



Procurement Policy

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1. Introduction

Purpose

1.1 This policy provides a framework for procurement that ensures an appropriate and consistent approach is taken by all staff when they source goods, services and works. This will ensure that in all procurement exercises:

- Value for money is achieved;
- Relevant law relating to procurement and other matters (e.g. health and safety, equality and diversity) is complied with;
- Added value is sought to support Southway's social objectives; and
- Probity and good governance is demonstrated.

1.2 This policy supports the achievement of Southway's Futures Strategy and other Strategies, in particular the Value for Money Strategy.

1.3 It should be read in conjunction with Southway's Financial Regulations, which set out the relevant authorities.

Scope

1.4 This Policy applies to Southway Housing Trust and Southway DevCo, which is a 'contracting authority' of the Trust. Throughout the policy 'Southway' refers to Southway Housing Trust and Southway DevCo.

1.5 This policy does not apply to Southway Plus, as it is not a 'contracting authority' for the purposes of the Regulations. The Board of Southway Plus is permitted to put in place procurement arrangements to ensure value for money for that organisation is achieved.

1.6 This Procurement Policy applies whenever Southway intends to spend £5,000 or more (in money or other payments in kind) under contracts or formal agreements for goods (supplies), services or works.

1.7 The policy does *not* apply to the following (the Financial Regulations should be referred to for further information):

- Contracts of employment;
- Acquisitions and disposals of land or buildings – unless related to a contract for works, services or goods (see also Section 12.1);
- The seeking of offers in relation to financial services in connection with the issue, purchase, sale or transfer of securities or other

financial instruments, in particular transactions by Southway to raise money or capital.

Application

1.8 Overall responsibility for Southway's approach to procurement lies with the Strategic Director – Business Development and Growth. The Head of Governance and Performance is responsible for overseeing the proper administration of all procurement exercises.

1.9 For each procurement exercise, there must be a named 'Lead Officer', who is responsible and accountable for carrying out the procurement in line with this policy and the related procedural guidance. This includes obtaining necessary approvals at appropriate points in the process from the 'relevant officer', who has the appropriate Authority to Incur Funds according to the Financial Regulations.

1.10 Any procurement must comply with:

- This Procurement Policy;
- Southway's Financial Regulations; and
- Any direction of a relevant Board, or of an officer to whom delegated authority has been given by the relevant Board.

1.11 In exceptional circumstances only, certain elements of this policy may be waived with the authority of the Chief Executive, following the process set out in Section 11. Seeking such a waiver does not exempt Southway from complying with the General Principles set out in Section 2 or within the Regulations.

2. Statement of Principles

Value for Money

2.1 Southway spends a substantial sum each year on goods, services and works, ranging from the supply of office equipment and cleaning services to major new build development works. In the current economic climate and with pressures being placed on Southway and its customers through welfare reforms and other Government policies, Southway must continue to focus on ensuring value for money is achieved.

2.2 Southway's Value for Money Strategy sets out our commitment to delivering value for money, which is achieved by:

- Ensuring we understand the drivers for cost, performance and customer satisfaction;
- Making sensible choices about how we spend our resources; and
- Ensuring we make best use of the assets and financial strength that we have.

2.3 These principles are at the core of our approach to procurement and inform the definition and balance of quality and cost factors in evaluating tenders.

2.4 Where an alternative method of procurement can be used to best achieve value for money this will always be considered, including collaborative procurement such as partnerships and frameworks. These have the potential to provide benefits including financial gains for long term commitments, reduced timescales and resources due to frameworks already being OJEU compliant, and greater purchasing power.

Legal Requirements

2.5 Following this policy and the related procedural guidance should ensure that every contract made by or on behalf of Southway complies with:

- The Public Contracts Regulations 2015 ('the Regulations');
- The Concession Contracts Regulations 2016;
- The Public Services (Social Value) Act 2012 ('the Social Value Act');
- The Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003;
- All relevant equality, diversity and health and safety law;
- The Modern Slavery Act 2015 (if and when the Southway Group's annual turnover reaches the applicability threshold of £36million); and
- Any other subsequent law that replaces or amends the above.

