



# Ongo's Group Procurement & Tendering Procedures October 2022

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<b><u>Version No.</u></b>	<b><u>Purpose/Changes</u></b>	<b><u>Approval Date</u></b>	<b><u>Approved By</u></b>	<b><u>Suggested Review Date</u></b>
<b>V7.0</b>	<b>Compliance review</b>	<b>13/10/2022</b>	<b>HoST</b>	<b>April 2024</b>
V6.0	Annual Review	22/04/2022	ELT	April 2024
V5.0	Full review	24/02/2021	ELT	February 2022
V4.0	Health check	08/08/2019	HoST	July 2020
V3.0	EU Threshold changes	01/02/2018	Heads of Service Team (HoST)	July 2018
V2.0	Minor referencing changes	11/09/2017	Ongo Partnership Board	January 2018
V1.0	New document – replacing Contract Standing Orders	13/07/2017	Ongo Partnership Board	January 2018





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## DEFINITIONS

**Competitive Procurement Exercise** – a term to describe the different procurement processes (including requests for quotations and tenders) used by the group.

**Consultant** - an individual or company procured by Ongo to provide advice and/or services on specific matters. This does not include temporary or interim staff members.

**Contracts Register** – A database of all the contracts with relevant information held by the company.

**Contract Extension** – a provision in an existing contract which permits Ongo to continue with the contract after its stated expiration date (this is subject to a maximum extension period).

**Contracts Finder** – A government website where government contract opportunities are advertised openly over a certain value dependent on the type of contracting authority, and subject to a need to advertise. <https://www.gov.uk/contracts-finder>

**Contract Manager** – an employee of Ongo who has responsibility for ensuring that an appointed supplier performs to the required standard and meets any contractual obligations.

**Direct Award Authorisation** – a form to be used to record authorisation from the Director of Service and/or Chief Executive Officer depending upon Authorisation Limits, to make exceptions from these Procurement and Tendering Procedures

**Direct Award Register** – a record held by the Governance Officer of all procurements in exception of these Standing Orders

**DPS** – Dynamic Purchasing System. A procedure available for contracts for works, services and goods commonly available on the market. As a procurement tool, it has some aspects that are similar to an electronic framework agreement, but where new suppliers can join at any time.

**Evaluation Criteria** – the factors which are used to assess competing suppliers' Quotations and Tenders on a consistent basis e.g. whole life cost, technical merits of the solution etc. Evaluation criteria are weighted according to the relative importance of each factor.

**Find a Tender Service (FTS or FATS)** – the UK e-notification service. The official portal for the publication of tenders and procurement / contract opportunities for contracts valued above the Public Procurement Thresholds stipulated in the PCR 2015. FTS means new UK opportunities will no longer be sent to the Official Journal of the European Union (OJEU) or Tenders Electronic Daily (TED).

**Framework Agreement** – A procedure available for the procurement of contracts for works, services and goods commonly available on the market. As a procurement tool, frameworks help to simplify the procurement process by maintaining a restricted pool of pre-approved service providers, suppliers, or contractors who are entitled to bid for the end users requirements.

**Group** – means Ongo Partnership Ltd and its subsidiary companies.

**Invitation To Tender (ITT)** – a structured document prepared by Ongo which invites suppliers to submit a formal bid for the provision of supplies, services or works.

**Local Tender** – is any tender required by these Procurement and Tendering Procedures which is not required to follow a public procurement process compliant with PCR 2015.

**OJEU – Official Journal of the European Union. This is now obsolete.** Previously where all contracts notices for above public procurement threshold tenders were advertised along with their contract awards. **Now replaced by FTS (as above).**

**PCR 2015 – Public Contracts Regulations 2015.** The current regulations governing spend from the public purse. Applicable to all Public Sector organisations.

**Post-tender Negotiation** – Negotiation with suppliers after tender responses have been received.

**Procurement** – is any arrangement which will lead to Ongo making payment to a third party (e.g. a supplier, a consultant, a contractor) in exchange for obtaining goods, services (including consultancy or agency labour) or works. It also includes hire, rental and leasing arrangements.

**Procurement Plan** – a plan of proposed procurement activity for the financial year.

**Procurer** – the member of staff conducting the procurement exercise.

**Public Procurement Thresholds** – the financial thresholds stipulated by the public procurement procedures and regulations (currently PCR 2015 as above which can be superseded at any time) to govern the expenditure of high value contracts and large procurements and purchases.

**Request for Quotation (RFQ)** – any informal or formal process which is used to obtain quotations from suppliers.

**Services** – are any of the activities specified in Schedules 2 and 3 of the Public Contracts Regulations 2015. These schedules relate to a wide range of service led activities. For example, consultancy, insurance, printing and legal services all come under this classification.

**Standard Selection Questionnaire (SQ)** – PCR 2015 compliant / above threshold means of conducting due diligence and assessing supplier suitability and capability. Assesses suppliers on their financial standing, technical capability, and organisational capacity before being considered for the Invitation to Tender stage.

**Supplier Assessment Questionnaire (SAQ)** – below threshold means of assessing supplier due diligence incorporated into a tender or quotation process, and submitted a long with their return bids. Cannot be used to shortlist providers but can be used as a tool for exclusion with pass/fail criteria applied.

**Goods** – are physical goods and products which are not covered by the definition of services or works. For example, this can include boiler spares, furniture and office stationery.

**Tender** – a formal written offer by a supplier in response to an Invitation to Tender. This will include a fully costed proposal and document the supplier's proposal for a solution to meet the group's requirements.

**Total Contract Value** – a concept used to determine which type of Competitive Procurement Exercise must be used.

**Variation** – a formal change to a contract which amends the original agreement e.g. scope, service levels, prices or other related issues.

**VFM – Value for Money.** VFM is a judgement, and often a compromise between economy, efficiency, effectiveness, and sustainability. It refers primarily to maximising the value out of every £ spent.

**Whole Life costs** – the systematic consideration of all relevant costs associated with a purchase during its period of ownership.

**Works** – are any of the activities specified in the current PCR 2015. This relates to construction and other works related activities. For example, painting, glazing, plastering and construction of new buildings are all classed as Works.

## **1. INTRODUCTION AND GENERAL INFORMATION**

### **1.1. Introduction**

1.1.1 Ongo's Group Procurement and Tendering Procedures provide a set of internal rules to make sure that Ongo's purchasing decisions are carried out in a consistent way. These rules are necessary so we can:

- ✓ Achieve our corporate objectives
- ✓ Get value for money through procurement
- ✓ Safeguard our reputation from any suggestion of impropriety or dishonesty
- ✓ Act lawfully
- ✓ Be fair, open and transparent

1.1.2 These Procurement and Tendering Procedures apply to every purchase made by, or on behalf of, the Ongo Partnership and the Ongo Group of companies for the provision of supplies, services, or works. They must be followed by all employees or others acting on Ongo's behalf, and every contract shall comply with these orders. These procedures apply specifically to Ongo Partnership Ltd, Ongo Homes Ltd (including Ongo Home Sales Ltd & Ongo Developments Ltd), and Ongo Communities Ltd.

1.1.3 All Commercial entities of the Ongo Group including Ongo Commercial Ltd and its subsidiaries (namely Ongo Roofing Ltd and Ongo Heating & Plumbing Ltd), Ongo Recruitment Ltd, and Crosby Brokerage Ltd. should refer to Section 7; Procurement Procedures for Commercial Businesses.

## **1.2. General Principles**

1.2.1 All of Ongo's procurement activities, from initial planning through to the delivery and implementation of contracts, shall:-

- ✓ Comply with legal obligations
- ✓ Promote public accountability by being fully transparent, accountable to our customers, and be auditable through good record keeping
- ✓ Ensure the promotion of probity and integrity of the procurement process
- ✓ Ensure fairness in allocating contracts and protect employees from allegations of corruption and/or collusion with suppliers and contractors
- ✓ Support the delivery of our Procurement Policy, our Contract Management Framework, and our Value for Money Framework
- ✓ Demonstrate and support the delivery of social value into the community
- ✓ Involve sufficient numbers of suppliers to ensure appropriate levels of competition
- ✓ Ensure that supplies, services and works are purchased to an acceptable level of quality which is suitable for their intended use
- ✓ Include any relevant health, safety and environmental considerations
- ✓ Include any relevant FREDIE (Fairness, Respect, Equality, Diversity, Inclusion and Engagement) and safeguarding considerations
- ✓ Include any relevant accreditations and/or regulatory requirements associated to the category of spend are met

1.2.2 The Procurement and Tendering Procedures do not address the best way to purchase nor are they a 'how to' guide, manual or toolkit. Instead, they set out minimum requirements which must be followed. These minimums can be exceeded to ensure that we achieve the best possible value for money from our suppliers. Detailed guidance on procurement processes is available from the Procurement & VFM Department.

