing detail regarding future procurement opportunities in a timely manner to aid their planning and preparation. If large contracts are necessary, we look to encourage and challenge the integration of SMEs throughout their supply chains. In addition, we will develop our approach to social value into contracts which encourages suppliers to employ, subcontract and procure from within our operating area.

15. Authorisation levels

15.1 The authorisation requirements for commercial contracts relating to goods, works and services are subject to the financial thresholds and approval conditions and detailed in the Standing Orders and Financial Regulations.

- When considering the procurement route to follow the thresholds in Appendix 1 must be observed.
- All contracts must be signed by an authorised person as per Appendix 2 – Delegated Authorities Schedule.

16. Contract Management

16.1 We will manage our key contracts actively to drive continuous improvement through contract performance and efficiencies and the achievement of best value. This will be enabled firstly, by greater visibility of spend data with key suppliers with agreed performance standards and secondly by taking a clearer lead role as the commercial owners of our major suppliers and contracts.

16.2 Review meetings will be determined by the strategic importance of the supplier to us both in terms of frequency and detail which will be agreed between procurement and contract owners to form an annual plan.

16.3 We will work with operational contract owners to help develop best practise and provide training in contract management techniques where required. This structured approach will allow more detailed information to be provided to senior managers within the group and ensure suppliers are accountable to validate performance at the standards expected but also to drive innovation and additional efficiencies during the entire life of the contract.

16.4 We will maintain a professional business approach with our suppliers and as such past performance will determine future opportunities to work with us. We will look seriously at the position of any supplier that fails to perform and will be held accountable and poor performance may be addressed by remedies set out in the contract terms including where applicable, liquidated damages or early termination.

17. Ethics

17.1 We will ensure that our procurement activities are carried out fairly and equitably and in accordance with our Equality Diversity and Inclusion Policy. This includes the process of supplier selection but also ensures that those selected can demonstrate they share the same values as Two Rivers Housing and consider the different needs of our customer base when carrying out any activity on our behalf.

17.2 We openly advertise all our opportunities in appropriate media to ensure that we engage with local businesses and social enterprises.

18. Equality Diversity and Inclusion

18.1 We will ensure that our procurement activities are carried out fairly and equitably and in accordance with our Equality Diversity and Inclusion Policy. This includes the process of supplier selection but also ensures that those selected can demonstrate they share the same values as Two Rivers Housing and consider the different needs of our customer base when carrying out any activity on our behalf.

18.2 We openly advertise all our opportunities in appropriate media to ensure that we engage with local businesses and social enterprises.

Part B: Responsibility of Employees

Employee responsibilities are set out below:

18.3 **The Executive Team and Group Board** are responsible for approving and adopting the procurement strategy which will support the Group meet the procurement policy.

18.4 **The Assistant Director of Resources** is responsible for delivering the procurement strategy.

18.5 **The Head of Procurement** is responsible for providing fit for purpose procedures and training colleagues in the use of the procedures and the key requirements of the Procurement Act 2023. They are responsible for carrying out compliance audits of tenders and for providing guidance for complex procurements.

18.6 **Managers** are responsible for ensuring that they do not authorise any procurement which was not conducted in line with this policy. They are also responsible for ensuring that any employee in their team who is charged with procuring any product or service is familiar with this policy.

18.7 **All employees** are responsible for ensuring any procurement exercises in which they are involved is conducted in line with this policy.

Part C: Responsibility of Two Rivers Housing

Two Rivers Housing will support employees to adhere to this policy, providing clear and timely guidance as required.

This policy will be reviewed every three years or earlier if:

- It is invoked and use suggests that amendments are needed.
- Organisational restructures lead to changes in reporting lines

The designated policy owner is responsible for ensuring the policy and procedures are reviewed and updated as needed, including when there are changes to any individuals or roles mentioned in the policy or supporting procedures.