2.6 Section 5 of this policy sets out EU Thresholds, below which the Regulations allow for greater flexibility about how a procurement process is undertaken. There are additional legal requirements above these thresholds, which are covered in a separate Guide.

Social Value

2.7 For service contracts above the EU Procurement Threshold, the Social Value Act requires Southway to consider how to improve the social, economic and environmental wellbeing of the area it serves through

procurement. Southway must also consider whether consultation on social value matters is needed.

2.8 Southway is committed to pursuing social value in all its contracts and will therefore also apply these principles to procurements below the Thresholds. We will do this by, for example:

- Generating opportunities for our tenants and the wider Manchester economy;
- Supporting SMEs and Social Enterprises;
- Considering environmental practices in the assessment and selection of tenderers.

2.9 Southway is an accredited UK Living Wage Employer.¹ This means that, as well as paying the Living Wage ourselves, we will ensure that all staff who are contracted to work regularly on our premises receive the Living Wage while doing so, and we will encourage all contractors and sub-contractors to sign up to pay the Living Wage.

Governance and Probity

2.10 Southway's Probity Statement sets out the following principles:

- Members, employees and involved customers should not gain financially by virtue of their position (other than that to which they are contractually entitled).
- Members, employees and involved customers should be open transparent and accountable for their actions.
- Members, employees and involved customers should not engage in fraudulent behaviour or conduct that suggests impropriety.

2.11 This policy should ensure that procurement is conducted in line with these principles, as well as with the requirements of Southway's Fraud and Bribery Policy and Codes of Conduct (for Employees and for Board Members).

2.12 Southway is alert to the risks associated with procurement, and risk will be taken into account in procurement exercises as relevant and in line with Southway's Risk Policy. Due diligence will be conducted when suppliers are added to the Approved Suppliers Lists or awarded a contract.

¹ Accredited by the Living Wage Foundation

3. Procurement Processes

Identifying the Appropriate Process

- 3.1 The lead officer for the procurement should carry out the following steps to identify the appropriate procurement process and identify which sections of this policy they must refer to.
- (a) Estimate the value of the contract (refer to section 4)
 - (b) Establish whether the contract is for goods, services or works and establish whether the value is above the EU thresholds (refer to section 5)
 - (c) Establish whether the contract will be defined as a 'Development Contract' (refer to section 12)
 - (d) Refer to the table below to identify the appropriate process and before proceeding:
 - Consider the alternative approaches set out in Section 3.3 below, and;
 - Consider the other issues to be considered identified in Section 6.

Procurement Processes – Summary

3.2

Contract Value	Process
£0 – £4,999	<p>There is no formal procurement process and one supplier from the relevant Approved Supplier List (see Section 7), or elsewhere, can be appointed without competition, provided that the lead officer is reasonably satisfied that value for money has been obtained.</p> <p>Details of the decision must be recorded.</p>
£5,000 – £24,999	<p>A minimum of three written quotes must be sought from the relevant Approved Supplier List (see Section 7), or from other suppliers, and value for money must be demonstrated.</p> <p>If desirable, the process in Section 8 may be applied or referred to for guidance.</p> <p>Details of the decision must be recorded.</p>
£25,000 – EU threshold (See section 5)	Tenders or quotes must be sought in line with Section 8.
Above EU Threshold	If the value is above the relevant EU threshold then a procedure that is compliant with the Regulations must be followed and reference must be made to the 'Guide for Above Threshold Procurements'. See section 10.
Development Procurement (All values)	Development Procurement will usually follow the same routes. However, in the context of Southway's ambitious plans and the highly competitive market for works and services, there is a need for additional flexibility in this area. Therefore, in some instances the processes set out in Section 12 may be followed.

Alternative Approaches

3.2 Before proceeding with a procurement, the lead officer should consider what procurement options are available other than issuing an invitation to quote or tender, for example:

- The use of a framework. Using a framework can bring cost and time savings, providing that Southway is entitled to use the framework and the framework terms are acceptable.
- Procuring jointly with another organisation or a group/consortium of organisations. This can provide efficiencies through bulk buying power and economies of scale through larger contracts, as well as sharing of skills and other qualitative benefits.
- Approaching an existing supplier with whom Southway has a long-standing relationship. In certain circumstances it might be appropriate to approach such a supplier, provided value for money can be demonstrated and aggregation rules are not breached. See section 4.2.
- Sourcing works and services from within the Southway Group.