1.2.3 One exception from any of the provisions shall be by way of a Direct Award Authorisation. Every exception shall be recorded by the Procurement & VFM Department and be included in periodic six monthly reports to the Audit & Risk Committee. See 1.9; Direct Awards & Non-Compliant Procurements for authorisation protocols.

1.2.4 These Procurement and Tendering Procedures specifically DO NOT apply to:-

- ✓ Employment Contracts
- ✓ Contracts relating solely to the Purchase or Sale of Land
- ✓ Contracts relating to the Lease of Properties
- ✓ Contracts relating to Developer Led Land and Build deals
- ✓ Insurance led works
- ✓ Obligatory Payments for example Council Tax and HMRC payments

## **1.3. Probity**

1.3.1 All employees and Board Members have to comply with the requirements of our Probity Policy and Code of Conduct. Specifically in respect of procurement activities please refer to the Probity Policy and Code of Conduct.

1.3.2 Specifically employees and Board Members:

- Must not accept gifts or hospitality from any organisation unless in line with the Companies Probity Policy.
- Must not accept gifts or hospitality from companies who we are actively tendering with or are due to tender with.
- Who are involved in a procurement exercise must declare any potential conflict of interest to the Governance Team, complete a Declaration of Interest Form, and record details of the conflict within the tender file.

1.3.3 Appropriate steps should be taken to mitigate any conflict of interest. If anyone from the Procurement & VFM Department has a conflict of interest they must declare this to the Director of Corporate & Compliance Services and appropriate steps must be taken that are auditable.

#### **1.4 Authority to Purchase**

1.4.1 The authority necessary for employees to make purchases or commitments on behalf of Ongo is set out in the Delegations Framework.

#### **1.5 Authority to Sign Contracts**

1.5.1 Having an authorisation spend limit (for raising or authorising Purchase Orders) does not automatically grant the authority to sign contracts.

1.5.2 Authorised spend limits are detailed within the Delegations Framework. Having a spend authorisation limit **DOES NOT** grant authority for signing contracts. All Contracts and contract related documentation **MUST ONLY BE** signed in accordance with **APPENDIX 2 – Authorisation Limits & Key Responsibilities when Contracting**.

1.5.3 For clarity; a contract (or contractual agreement) typically involves the exchange of goods and/or services or carrying out of works for reward, and in the event of breach of contract, the law awards the ‘injured’ party access to legal remedies such as damages and cancellation. A contract may typically be defined as ‘a legally binding agreement with specific terms between two or more parties, and which recognises and governs the rights and duties of the parties to the agreement’. A contract is legally enforceable because it meets the requirements and approval of the law, hence why it is important to understand the clauses, conditions, and terms which are applicable to us.

1.5.4 Examples of contracts include (but are not limited to): service agreements; maintenance agreements; supply arrangements; utility contracts; contracts for cyclical or unplanned works; or repetitive orders for goods, services or works over more than a single delivery or period, and which therefore, are subject to specific terms and conditions of contract (T&C’s) issued by either us (a member of the Ongo Group), or by the supplier or service provider with which the agreement is to be made.

1.5.5 Employees with the authority to sign contracts are only permitted to sign contracts for goods, services or works that they have budgetary responsibility for; and the value of the contract must be within their delegated authority limits as detailed in The Delegation Framework (see **APPENDIX 2 – Authorisation Limits & Key Responsibilities when Contracting**).



- 1.5.6 Agreements and/or contracts of no monetary value to Ongo but which still provide a net value gain to a third party provider, must be signed by the relevant Director of the Service area it affects. See **1.8.4**

## **1.6 Budgets**

- 1.6.1 All purchases must be made within Ongo's approved budgets. It is essential that an approved budget is identified along with a suitably approved service provider, supplier or contractor **before** a purchase order is placed and/or a contract is committed on behalf of Ongo.
- 1.6.2 Budget Holders (typically Department Heads and/or Managers) are responsible for ensuring that purchases are made in line with their agreed and assigned departmental budgets.

## **1.7 Use of Existing Contracts**

- 1.7.1 Before starting any new competitive procurement exercise (i.e. obtaining quotations or running a tender process), employees should first check the Contracts Register and/or Approved Supplier List to check whether there is an existing contract / supplier in place that could meet the requirements. If there is, then it must be investigated whether or not the existing agreement can be used before any new procurement or discussions commence.
- 1.7.2 The rules for extending or varying existing contracts are set out in sections **5.5** and **5.6** of these Procurement and Tendering Procedures.

## **1.8 Procurement Process to be followed**

- 1.8.1 The table in **APPENDIX 1** sets out the procurement processes to be followed depending on the total value of the supplies, services or works being bought. The total value is the value of the contract or purchase over the entire anticipated duration of the agreement. For example:
- 1.8.1.1 For a one off purchase; the total value is the cost of the goods, service, or works inclusive of all additional & supplementary costs such as delivery, installation, set-up, disposal, ongoing maintenance / servicing options or similar charges.
- 1.8.1.2 For a 12 month agreement; the total purchase value is the cost of the goods, service, or works delivered over the entire 12 month period inclusive of all additional and supplementary costs as above.
- 1.8.1.3 For a 3 year agreement; the total purchase value is the anticipated cost of the goods, service, or works delivered over the 3 year agreement period inclusive of all additional and supplementary costs as above, and annual inflation. If optional 'extension' periods are to be incorporated, e.g. a 3 year plus 2 year contract (with 2 x 1 year extensions); then the potential costs of the extension periods must also be accounted for.
- 1.8.2 The intentional splitting of orders to avoid certain procurement processes (known as disaggregation of expenditure) is not permitted in line with public procurement

regulations and will not be accepted by the company. Annually a supplier spend analysis will be carried out to ensure the correct procedures have been adhered to.

- 1.8.3 The total contract value will relate to ALL transactions planned or estimated for a set period of time, either annual or for the contract period. If the contract period is unknown then four years should be used as a guide.
- 1.8.4 Cost neutral third party agreements relating to the purchase of goods, services and or works for any Ongo entity must be approved by the relevant Director and recorded on the Contracts Register, as per **APPENDIX 2**. It must be noted that any agreement where a third party (e.g. a service provider, supplier or contractor) benefits as a result of their appointment by Ongo, either directly paid by Ongo, or paid by other means (e.g. paid by Ongo Tenants), the appointment is still governed by these Ongo Group Procurement & Tendering Procedures, and the value of income they are anticipated to receive will be regarded in calculation of the total contract value and will determine the process selection.

## **1.9 Direct Awards & Non-Compliant Procurements**

- 1.9.1 In the event that a contract is to be awarded, or a purchase is to be made, without undertaking a competitive procurement process, then Ongo's Direct Award process must be followed.
- 1.9.2 All Direct Awards are considered to be non-compliant procurements and as such must be recorded and reported to the Group Audit & Risk Committee.
- 1.9.3 The Direct Award of a contract must only be made in accordance with very specific circumstances. These circumstances are as follows:
  - 1.9.3.1 If a procurement process has been undertaken and an insufficient number of suitable bids has been received;
  - 1.9.3.2 If a procurement process has been undertaken but the highest scoring bid is still considered to be unsuitable for justifiable reasons. This is regarded as the non-acceptance of the winning bid but should still be compliant with these procedures.
  - 1.9.3.3 Where exceptional circumstances are deemed to apply resulting in a genuine urgent or unplanned situation arising, and where the subsequent relating time frame applicable to the situation does not allow for; or would not be practicable for; or where specific Health, Safety, Welfare or Environmental (HSWE) issues apply meaning it is not possible to carry out a competitive and compliant procurement process.
  - 1.9.3.4 Where clear benefits of strategic importance to the group are to be gained from maintaining continuity with an earlier or existing supplier, and where the addition of further expenditure will not be a breach of the Public Contract Regulations 2015 or the applicable current financial governance thresholds in force.
  - 1.9.3.5 Where specialist expertise for goods, services or works is required and is proven to be available from only one source;

1.9.3.6 The task to be undertaken by the directly appointed supplier is essential in order to complete a project; or arises as an unforeseen consequence of a recently completed project/contract, and engaging with different consultants or suppliers for the new task would be inappropriate.

1.9.4 In all circumstances, a Direct Award Form (DAF) must be completed and signed off by the relevant department requestor, Head of Service, the relevant aligned business Director, and in all cases finitely by the Procurement and Value for Money Manager.

1.9.5 Direct Awards must never be made or requested for contracts which are subject to The Public Contract Regulations 2015 (PCR 2015) (See 4.2; Public Tender procedures).

