



EAST MIDLANDS COMMUNITY LED HOUSING

EMCLH Procurement Policy

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| Signed by: | |
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EMCLH
July 2020

EMCLH PROCUREMENT POLICY

Introduction

This policy, adopted by East Midlands Community Led Housing at the Directors' meeting on 21 January 2020, sets out the principles that will be adopted in its procurement of goods and services.

Key Principles

- East Midlands Community Led Housing (EMCLH) is committed in its work to transparency, fairness, equal opportunities and best practice.
- EMCLH wishes to maximise positive social value from the outcomes of its work and to promote opportunities for local employment and training wherever possible. *By local is meant the East Midlands region, but EMCLH recognises that it may be necessary to make exceptions to this on occasion, with the prior approval by the Board or an Officer delegated for this purpose.*
- EMCLH recognises the obligation to take account of funders' requirements for procurement processes. Where there are multiple funders for any project, EMCLH will apply the requirements of the most rigorous funder (as a minimum) across the whole project.
- EMCLH also recognises the need to achieve and demonstrate best value in the spending of public money.
- EMCLH will endeavour to procure services that can maximise a positive contribution to climate change wherever possible.

Practice

Governed by these principles, EMCLH will adopt the following practice:

1. Goods and services up to £500 (excl. VAT) in value:

- Purchases at this level will not usually need Board involvement
- A pre-order quotation (oral or written) will be obtained from the supplier.
- EMCLH will hope to use local suppliers for goods and services at this level.

By "local" is meant goods and services from bodies that are located within or focused upon the East Midlands regional area.

2. Goods and services over £500 but under £5000 (excl. VAT) in value:

- Projects requiring expenditure at this level will usually be reported to the Board at the planning stage; and after an appointment has been made. Board members will not usually be involved in the appointment, except in

circumstances where only one quote is to be secured – as described in the final bullet point in this section.

- EMCLH will produce a statement or brief for the goods or services to be supplied which will include the criteria to be used in selecting a supplier;
- Issue this to three or more local suppliers;
- Make a final selection on the basis of a balance between price and quality.
- Quotes for goods and services up to £5000 must include:
 - the supplier's full and correct address including post code
 - confirmation of the supplier's VAT status
 - a full description of the goods/services being supplied which accords with the brief or specification supplied and a timetable for delivery
- In some circumstances, it may not be possible to obtain three quotes, despite every effort being so made. Appointing in circumstances where fewer than three quotes are received will be acceptable where there is good justification – for example when fewer than three responses are received, but one of the received responses meets the selection criteria and the price quoted is endorsed as reasonable by an external appropriately qualified body.
- In the following circumstances EMCLH may decide to secure only one quote for goods and services expected to be less than £5000 (excl. VAT) in value; and appoint that supplier:
 - Where there is a pressing need for speed in making the appointment and getting the work started; AND
 - Where there is a local supplier known to the Board or to EMCLH personnel whose competence is supported by a national professional body.
 - Where the price quoted is in line with known industry norms or could be otherwise validated by an appropriate external body.

Any decision to appoint on this basis is to be taken by the Board, or by an Officer that the Board has delegated to undertake this task.

All such circumstances must be reported to the next meeting of the Board and an appropriate minute recorded of the decision(s) taken.

3. Goods and services over £5000 (excl. VAT) but under £50,000 in value:

- Projects requiring expenditure at this level will be reported to the Board for their input at the planning stage; the decision on which firm or agent to appoint will be taken by a sub-committee set up by the Board.

- EMCLH will produce a clear written specification for the goods or services to be supplied which will include the cost and quality criteria to be used in selecting a supplier; including the scoring criteria to be used (i.e. the balance between cost and quality and the relative weight to be given to each criterion).
- Research will be undertaken to identify and invite suitable firms to provide a quotation / tender return, such that EMCLH (and any of its professional advisers and / or funders, if relevant) will be sufficiently satisfied, in principle, to accept a quotation from them.
- A minimum of three firms will be invited to submit written quotes/tenders which respond to the written specification. In choosing which three EMCLH will prioritise local firms, as defined in paragraph 2.
- EMCLH may also decide to advertise the opportunity to tender, via an appropriate professional website and / or an appropriate local website or newspaper.
- EMCLH recognises that it may not always be possible to appoint local suppliers for goods and services at this level but will make every effort to satisfy this principle.
- In all cases, EMCLH will consider the inclusion within the specification a requirement for suppliers to show evidence of a commitment to providing local training and employment opportunities wherever appropriate; and EMCLH will confirm whether or not this criterion is given appropriate weight within its scoring of tender returns.
- The decision on which firm or agent to appoint will be taken by a sub-committee set up by the Board. The final selection process may involve interviewing personnel that are responsible for the submitted tenders.
- The sub-committee will produce for the Board (and for external funders, if required) a written report on the tenders / quotes received, and how the appointment has been made. This report must include the scoring criteria and scores allocated to each submission; and the reasons for appointing the one selected. This will be particularly important whenever the lowest-priced tender is not to be accepted. In the event of the lowest-priced tender not being selected, a full explanation of the reasons will be provided in the tender report.
- In some circumstances, it may not be possible to obtain three quotes or tender submissions, despite every effort being so made. Fewer than three quotes will be acceptable where there is good justification – when for example, despite extensive research and advertising, fewer than three