4. Estimating the Contract Value

4.1 When estimating the value of a contract, in order to establish the appropriate procurement process, the following rules apply:

- (a) The estimated value of the contract includes the amounts to be paid by Southway and any other value to be received by the supplier from third parties.
- (b) Where the contract is a goods or services contract under which goods or services are to be provided over a period of more than four years or an indefinite period, the estimated value shall be the amount of money (or other form of payment) which Southway expects to pay in respect of each month of the period, multiplied by 48.
- (c) Where the contract includes one or more options to extend its scope or quantity the estimated value should be determined by calculating the highest possible amount of money (or other payment) which could be given under the contract.
- (d) The value may need to be aggregated as set out below.

Aggregation Rules

- 4.2 The estimated value of the proposed contract must be aggregated to reach the value for the purposes of the threshold as follows:
- (a) Where Southway has a “single requirement” for goods or services of the same type and a number of contracts have been entered into or are to be entered into to fulfil that requirement, the estimated value of each contract shall be the total of the amount of money (or other form of payment) which Southway expects to pay under each of those contracts;
 - (b) Where Southway enters into a series of contracts or a renewable contract to fulfil a “requirement over a period for goods or services of the same type”, the value of each contract is calculated (at Southway’s option) as either:
 - The total price paid under all of the contracts with “similar characteristics” during either the previous financial year or the 12 months leading up to the date of the contract notice (as Southway chooses), adjusted to take account of any anticipated changes in quantity and cost over the 12 months after the date of the contract notice; or
 - The estimated total price to be paid under such contracts over the next 12 months after the start of the contract, or over the whole period of the contract if it is a fixed-term contract for more than a year.
 - (c) The estimated value of a works contract which is one of a number of contracts entered into or to be entered into for the carrying out of a work shall be the total of the amount of money (or other form of payment) which Southway has paid or expects to pay under all the contracts for the carrying out of that work.
- 4.2 Southway must not enter into separate contracts nor select nor exercise a choice under a valuation method with the intention of avoiding the application of the Regulations.
- 4.3 Where, as a result of the aggregation rules, the contract is deemed to exceed the EU Procurement Threshold, the contract must be procured via OJEU (even if it is below the threshold).

5. EU Procurement Thresholds

5.1 Prevailing EU Procurement Thresholds are converted from Euros, and the current thresholds in the UK are found on the 'EUR-Lex' website [here](#).

5.2 As of 1 January 2018 these thresholds are:

Type of Contract	Threshold (£)
Works	£4,551,413
Supplies and/or (most) Services	£181,302
Social and other specific services	£615,278
Concession Agreements	£4,551,413

'Social and Other Specific Services'

5.3 There is a separate category of services in the Regulations known as "Social and Other Specific Services", which includes the following examples that may be relevant to Southway:

- Education and training services;
- Catering services;
- Legal services; and
- Investigation and security services.

5.4 There is a significantly higher threshold for such services, meaning that the below threshold procedure will apply more often. The "light touch regime" will apply if the contract is valued above the EU Threshold. Please refer to the 'Guide for Above Threshold Procurements' for further information on the "light touch regime".

6. Issues to Consider

6.1 Before commencing any procurement, the lead officer must consider the following issues.

Social Value

6.2 The lead officer should consider whether Southway can improve the social and economic wellbeing of the area it serves, through:

- Creating a level playing field for SMEs and Social Enterprises by drawing the attention of local organisations to contract opportunities,

considering the use of lots within contracts, or requiring larger suppliers and main contractors to open up their own supply chain.

- Generating opportunities for our tenants and the wider Manchester economy by requiring local employment in contracts, encouraging the development of local people's skills through training, apprenticeships and work placements, or purchasing goods and services locally to support local businesses (where not prevented from doing so by EU Law).