1.9.6 Direct Awards with a value of between £100k and £2m must also be signed and authorised by Ongo's Chief Executive Officer (CEO).

#### **1.10 Supplier set-up & supplier changes**

1.10.1 Any and all suppliers who are to be used by the Ongo Group must be set up on the Finance System in line with the Procedure for Adding and Changing Suppliers, and **IN ADVANCE** of any purchase orders / commitments of spend being placed, whether verbal, email, or otherwise.

1.10.2 A list of approved service providers, suppliers, and contractors with whom we currently hold a contract to supply goods and/or services is available on the Intranet.

1.10.3 Any changes to supplier details will be carried out in line with the Procedure for Adding and Changing Suppliers.

1.10.4 Any requests for changes to banking details that colleagues think are suspicious must be reported immediately through our fraud reporting systems, and brought to the attention of the Finance and Procurement Teams.

1.10.5 In line with the Procedure for Adding and Changing Suppliers a weekly report (AP Audit Report) is automatically generated by the finance system, highlighting which supplier accounts have had bank details changed or added during the previous 7-day period.

1.10.6 When communicating with suppliers via e-mail, if any colleagues are to be included in the e-mail they should be in the 'bcc' field. This is to reduce the risk of any fraudulent recipients gaining access to multiple e-mail addresses within the organisation.

#### **1.11 Framework Agreements**

1.11.1 Compliant Framework Agreements and or Dynamic Procurements Systems (DPS) are procurement tools which can be beneficial and should be considered in every procurement. Such a decision should be based on:

- ✓ Value for money
- ✓ Compliance with the current Public Contract Regulations in force (currently PCR 2015)
- ✓ Local coverage

- ✓ Specific contract fit i.e. does the contract meet our requirements
- ✓ Ease of procurement process
- ✓ Reduced timescales
- ✓ Non duplication of effort and resource
- ✓ Use of professional procurement consortia

1.11.2 Where a sole supplier Framework Agreement exists then the purchaser must justify its use via consultation with the Procurement & VFM Department. This will be recorded on the Contracts Register with supporting documentation such as reports to Board or benchmarking information provided from the procurement consortia who manage the particular framework concerned.

1.11.3 All Framework / DPS access agreements must be signed by the Procurement & VFM Manager so that the organisation can be satisfied that the agreement is legally compliant.

## **1.12 Teckal Principle and Intra Group Agreements**

### **TO COMPLY WITH REGULATION 12 OF THE PUBLIC CONTRACTS REGULATIONS 2015**

1.12.1 When a company wishes to procure from within the group structure it may only do so directly if the relevant requirements of current procurement regulations in place (currently regulation 12 of the Public Contracts Regulations 2015 PCR 2015) are met. If the requirements of regulation 12 or any other superseding regulation in force are not met there may be a breach of the regulations which exposes the organisation to a risk of challenge and financial penalties.

There are three main requirements of the current regulation 12 in force which are as follows:

- i. The entity which is purchasing must exercise, over the supplier entity, a control which is similar to that which it exercises over its own departments (see below) – the “control test”; AND
- ii. More than 80% of the activities of the supplier entity must be carried out in the performance of tasks entrusted to it by the purchasing entity (or other entities controlled by the purchasing entity) – in other words more than 80% of the business carried out by the supplier must come from within the group – the “activity test”; AND
- iii. There must be no direct private capital participation in the supplier entity (i.e. there must be no external (outside the group) shareholding or equity in the supplier entity however minimal.

1.12.2 The Control Test: in order to establish whether the purchasing entity exercises control over the supplier entity this is deemed to be the case where:

- The purchasing entity exercises a “decisive” influence over both the strategic objectives and significant decisions of the supplier entity, or

- That control is exercised by another entity which is itself controlled in the same way by the purchaser entity.

- 1.12.3 The activity and control tests must be considered on a case by case basis and a written record should be kept to justify (with reasons) the reliance on the relevant regulation in force at that time.
- 1.12.4 If the conditions of the above are not met, then the appointment of businesses within the group structure must be made via a competitive procurement procedure in accordance with these procedures and whilst maintaining compliance with government regulations in force at that time.
- 1.12.5 By way of example, if Ongo Homes wanted to directly appoint Ongo Roofing Ltd for general roof repair and replacement works for Ongo properties, then (a) Ongo would need to “control” Ongo Roofing Ltd (as defined above); and, (b) more than 80% of Ongo Roofing’s business would have to be delivered to Ongo; and (c) there could be no private interest in the Ongo Roofing Ltd business. If this is not the case then Ongo Homes will have to competitively tender for the service requirements contract. If the anticipated contract value exceeds current government thresholds in force at that time then these services will need to be tendered in accordance with the rules of such regulations ensuring it was fully compliant.

### **1.13 Joint Purchasing/Partner Agreements**

- 1.13.1 Where it is proposed that Ongo would benefit from using a partner or joint purchasing solution, we must satisfy ourselves to the legalities.
- 1.13.2 Joint purchasing should be considered when it meets Ongo’s objectives such as value for money and best practice.

### **1.14 Procuring a Consultant**

- 1.14.1 When procuring a consultant (including training providers, advisors, or similar) the procurement process must be applied with the ‘Consultant’ considered in the same manner as any other supplier. Value for money, fairness, transparency, and an ethical approach must be demonstrated with the appropriate scoring mechanisms and evaluation criteria being used. The financial quotation and tendering thresholds should be considered and abided by ahead of making any appointment.
- 1.14.2 IR35 must be considered ahead of appointing any consultants, training providers, or advisors. The Human Resources department and/or Procurement & VFM department must be consulted on IR35 ahead of any agreement being formed with a consultant.
- 1.14.3 The spend levels of authorisation when signing the contract for a consultant apply as per **APPENDIX 2**.

### **1.15 Make or Buy Decision**

- 1.15.1 A ‘make’ or ‘buy’ decision relates to whether a service is performed internally and forms part of the organisations internal arrangements and function or whether it is externalised, so purchased from a third party via a contractual agreement.

- 1.15.2 A decision to either 'make' or 'buy' should be done via a VFM Assessment and Business Case ensuring VFM is considered. This would then be presented to ELT for decision.
- 1.15.3 Legal factors need to be taken into account also when considering 'make' or 'buy'.

## **2. COMMON REQUIREMENTS FOR ALL PROCUREMENT EXERCISES**

### **2.1 Tenant Involvement**

- 2.1.1 Tenants shall be invited to be involved in the procurement of goods, services or works which directly affect them e.g. grounds maintenance or property improvement works. Guidance and advice on this process can be provided by the Procurement & VFM Department with support from the Customer Engagement Team.
- 2.1.2 Competitive procurement exercises for goods, services or works which directly affect leaseholder service charges require specific consultation processes in order to comply with the law. This will be done in line with our Section 20 Policy and Procedures. Advice must be sought from the Home Ownership Team or Procurement & VFM Department in this respect.

### **2.2 Basis of Award**

- 2.2.1 The decision to award a contract to, or make a purchase from, a particular supplier shall be made on the basis of value for money. This means the optimum balance between whole life costs, and a level of quality, or fitness for purpose, which meets our requirements.

### **2.3 Whole Life Costs**

- 2.3.1 The award decision shall take account of the whole life costs of the purchase or contract. This will make sure we appoint suppliers who offer long term value for money.
- 2.3.2 Assessing the whole life costs of competing supplier's means considering the total costs associated with the particular purchase over an extended period of time. In addition to the initial purchase price, examples of whole life costs can include training, maintenance, support costs, consumable and other running costs, and disposal costs.
- 2.3.3 Contracts cannot be awarded purely on cost and must always contain a degree of quality assessment.
- 2.3.4 Prior to any award, Ongo must undertake due diligence checks to ensure that the successful supplier meets the minimum requirements of Ongo, i.e. being financially sound and robust, and have a good credit score; have sufficient Health & Safety and Equality & Diversity practices in place; and contract adequate levels of insurances. These checks may be carried out by means of:
- PAS91 compliant PQQ for construction / works requirements
  - Supplier Suitability Questionnaire (SQ) in line with current government compliant processes (i.e. PCR 2015 currently)
  - Supplier Assessment Questionnaire for local (low value) tender processes
  - Supplier Approval Form for low value purchases.

All completed Due Diligence checks must be kept in the quotation, tender, or contract folder as a minimum.

## **2.4 Lease Agreements**

2.4.1 In addition to the budget holder with the correct authorisation limits, the additional approval of the Procurement & VFM Manager or the Director of Resources and Commercial Services is needed to enter into any lease agreement on behalf of Ongo or its subsidiaries.