responses have been received, but one of them meets the selection criteria and the price quoted is endorsed as reasonable by an external appropriately qualified body.

- Quotations / tenders for goods and services between £5000 and £50,000 must include:
 - the supplier's full and correct address including post code
 - confirmation of the supplier's VAT status
 - a full description of the goods/services being supplied which accords with the brief or specification supplied and a timetable for the delivery of the goods or services
 - a response to the specific scoring criteria set out in the brief
 - For consultancy tenders: a methodology statement and / or statement of approach, and details of past experience of projects of a similar nature.

4. Goods and services over £50,000 (excl. VAT) in value

- Projects requiring expenditure at this level will be reported to the Board for their input at the planning stage. The decision on which firm to appoint will be taken by the EMCLH Board, on the basis of a recommendation of a sub-committee set up by the Board (if required). The selection process may involve the sub-committee interviewing the firms which tender.
- EMCLH will produce a clear written specification for the goods or services to be supplied which will include the cost and quality criteria to be used in selecting a supplier; including the scoring criteria to be used (i.e. the balance between cost and quality and the relative weight to be given to each criterion).
- Research will be undertaken to identify suppliers to be invited to provide a quotation / tender, such that EMCLH (and its professional advisers and / or funders if relevant) is sufficiently satisfied with their quality, in principle, to accept a quotation from them.
- A minimum of three suppliers will be invited to submit written quotes/tenders in response to the written specification. EMCLH will prioritise local firms for such submission, as defined in the principles in the first section of this policy.
- EMCLH will also advertise the opportunity to tender, via an appropriate professional website and / or an appropriate local website or newspaper.
- EMCLH recognises that it may not always be possible to appoint local suppliers for goods and services at this level, however in all cases, EMCLH will consider the inclusion within the specification a requirement for suppliers to show evidence of a commitment to providing local training and employment opportunities wherever appropriate and which could be given appropriate weight in the final scoring.

- The decision on which firm to appoint will be taken by the EMCLH Board, on the basis of a recommendation of a sub-committee set up by the Board. The selection process may involve an interview with the firms concerned.
- The sub-committee will produce for the Board (and for funders if required) a written report on the tenders / quotes received, and the recommendation as to which firm to appoint. This report must include the scoring criteria and scores allocated to each firm; and the reasons for recommending the selected firm. This will be important where the lowest tender is not recommended for acceptance. In the event of the lowest tender not being recommended, a full explanation of the reasons will be provided in the tender report.
- In some circumstances, it may not be possible to obtain three quotes, despite every effort being so made Fewer than three quotes is acceptable where there is good justification – for example, despite extensive research and advertising, fewer than three responses were received, yet one of them meets the selection criteria and the price quoted is endorsed as reasonable by an external appropriately qualified body.
- Quotations / tender submissions for goods and services over £50,000 must include:
 - the supplier's full and correct address including post code
 - confirmation of the supplier's VAT status
 - a full description of the goods/services being supplied which accords with the brief or specification supplied and a timetable for the delivery of the goods or services
 - a response to the specific scoring criteria set out in the brief.
- For consultancy tenders, a methodology statement and / or statement of approach, will be required, plus details of past experience with projects of a similar nature.
- The work will be let under a recognised contract (such as the JCT [Joint Contracts Tribunal] Intermediate Building Contract, applicable to building works), or an alternative and appropriate industry norm.
- If the aggregated contract value is above the prevailing minimum threshold for the type of work being procured, it must be advertised in the Official Journal of the European Union (OJEU) or whatever statutory requirement may replace it.