6.3 The lead officer should consider whether Southway can improve the environmental wellbeing of the area it serves, through:

- Considering tenderers' environmental policies as part of the quality criteria, specifying the use of environmentally responsible materials, products and services, or aiming to use locally sourced materials and supplies to reduce emissions through transportation and distribution.
- Measuring energy and environmental impacts on appropriate procurements (e.g. SAP rating improvements), monitoring contractors' recycling practices, or encouraging contractors/suppliers to develop environmentally responsible procedures.

Leaseholders

6.4 The lead officer should consider whether leaseholders will be asked to contribute to the cost of the item being procured and, if they are, whether they need to be consulted.

6.5 This is to ensure compliance with the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003.

Conflicts of Interest

6.6 Any employee, member or involved tenant with a close connection to a potential or actual supplier/contractor (a company, individual or employee) should not be involved in a related procurement or subsequent management of a contract.

6.7 Any potential conflicts of interest must be declared to the Head of Governance and Performance (or in their absence another member of the Governance Team) at the earliest opportunity. Reference should be made to the relevant Code of Conduct and to the Probity Statement, and the appropriate course of action must be agreed by the Head of Governance and Performance before the procurement commences.

Cross-Border Interest

- 6.8 The lead officer should consider whether a contract is potentially of interest to contractors/suppliers in other EU member states. In the majority of circumstances, it will be reasonable to conclude that a contract below the EU Threshold will not attract “cross-border interest”. A record of the decision should be kept.
- 6.9 If the decision is that the contract will not be of cross-border interest then the normal processes set out in Section 3 will apply. If the decision is that the contract will be of cross-border interest then a sufficient level of advertising for the opportunity must be carried out (including advertising on Contracts Finder) (refer to the ‘Guide for Above Threshold Procurement’).

7. Approved Supplier Lists

- 7.1 Southway will maintain two Approved Supplier Lists: one for Development Procurement and one for other procurement. See Section 12 for details of how the Development Procurement List will be used.
- 7.2 Southway shall ensure that its Approved Supplier Lists do not breach the EU Procurement Rules, particularly in relation to aggregation (see Section 4.2).
- 7.3 Both Approved Supplier Lists must be made available to the Parent Board annually.
- 7.4 Southway Housing Trust will review the arrangements for appointing Approved Suppliers periodically to ensure they are fit for purpose.

Use of the Approved Supplier List (Non-Development)

7.5 Adding New Suppliers to the List

- 7.5.1 As non-development contracts are generally low risk, the only absolute requirement for this List will be a simple process of checking insurances and financial information, and confirming that the supplier has not previously been suspended or removed from the List. The supplier must provide a copy of their current insurance documents (public, employers’ liability, and professional indemnity as appropriate) and evidence of financial viability.
- 7.5.2 In addition and where proportionate to the goods/service, the supplier may be required to provide evidence of, for example:
- Quality Assurance
 - Relevant training, qualifications, registrations etc.

- Health and Safety
- Equality and Diversity
- Code of Conduct
- Complaints
- References

8. Process for Contracts £25,000 – EU Threshold

Approved Supplier List and Advertising

- 8.1 Southway will normally procure contracts by approaching three to four suppliers, either through the Approved Supplier List or directly, to submit a tender for the particular requirement.
- 8.2 Southway will not normally advertise the opportunity more widely or issue any form of public advertisement unless there is a compelling reason to do so (e.g. there is difficulty finding suppliers for a particular product/service).
- 8.3 If an opportunity is advertised, then that an advert must also be placed on Contracts Finder (www.contractsfinder.service.gov.uk).

Seeking Tenders/Quotes

- 8.4 The lead officer will normally be best placed to decide whether quotes only should be sought or whether to follow a more structured tender process; depending on the particular contract. A routine supply of goods might only need a quote, whereas a services contract would ordinarily need a tender process.
- 8.5 If tenders are required, the process must be carried out in one stage – there must not be a separate Pre-Qualification Questionnaire (PQQ) stage for contracts below the EU threshold.
- 8.6 Instead, “suitability assessment” questions, that are relevant and proportionate to the subject matter of the procurement, can be asked as part of the Invitation to Tender (ITT). These questions should relate to evidence that the candidate meets requirements/ minimum standards, or:
- Suitability;
 - Legal status;
 - Financial standing.
- 8.7 The lead officer should refer to the procedural guidance for other suggested matters that may be included in the ITT.