## **2.5 Confidentiality**

2.5.1 The detailed commercial content of any quotations or tender and the identity of unsuccessful suppliers shall be treated as confidential. However, within the limits of commercial confidentiality, this does not prevent Ongo from offering feedback to suppliers and contractors on their own bid.

2.5.2 Ongo may need to declare the identity of a successful supplier in a variety of different circumstances (e.g. for publicity purposes; contract award notices etc.) and the Procurement and Tendering Procedures permit this. Care should be taken at all times to ensure the commercial interests of successful and unsuccessful suppliers are not prejudiced by the disclosure of information relating to our contracts and purchases. To comply with the Public Contract Regulations (currently PCR 2015) contracts awarded valued at £25k or above may require the contract award notice to be published via Contracts Finder (<https://www.gov.uk/contracts-finder>). Advice on this matter is available from the Procurement & VFM Department.

## **2.6 Social Value**

2.6.1 In accordance with the Social Value Act 2012, the group must consider social value at pre-procurement stage, in decisions about how the procurement of goods and services has potential to make a major contribution to the economic, environmental and wider social well-being of our residents.

2.6.2 All budget holders and commissioners within the organisation have a duty to consider how they can achieve social value in all their purchases, recognising that the best value option is not always the cheapest option. This means taking into account the cost of each contract but it also encompasses a broader evaluation of the value of each contract including the wider social, economic and environmental outcomes each contract can deliver. Therefore, it is important to consider the additional benefits to the community, be they social, economic or environmental, which can come from the procurement process over and above the direct purchasing of goods and services.

## **2.7 Accreditations and Insurances**

2.7.1 Applicable accreditations should be sought relevant to the category of goods and/or services being procured.

2.7.2 Any supplier for the following categories must have the attached accreditations or registrations:

Construction	<a href="#">SSIP</a> (Safety Schemes in Procurement) or equivalent
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Gas	<a href="#">Gas Safe Registered</a>
Financial and Insurance Services	<a href="#">Financial Conduct Authority</a>
Legal Services	<a href="#">Solicitors Regulation Authority</a>
Waste Collection	<a href="#">Waste Carriers Licence</a>
Electrical Contractors	<a href="#">NICEIC Registered</a> <a href="#">ECA Registered</a> <a href="#">Napit Registered</a>
Asbestos Services	<a href="#">UKAS Registered</a>

2.7.3 It is mandatory that any company contracting with Ongo have the correct insurances in place. The minimum insurances required of suppliers to work with us are:

- **Public Liability - £5m limit of indemnity**
- **Employers Liability - £10m limit of indemnity**
- **Professional Indemnity (applicable when professional advice, consultancy, training services are being provided) - £1m limit of indemnity**
- **Product Liability £1m (where applicable for goods)**

2.7.4 If a supplier does not have the above levels of cover, the decision to work with them must be authorised by the Procurement & VFM Manager and documented on the supplier form.

## **QUOTATIONS**

### **3. UNDERTAKING A REQUEST FOR QUOTATION (RFQ) EXERCISE**

3.1. When undertaking a RFQ exercise, copies of all quotations obtained and received should be saved within an appropriate contract folder and retained for future audit purposes. Quotes should be retained in line with Ongo's Data Retention Policy.

#### **3.1.1. £0 - £1,000 (ex. VAT);**

**Minimum of 1 x written quotation required.**

The Procurer (the lead person requesting the quotation) should make a judgement of VFM based on their experience and understanding of the applicable supply market. More than one quote may be obtained if necessary / preferred. All quotes must be recorded and saved by the procurer for future audit purposes.

#### **3.1.2. £1,001 - £10,000 (ex. VAT);**

**Minimum of 2 x written quotations required.**

The Procurer (the lead person requesting the quotation) should make a judgement of VFM by comparing the quotes received and determining which one offers the best value in respect of price and meeting requirements. The procurer should apply their experience and understanding of the applicable supply market to help make a judgement of suitability. More than two quotes may be obtained if necessary / preferred. All quotes must be recorded and saved by the procurer for future audit purposes.



**3.1.3. £10,001 - £50,000 (ex. VAT);**

**Minimum of 3 x written quotations required.**

**The Procurement & VFM Department must be engaged and consulted with prior to obtaining quotations.**

The procurement & VFM Department will decide whether a contract number should be assigned to the quotation request. A log of all quotes received, the reasons for contract award, and a copy of any subsequent agreement(s) made must be recorded within a contract folder by either the Procurer (the lead person requesting the quotation) or the Procurement & VFM Department (to be agreed in advance of commencing the procurement). The Procurer is required to ensure that all quotations together with a written record of the comparison of quotations, and the evaluation process are saved and recorded for future audit purposes. The records kept must clearly justify the reasons for the award as well as any criteria which were assessed in making judgement. VFM must be judged based on the experience and understanding of applicable supply market, and the offers received in the bids. More than three quotes may be obtained if necessary / preferred.

3.1.4. All RFQ's above £10,001 should include a qualitative evaluation and award criteria. All quotation responses received shall be evaluated in accordance with the specified criteria and the successful award shall be made to the supplier who achieves the highest score according to the stated criteria.

3.1.5. For low cost quotations below £10,000, the inclusion of evaluation and award criteria is optional. Where an RFQ does not include a qualitative evaluation and award criteria, the successful supplier shall be the one who offers the best VFM e.g. the lowest whole life cost whilst offering a solution that is fit for purpose. All awards must be justifiable, fair, and transparent. All quotes must be recorded and saved by the procurer for future audit purposes.

3.1.6. Low cost RFQ submissions (up to £10,000) will be opened by the procurer (the lead person conducting the quotation exercise).

3.1.7. High value quotations (up to £50,000) will be opened according to the procurement route used. Quotations managed by the Procurement & VFM Department and conducted via the e-Procurement portal will be opened by the Procurement team only. Procurement routes will be agreed at time of initial consultation (see 3.1.3).

3.1.8. Entering into a contract on acceptance of a quotation should only be under Ongo's standard contract terms and conditions. Approval of the Procurement & VFM Manager or Director of Resources & Commercial Services is needed to accept any other terms and conditions proposed, including suppliers own terms.

## **TENDERS**

### **4. UNDERTAKING A TENDER EXERCISE**

#### **4.1 Tender value thresholds:**

**£50,001 – Public Contract Regulations 2015 Thresholds (See 4.3.2)**

## **4.2 General requirements**

- 4.2.1 All tenders, regardless of type or value, shall comply with the following requirements:
- 4.2.2 The Procurement & VFM Department shall be engaged at the outset of the tender exercise.
- 4.2.3 A lead or project officer is appointed to lead the tender exercise from a technical capacity.
- 4.2.4 An appropriate project team shall be formed involving technical and corporate services, and tenants / customers if applicable and deemed appropriate. The project team shall agree roles and responsibilities relating to the tender exercise.
- 4.2.5 All tenders must be conducted via the Ongo e-Procurement Portal. This is a mandatory requirement to comply with the PCR 2015 regulations.
- 4.2.6 The minimum number of tenders shall be obtained in accordance with the requirements of the table in **APPENDIX 1**.
- 4.2.7 Any Tenders or Quotations may be advertised via Contracts Finder. Any that have a total contract value of **£25k or above** and which need to be advertised, must be advertised on Contracts Finder together with any other optional marketing routes (<https://www.gov.uk/contracts-finder>). The Procurement & VFM Department will provide advice on the required procurement process and the need to advertise opportunities. Appendix 1 should be consulted.
- 4.2.8 For any tenders or quotations with an estimated contract value of **£25k or above**; a Supplier Assessment Questionnaire (SAQ) may be used to limit the number of tender responses and to provide an acceptable level of due-diligence for low value contracts. A SAQ should be used for goods / services procurements and the PAS91 template used for construction / works related activity (copies will be provided by the Procurement & VFM Department).
- 4.2.9 No '2-stage' tender processes are permitted for contracts with a value below the current public procurement thresholds in force. This means no initial shortlisting may be conducted for advertised contract opportunities valued below the public procurement thresholds. For these tenders, the use of a SAQ document must only be used as part of a single stage procurement process, and all responses must be pass/fail criteria only. The Procurement & VFM Department will provide further details on the use of the SAQ when required.
- 4.2.10 For any Tenders or Quotations with an anticipated contract value of **£25k or above**, the use of evaluation criteria is mandatory and shall be published within the Invitation to Tender (ITT) or Request for Quotation (RFQ) document. However, evaluation criteria can be proportionate to the nature of the tender.
- 4.2.11 The evaluation criteria for tenders must always include qualitative/technical elements. Tenders cannot be awarded on a lowest cost basis only.