APPENDIX 1 - ORDER, NOTICING AND TENDER GUIDANCE

The following threshold levels for procurement activity which have been copied from the Standing Orders (Group) Policy (incorporating the Financial Regulations) must be complied with.

Value (Including VAT)	UK Procurement Law	Process
Up to £5,000	Will not apply	Ensure value for money A minimum of a **single written quotation** or call off through a compliant framework. Expenditure to be contained within existing budget. Place the order within the required authorities for approval (Appendix 2).
£5,001 to £29,999	Will not apply	Prepare written specification and estimate the cost. A minimum of **three written quotations** or call off through a compliant framework. Record Quotation results and rationale for the decision reported to the appropriate Director by way of a simple 'one page' summary.
£30,000 to £50,000	Will apply	Prepare written specification and estimate the cost. A minimum of **three written quotations** or call off through a compliant framework. Record Quotation results **and** rationale for **the** decision reported to **the** appropriate Director by way **of** a simple 'one page' summary. NB- This is a new category included to align with the below threshold value for the Procurement Act 2023
£50,001 to Procurement Act 2023 threshold (Redefined banding to align with the new	Will apply	Prepare written specification and contract estimated cost and record in writing before inviting tenders Invite at least **four written tenders** to be returned electronically via e-procurement software.

Value (Including VAT)	**UK Procurement Law**	**Process**
procurement threshold that went live on 1st Jan 2026)		Tenders to be returned by cut-off date and opened by Head of Procurement or nominated colleague. Expenditure must be within budget and most advantageous tender accepted – where this is not the lowest the reasons are to be documented. For the avoidance of doubt, the most advantageous tender will not necessarily be the best in terms of financial value. A range of factors will be considered during the procurement process, including quality and social value obtained amongst others. Contracts placed must comply with delegated authority limits.
£207,720 and above (goods & Services)	Will apply	In compliance with the Procurement Act 2023 applicable to goods and services Full tender or call off through a compliant framework or Dynamic Market.
£5,193,000 and above (Works)	Will apply	In compliance with the Procurement Act 2023 applicable to Works Full tender or call off through a compliant framework or Dynamic Market

NOTE: The value of procurement must not be artificially split or reduced to affect the thresholds and influence the procurement route.

The value of procurement should be calculated to:

- Reflect the whole life cost of the procurement/contract, not just the annual value if the contract is for more than one year; and
- Include value added tax and insurance premium tax

Contract lengths should not be artificially spilt to affect the thresholds.

Noticing Obligations –

The following transparency obligations are mandatory under Procurement Act 2023, with notices published for any in scope award.

UK Reference Code	Description / scope
UK5- Transparency Notice	applicable to direct award / waivers above the procurement thresholds
UK2- Preliminary market engagement	For market engagement activities before tender
UK 4- Tender notice	Must be published for below and above threshold procurement
UK7- Contract details notice	Must be published for below and above threshold procurement
UK6- Contract award notice	Published after making an award decision and before a contract is signed, including when using a framework or if making a direct award
UK 12- Procurement termination notice	When a procurement activity is discontinued
Payment notices - UK8- Contract payment Notice - Uk17- Payment Compliance notice	Must be published in line with the obligations under the Procurement Act 2023

Exceptions

There will be circumstances which require TRH to procure goods or services via another method not detailed within TRH's standard procurement processes.

Exceptions must comply with the Procurement Act 2023 and will only be allowed where:

- Time or market conditions prevent policy being applied. Examples of this would be extreme emergency or where only one supplier is genuinely capable of supplying the supplies or service required.
- There is an evidently justifiable business reason why this policy need not be applied. Examples of this would be where there is a commercially beneficial advantage in not following the full process.

In the situation that an exception is being applied for then a **procurement waiver form** must be completed, by the procuring colleague, to provide an auditable record for the decisions which have been made.

The Procurement Business Owner or nominated colleague must be initially consulted on the validity of an exception and will support in documenting the decision or reach agreement that an exception isn't appropriate.

All exception requests must be approved by the Executive Team.