Award Criteria

- 8.8 When preparing the ITT, the lead officer should consider appropriate award criteria, split between quality and price. As a general guide, 60% of the marks will be allocated to quality elements and 40% to price elements. There may be good reasons to deviate from this guide, and this should be recorded and approved by the relevant officer.
- 8.9 Quality is an important aspect of all procurements to ensure that Southway achieves value for money and high quality goods and services. When setting criteria for the evaluation of price, all relevant factors should be considered, not just the initial cost of the goods/services being procured. Reference should be made to the procedural guidance.

Receipt of Tenders

- 8.10 Where electronic tendering is used and the procurement is below the EU threshold, this procedure should be followed:
- Bidders will be asked to email their tenders to ["tenders@southway.co.uk."](mailto:tenders@southway.co.uk)
 - When submitting a tender, bidders will be asked to insert "Tender Submission" in the subject heading and officers will not open emails entitled "Tender Submission" until the deadline for submissions has passed.
 - Southway will ensure that only authorised officers who need to access the email account will have access.
- 8.11 Where paper tendering is used, the lead officer will inform reception staff that tenders are due in on a particular date and time, and on receipt of a tender the reception staff should follow this procedure:
- A proper documented receipt must be handed to the deliverer of the tender, the second copy of the receipt must be attached to the envelope, and the third copy left in the receipt book.
 - Where tenders are received by post or courier the envelope must be date and time stamped on receipt, one copy of the receipt must be attached to the envelope and two copies left in the receipt book.
 - The lead officer must be informed that a tender has arrived and the tender must be passed to the Head of Governance and Performance.
- 8.12 All tenders shall remain within the custody of the Head of Governance and Performance until opening.

- 8.13 Where the Governance Team needs to invite tenders for goods or services, the Chief Financial Officer will arrange for the receipt, opening and recording of any tenders submitted.

Opening and Acceptance of Tenders

- 8.14 The tender opening must be attended by:
- The lead officer,
 - An Executive Director, where the lead officer does not have sufficient authority to incur funds, and
 - A member of the Governance Team.
- 8.15 The contract title, the date and time of opening, the name of each tenderer and the tendered figure must be recorded and the record signed by those present at the opening. Tenders invited but not received or received late must also be recorded as such.
- 8.16 Where E-procurement is used, only one individual needs to open the tender. This should be the relevant person under the Schedule of Authorities to Incur Funds (as determined by the contract value).

Assessment of Tenders

- 8.17 Tenders will be assessed by a Panel, which must comprise the lead officer and at least one other officer (the number and membership should be proportionate to the value and risks of the contract and procedural guidance should be referred to).
- 8.18 The relevant person with authority to incur funds will approve the award of any contract that has been determined by the Panel provided they are satisfied that:
- The tender represents good value for money;
 - Added value has been sought to support Southway's social objectives as appropriate;
 - The tender satisfies the relevant legal requirements and requirements arising from Southway's strategies and policies for the work and its value;
 - Procedures around probity have been complied with; and
 - There is an approved budget/funding commitment for the work and the tender does not exceed that approved commitment.

9. Contracts

- 9.1 All contracts/agreements should be in writing and standard Southway forms of contract/agreement should be used unless there is a good reason not to.
- 9.2 Where a suitable form of contract/agreement is not available, the relevant officer should approve the contract/agreement and legal advice should be taken in its drafting.
- 9.3 When any contract of £25,000 or more is awarded – whether or not it was advertised on Contracts Finder (or at all) – an award notice must be published on Contracts Finder within a reasonable time not exceeding 90 calendar days.

10. Process for Contracts above EU Threshold

- 10.1 Where a contract is estimated to be above the EU Threshold, Southway's General Principles and good practice set out in this Policy should apply.
- 10.2 There are additional legal requirements which must be complied with. There is a detailed 'Guide for Above Threshold Procurements' which should be referred to.