- 4.2.12 Appropriate terms and conditions of purchase / contract shall be agreed with the Procurement & VFM Department and be included in the Invitation to Tender.
- 4.2.13 In some circumstances, the Procurement & VFM Manager may deem that a supplier's terms and conditions will be an acceptable alternative to Ongo's own terms. This will be dependent and proportionate to the procurement being conducted.
- 4.2.14 Where the tender exercise is not on our own terms and conditions, the Procurement & VFM Department shall review the suppliers' terms and conditions before a decision to appoint is made.
- 4.2.15 Where an answer is given to one supplier in response to a question raised during the tender exercise this shall be circulated to all participant suppliers where this would support fair and open competition, and unless the question asker declares that it is commercially sensitive. This will be managed via the e-Procurement portal to ensure fairness an audit trail is kept.
- 4.2.16 A deadline shall be set by which all tender responses must be submitted. Tenders received after this deadline may not be considered.
- 4.2.17 Similarly, tender responses may not be considered if they are not in the prescribed format or incomplete.
- 4.2.18 In exceptional circumstances, late tenders may be accepted where a Director / Member of the ELT and Procurement & VFM Manager are both satisfied that there is sufficient evidence relating to a good reason for this. This will be dependent and proportionate to the procurement being conducted.
- 4.2.19 Where the winning bidder is unable to fulfil the contract requirements once awarded, the second highest scoring bidder may be considered. This must be approved by the Procurement & VFM Manager and a Director / Member of the ELT and recorded on the Contracts Register.
- 4.2.20 All contracts valued **above £25k** in accordance with Regulations 106, 108, 109, 110, 112 of the PCR 2015 must have a contract notice and contract award notice published via Contracts Finder (<https://www.gov.uk/contracts-finder>). The Procurement & VFM Department will ensure that this is completed quarterly and note it on the Contracts Register.

#### **4.3 Public Procurement Tender Procedures (compliant with PCR 2015)**

- 4.3.1 Where the total contract or purchase value exceeds certain financial thresholds, UK Procurement Law requires that all tender processes follow strict procedures which are set out in legislation. This legislation is referred to the Public Contract Regulations, the current version of which is PCR 2015.
- 4.3.2 The financial thresholds detailed within PCR 2015 change every **two** years on the **1<sup>st</sup> January**.

- 4.3.3 As of **1<sup>st</sup> January 2022**, the thresholds are now **all inclusive of VAT**. The Thresholds which are applicable to Ongo are as follows:

Applicable too	Supply, Services, and Design Contracts	Works Contracts	Light Touch Regime (Social and other specific services)
Other contracting authorities	£213,477 (inc. VAT)	£5,336,937 (inc. VAT)	£663,540 (inc. VAT)

- 4.3.4 Since 23:00 on 31 December 2020, any new UK public procurement opportunities need to be published on the UK e-notification service called 'Find a Tender service' (FTS or FATS). The FTS means new UK opportunities will no longer be sent to the Official Journal of the European Union (OJEU) or Tenders Electronic Daily (TED).

#### 4.4 Submission and Opening of Tenders

- 4.4.1 All tender documents shall be:

- Sent electronically using the e-Procurement portal.
- Opened and verified by the Legal or Governance Department (PCR 2015 level tenders only) or the Procurement & VFM Manager (for local tenders).

#### 4.5 Minimum Levels of Response

- 4.5.1 Where an insufficient number of tenders have been received, the Procurement & VFM Manager shall make a recommendation as to whether or not, the tender process should be re-run. This recommendation shall be confirmed by the relevant Director before any purchase or contract can be made. In the event that only a single bid is received and an award still wants to be made, then the Direct Award process must be followed. See **1.9**.

#### 4.6 Clarification and Post-tender Negotiation

- 4.6.1 Seeking clarification on any tender response whether in writing or by way of a meeting or presentation with suppliers is permitted, but this has to be done fairly and transparently with **ALL** bidders. However, post-tender negotiation with individual suppliers after submission, with a view to obtaining adjustments in price, delivery or content of the tender is **not** permitted under the public contract regulations or public procurement procedures.
- 4.6.2 Post-tender negotiation following a Public Procurement Tender Procedure (compliant with PCR 2015) is never permissible and could invalidate the tender process and waivers shall therefore not be sought in this regard.

#### 4.7 Alterations to Tenders

- 4.7.1 Suppliers shall not be allowed to alter their final tender after the deadline for responses other than for minor errors or discrepancies of an arithmetic nature agreed with the Procurement & VFM Department. For example, arithmetic errors in tenders could be as a result of incorrect summation, extension of prices and carry forwards.

- 4.7.2 In the event of such arithmetic errors, the supplier shall be given an opportunity to confirm or correct the error. Errors must be genuine and reasonable and should not be used as an opportunity for suppliers to revise their commercial terms to gain an unfair advantage.

#### **4.8 Evaluation of Tenders**

- 4.8.1 Tender responses shall be evaluated in accordance with the evaluation criteria specified in the Invitation to Tender. The successful supplier shall be the one achieving the highest score according to the stated Evaluation Criteria. It is not possible to amend the evaluation criteria once the closing deadline for tender responses has elapsed.
- 4.8.2 In the interests of probity and transparency, more than one employee shall be responsible for the evaluation of tenders. A member of the Procurement & VFM Department shall be engaged in the evaluation process to provide guidance on best practice in evaluation methods.
- 4.8.3 For tenders subject to any of the PCR 2015 Tender Procedures, an extensive and detailed set of records relating to evaluation shall be maintained in order to comply with the requirements of the public contract regulations.
- 4.8.4 Suppliers and contractors shall be notified of the outcome of their tender submission and feedback provided on request reference to their bid. If the procurement is subject to Public Procurement Procedures then this should comply with the requirements of the PCR 2015.

### **5. CONTRACT REQUIREMENTS AND OTHER FORMALITIES**

#### **5.1. Terms and conditions**

- 5.1.1. Ongo's standard terms and conditions should be applied to every contract unless prior approval is given by the Procurement & VFM Department for other terms to be used.

#### **5.2. Procurement Award Reports**

- 5.2.1. All tenders conducted for contracts valued above the public procurement thresholds, either via PCR 2015 tendering or under a framework agreement or a Dynamic Purchasing System, must have an accompanying procurement report (Regulation 84); a set template is available from the Procurement & VFM Department.
- 5.2.2. A briefing report should be prepared prior to award of a local tender and placed in the tender file.
- 5.2.3. For any tender or contract awarded with a contract value below the PCR 2015 procurement thresholds, a Regulation 112 report should be produced and published on Contracts Finder. This is applicable regardless of whether the contract opportunity was advertised or not.

#### **5.3. Contracts Registers**

- 5.3.1. The Procurement & VFM Department maintain a register of all contracts in order to provide visibility of the arrangements which have been made on behalf the Ongo Group.

Following the completion of any Competitive Procurement Exercise, the responsible staff member must provide the Procurement & VFM Department with the necessary information to update the register with all 'contract' details.

- 5.3.2. A copy of **ALL** contracts, leases and agreements must be provided to the Procurement & VFM Department so that they can be recorded on the Contracts Register and adequately stored on behalf of the Company Secretary for governance and audit purposes.
- 5.3.3. Any form of contract or agreement which need to be sealed on behalf of the Ongo group (irrespective of spend limits or any other limits individual officers may have) must be given to the Legal Department for execution and entry into the relevant signing or sealing register.
- 5.3.4. All award letters which constitute a contract award may be signed by the Procurement & VFM Manager or the Senior Procurement Officer providing that the accompanying contract is signed by the authorised representative in-accordance with **APPENDIX 2** of these procedures.

#### **5.4. Contract Management**

- 5.4.1. The purpose of contract management is to maximise the financial and operational performance of contracts which have been awarded following a Competitive Procurement Exercise. A staff member must be designated to manage each contract on behalf of the Ongo Group and this person will be on the Contract Register as the assigned person.
- 5.4.2. A proportionate approach towards contract management shall be taken. Those contracts which create the greatest risks for Ongo shall require more robust management by the nominated Contract Manager.
- 5.4.3. A best practice 'Contract Management Framework' is available to all staff with responsibility for managing contracts.
- 5.4.4. Contract Managers should ensure that supplier insurances are validated once per annum for ongoing contracts. The Contracts Register will show which contracts this action is applicable to.
- 5.4.5. Contract Managers must also ensure financial due diligence is completed on their assigned service providers / suppliers, including annual credit checks, as dictated by the Contracts Register. This may be delivered with assistance from the Procurement & VFM Department
- 5.4.6. Regular Contract management meetings should be held with the appointed service providers / suppliers on a frequency basis proportionate to the risk of the contract (a minimum of annual). All minutes of contract management meetings should be shared between parties and a copy held within the procurement contract folder.