This procedure should not be used to avoid competition or for administrative convenience.

APPENDIX 2 – DELEGATED AUTHORITIES SCHEDULE

The following are the approval levels for contract which have been copied from the Standing Orders and Financial Regulations.

Table 1 – Approval of commitments, orders and contracts

Approver Category	**Maximum Contract Value**
Board	Unlimited
Group Chief Executive	Up to £5,000,000*
Deputy Chief Executive and Executive Directors	Up to £1,000,000
Assistant Director of Assets and Assistant Director of Repairs	£500,000
Head of Development	£250,000
All other Assistant Directors Heads of Service reporting to Assets and Repairs Directorates	£100,000
Heads of Service reporting directly into Executive Directors Managers and Subject Matter Experts in the Assets and Repairs Directorates Managers and Subject Matter Experts reporting to Head of Development	£50,000
All other Heads of Service	£25,000
All other Managers and Subject Matter Experts	£10,000
Supervisors and Team Leaders in the Assets and Repairs Directorates Supervisors and Team Leaders reporting to Head of Development	£10,000
All other Supervisors and Team Leaders	£5,000
Nominated colleagues as authorised by Assistant Directors or above	£1,000

*N.B. Approvals over 1 million will require 2 Executive signatures, of which one must be the Group Chief Executive.

In the absence of the Group Chief Executive through annual leave the Deputy Chief Executive can approve alongside another Executive Director or the Assistant Director of Resources.

Signing of contracts is usually undertaken as:

- Deeds
- Simple Contracts

Further guidance is given in Financial Regulations/Standing Orders. For simple contracts DocuSign can be used for faster completion of the signing process.

APPENDIX 3 – PROCUREMENT PROCESS

TRH's four-stage procurement process is aligned to current good practice. The following table sets out the required activity at each stage to ensure that TRH procures goods and services using a legally compliant, fair, and open process which achieves value for money:

Stage	Activity
Define	**Define the business need** The procurement business owner should identify the procurement need, documenting the business case, consideration of equality issues, applicable spend controls, modern slavery risk assessment, proposed route to market, legal support requirements, data protection and budget availability (liaising with finance). Any procurement involving personal data must be discussed with the Information Governance Officer at earliest opportunity to ensure data protection design is incorporated within the procurement. Depending upon the complexity of the procurement, will depend on whether enhanced procurement support is appropriate.
Procure	The Procurement Business Owner will undertake procurement activity in accordance with this policy, procurement guidance and the route to market. To ensure best practice Finance will co-ordinate advice and operational support as required. **Route to market** The appropriate route to market depends upon the aggregate contract value detailed in Appendix 1. Supplier selection and evaluation of offers The procurement business owner will produce a request for quote / tender before being released externally. This will include details of the evaluation criteria. The Procurement Business Owner must approve evaluation outcomes (e.g., Recommendation Report) before award and contracting. **Contracting** Contractual terms must be appropriate enough to deliver longevity for the contract but appropriate enough to support the types of services being delivered. As an example, a technology-based contract may need renewing every two years to access constant changes and innovation in the market, but a painting contract may need to run over a seven-year period, with appropriate break points, to support one full decorating cycle.

Stage	Activity
	Terms and conditions must be reviewed by [the Legal team]. Any contract involving the processing of personal data must be reviewed by the [Data Protection team] to ensure compliance with both UK General Data Protection Regulations. Contracts must only be authorised and signed by those with delegations (see Annex 3) under the operational decision-making schedule and schedule of authorised signatories. The signing and sealing procedure must be followed. All supplier contracts will be stored within a central contract register by Finance.
Manage	Each contract will have a contract business owner (Assistant Director or above) who is responsible for ensuring the delivery of goods and services is managed, supplier performance monitored, and contractual obligations fulfilled.
Re-procure	Governance will maintain a contract expiry tracker to ensure that there is sufficient time for re-procurement prior to contract extension notification and contract end dates.