11. Waivers and Exceptions

Contracts below the EU Thresholds

- 11.1 The Chief Executive may waive the requirements of this policy (to the extent that they are lawfully able to do so) in genuinely urgent situations and/or where there is a sound legal, financial or Value for Money reason for doing so.
- 11.2 To do so, the Chief Executive must:
- Record their reasons for doing so; and
 - Report the decision to the next meeting of the Audit and Risk Committee.
- 11.3 The following are considered acceptable reasons for seeking a waiver or exception from parts of this policy:
- (a) Quantifiable and significant cost and efficiency savings can be achieved through seeking an alternative route;

- (b) Reasons of extreme urgency mean that normal time limits cannot be met, including as a result of unforeseen emergency or disruption to Southway's operations;
- (c) Southway would otherwise be exposed to immediate and significant financial, legal or reputational risk;
- (d) Only one contractor is objectively able to provide the works, services or supplies in question (in which case the exception or waiver should be to the number of quotes/ tenders that are sought);
- (e) Additional or new supplies, services or works are required which, through unforeseen circumstances, were not included in an existing contract and are necessary for the completion of the contract and/or cannot be carried out separately.

11.4 A waiver or exception will not be granted where this means Southway would be in breach of the Regulations or any other applicable law.

Contracts above the EU Thresholds

11.5 It is not possible to waive the application of the EU procurement rules. If it appears difficult to run a compliant process, consideration should be given to whether there is a relevant exemption or exception in the Regulations.

12. Development Procurement

Purpose and Scope

- 12.1 Southway has ambitious plans for development and recognises that it is in a highly competitive market in Manchester for works and services in a development context. Development procurement will usually follow the standard processes set out in Section 3; however, additional flexibility may be required in this area.
- 12.2 This section applies to Development Procurement only, which is defined as the procurement of goods, services or works relating to capital investment in development projects, including (but not limited to) construction activities, consultant services and legal advice.
- 12.3 Contracts for the purchase of land (or leases of land) fall outside the scope of the Regulations. Provided that Southway's Financial Regulations have been complied with, the purchase of land or completed homes (i.e. where Southway is purchasing 'off the shelf' homes and not having input into the design or specification) falls outside the scope of this policy.

- 12.4 This section of the policy can only be used with the approval of an Executive Director and in accordance with Southway's Financial Regulations.

Pool of Potential Suppliers

- 12.5 Southway operates a Potential Supplier List for Development Procurements below the EU Threshold, to facilitate efficient procurement and ensure value for money.

12.6 Adding New Suppliers to the List

- 12.6.1 Where new suppliers are needed for the Pool of Potential Suppliers List, generally advertisements will be placed in the local media, procurement portals and Contracts Finder. However a supplier can be added without the need to advertise if the Lead Officer is able to demonstrate that there is a legitimate business reason for doing this.
- 12.6.2 Before any supplier is approved to the List, they must provide a copy of their current health and safety and insurance (Public and Employers' Liability plus professional indemnity where relevant) documents. They must also complete an application form and a risk assessment made against the following minimum criteria which Southway Housing Trust may choose to change and update from time to time:
- Company Profile and Organisation
 - Financial Information
 - Business Activities
 - Insurance
 - Quality Assurance
 - Health and Safety
 - Equality and Diversity
 - Environmental Management
 - Social Value and Fair Working Practices
 - Code of Conduct
 - Complaints
 - References
 - Corporate Social Responsibility
 - Probity
- 12.6.3 Only suppliers meeting minimum quality levels set by Southway from time to time will be added to the List.
- 12.6.4 Before a supplier is added to the List, a check will be undertaken to confirm that they have not previously been suspended or removed from the List.

- 12.6.5 Financial checks (which may include an enquiry with a credit reference agency) will take place for all suppliers before they are added to the List and after that on an annual basis.
- 12.6.6 Where a supplier is unsuccessful in its application to be added to the List, an Executive Director or someone authorised by them will write to the supplier informing them of the decision and detailing the reasons for it.
- 12.7 Maintenance and Use of the List
- 12.7.1 Where relevant, the list should be maintained with up to date information in relation to Insurance, Gas Safety Register and NICEIC Registrations.
- 12.7.2 Before issuing a contract, the lead officer should check that all information about a supplier is current.
- 12.7.3 All suppliers will be assessed during the course of a contract with a quarterly appraisal or at the end of one off projects. If performance is at an unsatisfactory level, as determined by Southway from time to time, this will be formally raised with the supplier and an improvement plan will be established and/or consideration will be given to removing the supplier from the Approved Supplier List.
- 12.7.4 Southway shall ensure that its Approved Supplier List does not breach the EU Procurement Rules, particularly in relation to aggregation (see Section 4.2).