#### **5.5. Contract Extensions**

- 5.5.1. An option to use a contract extension can be taken where this was provided for in the original contract and does not exceed the maximum permitted extension period or the applicable PCR 2015 financial thresholds.

- 5.5.2. In order to take advantage of the option for a Contract Extension, the following requirements must apply:
- ✓ The Contract Extension shall provide Ongo with value for money and be in our best interests;
  - ✓ Documentation and records shall be kept to ensure that details of the Contract Extension are appropriately maintained;
  - ✓ A **Contract Extension Approval Form** must be completed and appropriately authorised as per **APPENDIX 2**;
  - ✓ The Contracts Register shall be updated to reflect the revised end date for the contract;
  - ✓ A Competitive Procurement Exercise shall be scheduled so that the contract can be re-procured before the revised end date of the contract.
- 5.5.3. When extending an existing contract in accordance with these requirements, there is no obligation to undertake a Competitive Procurement Exercise to cover the period of contract extension.
- 5.5.4. In the event that a contract extension period also expands the scope of the original contract, the rules regarding Variation to Existing Contracts (**see 5.6**) shall apply.
- 5.5.5. Should there be a need to extend a contract where no permitted contract extension period is available, then the Procurement & VFM Department must be consulted. The Procurement & VFM Department will confirm whether an extension is permissible or not, or whether the Direct Award Procedure (**see 1.9**) may be deemed to apply.
- 5.6. Variations to Existing Contracts**
- 5.6.1. Variations to existing contracts are permitted wherever they were allowed for in the original contract. For example, this can include pre-agreed formulas for price adjustments and minor amendments to service levels.
- 5.6.2. Contracts must never be varied by more than 50% of their material worth, either by value or by commitment to delivery.
- 5.6.3. A Contract Variation Approval Form must be completed and duly authorised as per **APPENDIX 2**
- 5.6.4. Where the proposed variation includes an expansion to the contract scope, approval shall be sought from the Procurement & VFM Department before the variation is submitted or permitted.
- 5.6.5. Advice should be sought from the Procurement & VFM Department for variations to any contracts with a total purchase value above £50,000.
- 5.6.6. Where a contract variation is permitted, appropriate documentation shall be maintained so that the contract history and variations are adequately recorded.

- 5.6.7. Contract variation limits should be agreed at the beginning of the contract. Regardless of contract value; a contract variation must be authorised in line with **APPENDIX 2**.
- 5.6.8. Contract Managers should ensure, as part of their responsibilities, that the contract pricing is being adhered to and that it is within budget. These will be tracked via the Management Accounts.
- 5.6.9. Contract Variation Approval Forms must be appropriately authorised in line with the authorised spend limits as per **APPENDIX 2** ;

## **5.7. Re-procurement**

- 5.7.1. For contracts or purchases where we have ongoing requirements beyond the initial contract or supply period length, adequate planning shall take place to ensure that appropriate re-procurement takes place when it is due.
- 5.7.2. The Contract Manager and/or budget holder are responsible for ensuring that a new Competitive Procurement Exercise starts in sufficient time. Appropriate allowance should be made for the period of time required to mobilise a new supplier and any TUPE provisions (if necessary) in order to achieve a successful transition with no gap in supply or service provision.
- 5.7.3. A lack of sufficient time required to undertake a necessary tender process is regarded in law as 'poor planning' and does not constitute sufficient grounds for failing to run a procurement process, or to extend or roll an existing agreement which has no permissible extensions.

## **5.8. Administration and Accounting**

- 5.8.1. Where contracts provide for payments to be made by instalments, the Contract Manager, in consultation with the Head of Finance, shall arrange to keep individual accounts to show the financial transactions on each contract between 'Ongo' and the contractor, together with any other payments and related professional fees. These shall be made via the designated finance system.
- 5.8.2. Payments to contractors on account during a contract shall only be made when a purchase order or job number is issued by the Contract Manager (or private architect, employers agent, engineer, or consultant where engaged by Ongo) as appropriate, or by another officer nominated in writing for the purpose.
- 5.8.3. All contracts entered into should be for a fixed price or a fixed schedule of rates for the duration of the contract. Where this is not possible, for example, due to the time length of the contract, an appropriate contract price adjustment formula should be used which relates specifically to the service or works to be procured. If this is not possible, a default position will be to use the Consumer Price Index (CPIx) minus 1%.
- 5.8.4. Subject to the provisions of the contract, in each case variations may be authorised by officers up to their delegated authority limits for placing orders (see Delegations Framework). Where an outside consultant is engaged by the Group, officers may not delegate any authority to such a consultant.



- 5.8.5. The officer responsible for managing a contract shall ensure that suitable procedures are followed for the effective cost control of the contract including the recording of payments made, costs of variations ordered and comparison of expenditure with the approved estimate.
- 5.8.6. An officer who becomes aware that the final cost of a contract is likely to exceed the contract sum by 5% or more shall report on the circumstances, in writing, to the Director of Resources & Commercial Services immediately.
- 5.8.7. Prior to their appointment, all Contractors and Sub-Contractors should be advised that payments will only be made in respect of pre-authorised works (either instructed in writing, in accordance with the contract scope of works, or by means of a variation order). Claims for additional works will not be entertained either during or after completion of the contract. Where a contractor insists on making a claim for unpaid works, these shall be referred to the appropriate Head of Service who will recommend whether any payment should be made.
- 5.8.8. All major works projects shall be fully monitored by the Contract Manager throughout the project life span, and a comparison between actual costs and anticipated costs should be submitted to the Finance department at regular and appropriate intervals.
- 5.8.9. The Director of Resources & Commercial Services, or their delegated officer, shall examine final accounts for major works contracts and be entitled to make all such enquiries and to receive such information and explanations as may be required in order to be satisfied as to the accuracy of the accounts. The final certificate shall not be issued until the Director of Resources & Commercial Services, or their delegated officer, has confirmed this.
- 5.8.10. Where the completion of a contract is delayed beyond the contract period, the appropriate Director shall take action in respect of a claim for liquidated damages in accordance with the contract, unless the Director of Resources & Commercial Services advises otherwise.
- 5.8.11. With the exception of Investment or Maintenance contracts, no purchase or contract should be undertaken without creating an official purchase order number through the Purchase Order system. Failure to do so will stop any invoice relating to the purchase being paid. All invoices must show a valid Group purchase order number or will be rejected. Only in exceptional circumstances as per the advice of the Accounts Payable Supervisor will invoices be paid without a purchase order, for example utility payments.
- 5.8.12. Purchases using a company credit card should adhere to our Credit Card Policy. The administration of Credit Card payments will be the responsibility of the Finance Department.
- 5.8.13. The Company Secretary is responsible for securely storing contracts. All contracts will be held for a minimum period of six years (or 12 years where the contract was awarded under the Group Seal) once the contract ends. Documents relating to unsuccessful bids/tenders should be held for six years following the notification decision.

- 5.8.14. Valuations relating to development, investment and regeneration works must be agreed with the contractor by way of 'certificate of payment' which should be signed as appropriate by the Head of Property, Development Manager or the Director of Property Services.
- 5.8.15. Variations to the standard payment terms must be agreed by the Head of Finance and documented.

### **3. MISCELLANEOUS**

#### **6.1 Amendments to Procurement and Tendering Procedures**

- 6.1.1 The Director of Resources & Commercial Services, The Director of Corporate & Compliance or The Procurement & VFM Manager may all make amendments to the Procurement and Tendering Procedures of a technical and procedural nature. Such changes shall be limited to changes which do not substantively alter the requirements of these procedures. Changes to authorisation thresholds as detailed within the Delegations Framework, constitute a substantive change and shall require Board approval.
- 6.1.2 In the event of changes to the law regarding public procurement, the Company Secretary may amend the Procurement and Tendering Procedures to take account of these changes.

#### **6.2 Responsibilities**

- 6.2.1 The Director of Resources & Commercial Services or The Director of Corporate & Compliance is responsible for:
- ✓ Ensuring compliance with these Procurement and Tendering Procedures;
  - ✓ Commissioning periodic audits of compliance with these Procurement and Tendering Procedures;
  - ✓ Making sure that Credit Card policy is followed and reviewed regularly;
- 6.2.2 The Procurement & VFM Manager is responsible for:
- ✓ Maintaining the Contracts Register
  - ✓ Maintaining a Register of Direct Awards
  - ✓ Managing Contract Extensions and Variations
  - ✓ Keeping a register of Credit Card holders and facilitating the Credit Card Policy
  - ✓ Providing regular reports on procurement activity and Value for Money to Ongo's Boards and the Executive Leadership Team.
  - ✓ Recording exceptions to these Procurement and Tendering Procedures
  - ✓ Providing reports on the compliance to the Procurement and Tendering Procedures
  - ✓ Complying with relevant Internal Audits
- 6.2.3 The Contracts Manager and/or Budget holder for each procurement exercise and subsequent contract are responsible for:
- ✓ Managing the contract effectively in accordance with Ongo's Contract Management Framework. This includes:

- holding regular service review meetings with the service provider / supplier
- obtaining current insurance documentation annually
- undertaking financial due diligence checks (credit or robustness checks) annually
- maintaining budget control of the service.
- ✓ Managing extensions and variations to their existing contracts within the provisions set out in these Procurement and Tendering Procedures
- ✓ Engaging with the Procurement & VFM department in advance of contract expiration, allowing sufficient time for re-procurement if necessary.
- ✓ Providing copies of contracts/agreements entered into to the Procurement & VFM Department
- ✓ Complying with all relevant Internal Audits
- ✓ Ensuring financial due diligence is checked annually on certain contracts

**6.2.4 The Company Secretary is responsible for:**

- ✓ Storing contracts
- ✓ Amending these Procurement and Tendering Procedures to reflect any changes to the law

**6.3 Links to other Policies, Strategies and Procedures**

**6.3.1** The following policies, strategies and procedures should be read in the context of these Procurement and Tendering Procedures:-

Document	Explanation
Credit Card Policy	Sets out the rules for use of Company Credit cards
Code of Conduct	Sets out the way in which staff are expected to behave when employed by the Group
Delegations Framework	Sets out the rules for financial controls within the Group
Value for Money Framework	Sets out our strategic aims and objectives
Probity Policy	Sets out the rules of conduct for staff and Board Members to ensure probity and good governance.
Procedure for adding and changing supplier accounts	
Procurement Policy	Sets out the rules and aims of the procurement function

**6.4 Legislation & Regulation**

**6.4.1** Ongo Partnership Ltd. will meet its obligations under all relevant and current legislation and regulation – including but not limited to:

- ✓ Data Protection Act 1998
- ✓ Public Contracts Regulations 2015
- ✓ UK Remedies Directive 2009
- ✓ Competition Act 1998

- ✓ Bribery Act 2010
- ✓ Equality Act 2010
- ✓ Public Services (Social Value) Act 2012
- ✓ HCA Regulatory Framework for Social Housing
- ✓ TUPE - Transfer of Undertakings (Protection of Employment) Regulations 2006
- ✓ Modern Slavery Act 2015

## **6.5 Review**

- 6.5.1 This policy will be reviewed every two years in line with the publication of the PCR 2015 procurement financial thresholds unless there are any changes in legislation/regulation or deficiencies are found which necessitate an earlier review.

## **6.6 PROCUREMENT PROCEDURES FOR COMMERCIAL BUSINESSES**

- 6.6.1 This section is applicable to

- Ongo Roofing Ltd
- Ongo Heating & Plumbing Ltd
- Ongo Recruitment Ltd
- Crosby Brokerage Ltd

- 6.6.2 Ongo's commercial entities shall all ensure they:-

- ✓ Comply with all legal obligations;
- ✓ Promote public accountability by being fully transparent, accountable to our customers and be auditable through good record keeping;
- ✓ Ensure the promotion of probity and integrity of the procurement process;
- ✓ Ensure fairness in allocating contracts and protect employees from allegations of corruption and/or collusion with suppliers and contractors;
- ✓ Support the delivery of the our Procurement Policy and Value for Money Framework;
- ✓ Demonstrate and support the delivery of social value into the community;
- ✓ Involve sufficient numbers of suppliers to ensure appropriate levels of competition;
- ✓ Ensure that supplies, services and works are purchased to an acceptable level of quality which is suitable for their intended use;
- ✓ Include any relevant health, safety and environmental considerations;
- ✓ Include any relevant FREDIE (Fairness, Respect, Equality, Diversity, Inclusion and Engagement) and safeguarding considerations
- ✓ Include any relevant environmental considerations;
- ✓ Include for any relevant accreditations and/or ensure that regulatory requirements associated to the category of spend are met.

- 6.6.3 When procuring any new contracts or supplies, Ongo's commercial entities should follow all principles of these Procurement and Tendering Procedures to the best of their ability

in order to ensure VFM, transparency, integrity, and compliance with best procurement practice and Ongo's values.

- 6.6.4 Ongo's Probity Policy must be followed (see 1.3)
- 6.6.5 The Authorisation Limits & Key responsibilities when contracting must be followed (see 1.6).
- 6.6.6 The Procedure for Adding and Changing Suppliers must be followed (**see 1.10**). All Ongo commercial entities must conduct supplier due diligence and ensure the suppliers approval onto the finance system BEFORE any orders are placed.
- 6.6.7 The principle of obtaining quotations (**see 3.0**) should be followed wherever feasible to do so. This will help to ensure that VFM can be demonstrated and helps to maintain transparency.

## APPENDIX 1 – Threshold Table for Procurement Routes

Total Purchase Value (Exclusive of VAT)		Type of Contract	Type of Competitive Procurement Exercise Required	Minimum Level of suppliers to invite to bid	Advertising Requirements for Contract Opportunity	Publishing of Contract Award Requirements	Local market testing permitted	Documentation	Involvement of the Procurement & VFM Department
From	To								
£0	£1,000	Supplies, services and works	Request For Quotation	1 Quotation required	Optional (only if there is a need)	N/A	YES	Written Quotation or permitted alternative *	Not required
£1,001	£10,000	Supplies, services and works	Request For Quotation	2 Quotations required	Optional (only if there is a need)	N/A	YES	Written Quotations	Not required
£10,000+		All contracts valued above £10,000 must go through the Procurement Department to ensure compliance with Regulation 106, 108, 109, 110, 112 of the Public Contract Regulations 2015. Any contracts valued above £25,000 plus which need to be advertised must have a contracts notice published on Contracts Finder unless exemptions apply. Procurement & VFM Department will advise on the need to advertise. Any contracts awarded with a value above £25,000 must have a contract award notice published on Contracts Finder, regardless of whether they were advertised or not.							
£10,001	£50,000	Supplies, services and works	Request For Quotation – with a contract number assigned.	3 Quotations required with a minimum of 3 responses received.	Optional (only if there is a need)	Mandatory via Contracts Finder over £25k	YES	Use of e-Tendering portal to assist with quotation exercise.  Written Quotations required.  Use of SAQ for contracts over £25k if required.	YES Mandatory (excluding ICT procurements up to £25K)  ICT engagement with Procurement is mandatory for projects over £25K

Total Purchase Value (Exclusive of VAT)		Type of Contract	Type of Competitive Procurement Exercise Required	Minimum Level of suppliers to invite to bid	Advertising Requirements for Contract Opportunity	Publishing of Contract Award Requirements	Local market testing permitted	Documentation	Involvement of the Procurement & VFM Department
From	To								
£50,001	£PCR 2015 Threshold (see 4.3.2)	SERVICES AND SUPPLIES	Local Tender Process – with a contract number assigned	Minimum of 6 companies invited to tender  with a minimum of 3 responses received	Optional (if there is a need)	Mandatory via Contracts Finder ***	YES	Invitation to Tender and Responses managed via e- Procurement Portal  Use of SAQ for supplier selection and due diligence	YES Mandatory
£50,001	£PCR 2015 threshold (see 4.3.2)	WORKS	Local Tender Process	Minimum of 6 companies invited to tender  with a minimum of 3 responses received.	Optional (if there is a need)	Mandatory via Contracts Finder ***	YES	Invitation to Tender and Responses managed via e- Procurement Portal  Use of SAQ for supplier selection and due diligence	YES Mandatory
£PCR 2015 Threshold and above (See 4.3.2)		SERVICES AND SUPPLIES	Full PCR 2015 compliant Tender process for services and/or supplies	N/A	Mandatory via Contracts Finder and TED ***	Mandatory via Contracts Finder and TED ***	NO	Invitation to Tender and Tender and Responses via Procurement Portal	YES Mandatory
£PCR 2015 Threshold and above (See 4.3.2)		WORKS	Full PCR 2015 compliant Tender process for services and/or supplies	N/A	Mandatory via Contracts Finder and TED ***	Mandatory via Contracts Finder and TED ***	NO	Invitation to Tender and Tender and Responses via Procurement Portal	Mandatory

\* Catalogue or internet pricing is a permitted alternative to a written quotation

\*\* The public procurement PCR 2015 financial thresholds are valid until 31<sup>st</sup> December 2023.

\*\*\* Unless route to market is via an EU compliant framework agreement (internal or external)

## APPENDIX 2 – Authorisation Limits & Key Responsibilities when Contracting

### Part A

Details of all authorisation limits and the responsible staff members can be found within the Delegations Framework.