Contracts below the EU Thresholds

- 12.7 Where a proposed contract is below the EU Threshold, all requirements for goods, services or works should still be subject to competition to demonstrate value for money and probity.
- 12.8 Procurement via negotiation with one supplier shall be permissible where:
- (a) Tendering is not feasible, for example where works can only be awarded to one contractor or consultant because it owns a site;
 - (b) The contract is part of a package with a supplier already identified through a competitive process;
 - (c) Value for money can best be achieved by negotiating a follow-on contract; or
 - (d) Special circumstances preclude the competitive tendering process.

- 12.9 In all cases, the approval of the Chief Executive must be obtained prior to negotiation.
- 12.10 Details of negotiated contracts must be recorded in the Procurement Register, including the reasons for the negotiation and confirmation that value for money has been achieved.

Contracts above the EU Thresholds

- 12.11 In certain circumstances it is possible to negotiate with only one supplier by using the “negotiated procedure without prior publication”. This is permissible only where tendering is not possible for “technical reasons”, for example because a contractor or a consultant controls and/or owns a site and must be appointed as a condition of selling the site to Southway.
- 12.12 This exception must only be used where there is no reasonable alternative or substitute available. Consideration must therefore be given as to whether a reasonable alternative site can be found. This exception will rarely be used and is ultimately a matter of judgment for the relevant Executive Director, who should take professional advice.
- 12.13 The approval of the Chief Executive must be obtained prior to negotiation.

13 Glossary of Terms

Concession Agreement	A concession agreement or contract is an agreement under which the contractor or supplier has the right to commercially exploit those works or services in order to recoup its investment and make a return
Contracts Finder	The national portal on which contract opportunities must be advertised, and contract awards notified, in accordance with Part 4 of the Regulations: https://www.gov.uk/contracts-finder
Development Procurement	Procurement of goods, services or works relating to capital investment in development projects, including (but not limited to) construction activities, consultant services and legal advice.
EU Thresholds	The financial thresholds above which procurement via OJEU will normally be required, as set out in Section 5.
Executive Director	Any one of the Chief Executive, the Chief Financial Officer and the Strategic Directors.
General Principles	The General Principles set out in the Statement of Principles in the Procurement Policy.
ITT	Invitation to Tender.
Lead Officer	The named officer who will be responsible and accountable for carrying out a procurement in line with this policy and the related procedural guidance, including obtaining necessary approvals at the relevant points in the process.
Light Touch Regime	Refer to the 'Guide for Above Threshold Procurements' for further information.
OJEU	The Official Journal of the European Union.
PQQ	Prequalification Questionnaire.
Relevant Officer	The officer with sufficient Authority to Incur Funds (according to the Financial Regulations), identified within the Procedure.
Regulations	The Public Contracts Regulations 2015.
Social Value Act	The Public Services (Social Value) Act 2012.
Southway	Southway Housing Trust and Southway DevCo.
Value for Money	The optimum combination of whole-of-life costs and quality (or fitness for purpose) of the goods, works or services to meet Southway's requirement.
VAT	Value Added Tax.

POLICY REVIEW HISTORY	
<i>To be completed during each review</i>	
Previous versions (version number – approved by – approval date – title if different)	
1.0 – Parent Board – 21/06/2016	
Date of last EIA:	N/A
Review lead by:	Duncan Smith, Strategic Director – Business Development and Growth
Main points or amendments made and reasons	
v1.1 <ul style="list-style-type: none"> ▪ Clarification around the Living Wage within the supply chain ▪ Removal of the £2k-£5k category of procurement ▪ Various textual amendments v1.2 <ul style="list-style-type: none"> ▪ EU Thresholds in section 5.2 updated. 	
Next review due:	June 2020
Approval level:	Parent Board