Please note that if the Total Contract Value (TCV) is unknown a calculation of 48 months subsequent purchasing should be used, for example £1000 per month ongoing = £48,000 total contract value. If it is an EU tender then the total contract value is the contract period exclusive of extension periods.

Type	Limit/Spend Total Contract Value excluding VAT	Responsibility
<b>Publish PCR 2015 Contract Notice</b>	N/A	<ul style="list-style-type: none"> <li>Procurement &amp; VFM Department Staff</li> </ul>
<b>Publish PCR 2015 Contract Award Notice</b>	N/A	<ul style="list-style-type: none"> <li>Procurement &amp; VFM Department Staff</li> </ul>
<b>Send Invitation to Tender documents</b>	£50k +	<ul style="list-style-type: none"> <li>Procurement &amp; VFM Department Staff</li> <li>Development Manager (investments only)</li> <li>Head of Property (major works only)</li> <li>Consultants as directed by the above but must ensure all Ongo procedures are applied.</li> </ul>
<b>Signing a Contract – Including Signing of:</b> <ul style="list-style-type: none"> <li>Contract Documentation</li> <li>Contract Extension Forms</li> <li>Contract Variation Forms</li> <li>Direct Award Forms</li> </ul>	£0 - £25k	<ul style="list-style-type: none"> <li>Head of Service (any)</li> <li>Director – any</li> </ul>
	£25k - £50k	<ul style="list-style-type: none"> <li>Head of Technology and Innovation (ICT Only)</li> <li>Development Manager (investments only)</li> <li>Head of Property (major works only)</li> <li>Head of Commercial</li> <li>Director – any</li> </ul>
	£50k - £100k	<ul style="list-style-type: none"> <li>Development Manager (investments only)</li> <li>Head of Property (major works only)</li> <li>Head of Commercial</li> <li>Director – any (for major works / investments Only)</li> </ul>
	£100k - £250k	<ul style="list-style-type: none"> <li>Head of Commercial</li> <li>Director – any (for major works / investments Only)</li> </ul>
	£250k >	<ul style="list-style-type: none"> <li>CEO</li> <li>Director of Resources &amp; Commercial Services (for major works / investments Only)</li> <li>Director of Property (Major works / Investments only)</li> </ul>



Type	Limit/Spend Total Contract Value excluding VAT	Responsibility
<b>Contract Award Letters – Informing Providers &amp; Suppliers of contract awards.</b>	Any value	<ul style="list-style-type: none"> <li>Procurement &amp; VFM Manager – providing that contract award or contract forms are signed in accordance with the above.</li> <li>Head of Service (any)</li> <li>Director (any)</li> </ul>
<b>Credit Accounts (not Credit Card)</b>	Any Value	<ul style="list-style-type: none"> <li>Director of relevant service area</li> <li>Director of Resources &amp; Commercial Services</li> </ul>
<b>Payment Request Forms</b>	Any Value	<ul style="list-style-type: none"> <li>As per the above authorisation limits (as detailed within the Delegations Framework)</li> </ul>
<b>Development/Investment Valuations</b>	n/a	<ul style="list-style-type: none"> <li>Head of Property / Development Manager / Director of Property Services</li> </ul>
<b>Certificate of Payment (authority for contractor raise invoice)</b>	n/a	<ul style="list-style-type: none"> <li>Head of Property / Development Manager / Director of Property Services</li> </ul>
<b>Development/Investment Valuation Invoices</b>	<£50k	<ul style="list-style-type: none"> <li>Development Manager</li> <li>Director of Property</li> <li>CEO</li> </ul>
	£50k >£250k	<ul style="list-style-type: none"> <li>Director of Property</li> <li>CEO</li> </ul>
	£250K +	<ul style="list-style-type: none"> <li>Director of Property</li> <li>CEO</li> </ul>
<b>Supplier Approval Forms</b>	n/a	<ul style="list-style-type: none"> <li>Procurement &amp; VFM Department</li> </ul>
<b>ICT related expenditure</b>	ALL	<ul style="list-style-type: none"> <li>ICT Managers</li> <li>Head of Technology and Innovation</li> <li>Director of Resources &amp; Commercial Services</li> </ul>
<b>Agency Staff Services</b>	ALL	<ul style="list-style-type: none"> <li>HR &amp; OD Manager</li> <li>Director of Corporate &amp; Compliance</li> </ul>
<b>Cost Neutral Third Party Agreements for goods, services or works</b>	Any Value	<ul style="list-style-type: none"> <li>These should be regarded as per contract thresholds (above) with consideration made in respect of the net value gain to third party provider.</li> </ul>

## Part B

### Delegation Framework

#### **Orders for goods & services / approval of purchase invoices for goods & services / approval of payments to third parties**

<b>DLA's: Ongo Homes &amp; Ongo Partnership (Note: all DLA's are based on areas of responsibility)</b>	<b>General revenue expenditure</b>	<b>Technology related expenditure (capital or revenue)</b>	<b>Investment (property related)</b>	<b>Major works (property related)</b>	<b>Expenditure directly in relation to con</b>
CEO	500,000	500,000	2,000,000	2,000,000	2,000,000
Director of Resources & Commercial Services	100,000	100,000	500,000	500,000	1,000,000
Director of Property	50,000	50,000	500,000	500,000	500,000
Director of Corporate & Compliance	50,000	50,000	250,000	250,000	250,000
Director of Customer Services	50,000	50,000	250,000	250,000	250,000
Head of Service (HoS), other than below	25,000	-	-	-	-
Head of Technology and Innovation	25,000	50,000*	-	-	-
Development Manager	10,000	-	100,000	-	-
Head of Property	25,000	-	-	100,000	25,000
Head of Opportunities	25,000	-	-	-	-
Manager (including non-HoS, ELT Reports, excluding below)	5,000	-	5,000	5,000	-
ICT Managers	5,000	5,000	-	-	-
Other approved employees (as individually approved)	<2,000	-	-	-	-

<b>DLA's: Ongo Commercial companies (Note: all DLA's are based on areas of responsibility)</b>	<b>General revenue expenditure</b>	<b>Technology related expenditure (capital or revenue)</b>	<b>Investment (property related)</b>	<b>Major works (property related)</b>	<b>Expenditure directly in relation to con</b>
CEO	500,000	500,000	250,000	100,000	2,000,000
Director of Resources & Commercial Services	100,000	100,000	50,000	50,000	1,000,000
Director of Property	50,000	50,000	50,000	50,000	500,000
Director of Corporate & Compliance	50,000	50,000	-	-	250,000
Director of Customer Services	50,000	50,000	-	-	250,000
Head of Technology & Innovation	-	50,000*	-	-	-
Head of Commercial	25,000	-	-	-	500,000
ICT Managers	-	5,000	-	-	-
Commercial Company General Manager	10,000	-	-	-	10,000
Commercial Company Contract Manager / Stock Controller	5,000	-	-	-	5,000
Commercial Company Administrator	2,500	-	-	-	-
Other approved employees (as individually approved)	<2,000	-	-	-	-

DLA's: Ongo Communities companies (Note: all DLA's are based on areas of responsibility)	General revenue expenditure	Technology related expenditure (capital or revenue	Investment (property related)	Major works (property related)	Expenditure directly in relation to con
CEO	500,000	500,000	250,000	100,000	2,000,000
Director of Resources & Commercial Services	100,000	100,000	50,000	50,000	1,000,000
Director of Property	50,000	50,000	50,000	50,000	500,000
Director of Corporate & Compliance	50,000	50,000	-	-	250,000
Director of Customer Services	50,000	50,000	-	-	250,000
Head of Technology & Innovation	-	50,000*	-	-	-
Head of Opportunities	25,000	-	-	-	125,000
ICT Managers	-	5,000	-	-	-
Communities Business Manager	-	-	-	-	5,000
Other approved employees (as individually approved)	<2,000	-	-	-	-

\* All spends in respect of technology above the £5,000 Delegated Levels of Authority (DLA) of ICT Managers must receive Head of Technology & Innovation approval regardless of spend level. This is to ensure suitability of spend in respect of the Ongo Group technology environment, current and planned. The approval 'ladder' must also be followed in line with the above, ensuring that nothing is sent for Director (or CEO) approval without the Head of Technology & Innovation's authorisation.

\*\* In addition to complying with the stated levels, expenditure must be within the levels included within the contract for the provision of the works / services, which must be approved in line with this framework in advance of any spend or commitment

In instances where expenditure above that in the approved contract is required the delegated levels of approval for entering into a contract contained within this framework must be considered with approval sought at the appropriate level taking into account the effect of the additional expenditure.

+ Includes grant funded programmes of work, and expenditure levels are taken as gross before receipt of grant