



Investment and Regeneration

PROCUREMENT POLICY

Argyll Community Housing Association

Procurement Policy

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Amended in line with new Building Works Procurement Policy

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Introduction

- 1.1 The Association's policy is to procure goods and services in an effective manner and to seek value for money.
- 1.2 The Building Works Procurement Policy addresses the specific issues related to building contracts and related services.

Aim

- 2.1 To establish a cost effective purchasing service which provides best value, value for money and choice.
- 2.2 To ensure that the purchasing power of the Association is effectively utilised to maximise economies of scale.
- 2.3 To ensure that the Association's purchasing is conducted prudently and with demonstrable probity and equity.
- 2.4 To ensure an adequate supply of goods and services is available to the Association.

Objectives

- 3.1 To procure goods and services of the right quality, at the right time and at the lowest overall cost.
- 3.2 To develop procedures and systems which ensure compliance with statutory and EU provisions and demonstrate best practice in purchasing.
- 3.3 To ensure that adequate quality control mechanisms are in place.

Responsibilities

- 4.1 In procuring goods or services, the Association is responsible and accountable for achieving value for money. This reflects the Associations' general responsibility for the efficient and effective use of resources. The Management is responsible for ensuring that procurement strategy, procedures and responsibilities are clearly set out and understood by all staff and committees
- 4.2 Goods and services will be acquired by value for money assessment, unless there are compelling reasons to the contrary. Subject to the Association's legal obligations the form of competition shall be appropriate to the value and complexity of the product or service to be acquired.

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Business Conduct

- 5.1 The Association has basic standards of behaviour required of all staff and Committee members involved in Purchasing throughout the Association. If in any doubt on the action that should be taken, you should seek guidance from your Chief Executive or the Chairman.
- 5.2 The standard of conduct expected of all staff is detailed in the Association's Constitutional Documents and Staff Code of Conduct.

General Principles of Appropriate Conduct

- 6.1 The Association will conduct business dealings with suppliers according to the following general principles:
- award contracts and orders, based on sound commercial reasoning and current policies, uninfluenced by any motivation of personal gain or favour
 - comply with laws relating to the purchase of goods and the provision of services
 - adhere to the obligations in purchase contracts
 - reject any business practice that might be deemed improper
 - do not accept offers from suppliers to the Association to provide goods or services at reduced prices to staff in their personal capacity

Declaration of interest

- 6.2 Staff and Committee members will be expected to declare any personal interest in the business of a supplier currently being used or under evaluation, as prescribed in the Association's Disclosure of Interests Policy. Relationships between the Association and Suppliers in these circumstances must be shown to be uninfluenced by any personal interest. The policy on Schedule 7 must be applied.

Confidentiality and accuracy of information

- 6.3 The Association staff and Committee members will not:
- use commercially confidential information received in the line of duty for personal gain
 - divulge information to any party who might gain unfair advantage from it or who might provide others with an unfair advantage

Information given to third parties should be consistent and fair. The Association will comply with all data protection matters.

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Business Gifts and Hospitality

6.4 In general, individual Committee Members and members of staff should not do anything that could not be fully justified to the Committee, to tenants, to the membership, or to the public. Conduct should be guided by the Gifts and Hospitality Policy. Any gifts that are accepted must be recorded in the Register of Interests of members of the Committee or the Register of Interests of staff as appropriate.

Contractors

6.5 All dealings with contractors and other suppliers of goods or services must be maintained on a strictly business basis and the highest standard of care and integrity maintained at all times. Any offer of a gift, favour or hospitality that is intended as, or might be deemed by others to have the effect of an inducement must be reported immediately. Committee Members and staff should contact the Chief Executive or Chairperson. A full report on the facts must be made to the Committee who must agree on what action if any, should be taken.

Dealing with Suppliers

6.6 Staff and Committee members will seek to protect and further the interests of the Association in negotiations with suppliers, and act with integrity and fairness. Representatives are a valuable link between the Association and suppliers, however judgement will be applied to discourage "cold calls". All staff and committee members should comply with the Code of Conduct for Staff and Committee.

Procurement Principles

7.1 The basis of purchasing decisions and activities will conform to the following key principles:

- comparisons of the purchase costs from different suppliers will be based on value for money. All quantifiable costs of purchase and subsequent ownership's will be taken into account, not just the purchase price alone
- use of competition when seeking supplies
- selection of suppliers capable of meeting the required levels of quality and delivery
- specification of products and services consistent with their required purpose and performance
- purchase of products and services that conform with requirements for compatibility and standardisation
- encouragement of competition, balanced with the development of supplier relationships
- evaluation of costs of purchase based on value for money criteria
- fulfilment of purchasing obligations to EU directives
- reduction or avoidance of stockholding and its associated costs
- maintenance of systems and procedures which will ensure best purchasing and stockholding and supply practices

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Purchasing Objectives

7.2 The objective of the Association is to obtain goods or services:

- of the right quality
- in the right quantity
- from the right source
- at the right time
- at the right price
- delivered to the right place

To achieve this, staff will maintain suitable records, adopting the systems and procedures set out by the Finance Department.

Standard Documentation

7.3 The standard documentation will be used and the documents retained for the appropriate periods.

Legal Considerations

7.4 The Association will ensure that its procedures comply with all relevant legislation. The Association is responsible for ensuring that they comply appropriately with their legal obligations.

The Legal framework for public procurement includes:

- EU and other international obligations, as implemented in the UK legislation or by virtue of direct effect;
- Specific domestic legislation, for example, on corrupt gifts or unfair contract terms;
- Contract and commercial law in general; and
- Domestic case law
- Matters concerning Health and Safety

Separation of Duties

7.5 The responsibility for the various steps involved in purchasing goods and services will, where possible, be separated, so as to avoid risks of impropriety.

Authority Levels

7.6 The authority levels to commit to purchase are defined within the Schedule of Delegated Powers and Financial Regulations.

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Conditions of Contract

7.7 The Association will conduct its business on its own general terms and conditions.

External Consultancies

7.8 External consultants will be employed when:

- action is required to bring about change and there is demonstrable commitment to act upon the substance of the outputs;
- the work cannot be handled internally, i.e. the Association is sure that the required knowledge and expertise is not available in-house;
- the consultants can bring relevant new knowledge and experience which adds value;
- the appointment is approved by committee;
- the proposals from consultants are evaluated on a fair and consistent basis.

Tenders and Quotations

7.9 The Association will give equal opportunity in competitive bidding to all firms invited and all firms are to be treated equally. The basis for evaluating quotations and tenders is value for money. The criteria must be established before purchase enquiries or invitations to tender are issued.

Tender Procedures

7.10 The Association will follow the Tender Procedures set out in Appendix 1 of Building Works Procurement Policy.

Conflict of Interest

7.11 No Company may be used where any Director or Manager is a close relative of any Committee or Staff Member and the Association will at all times comply with Schedule 7 of the Housing Associations Act (2001) in line with policy on conflict of interest.

Innovation in Procurement

7.12 The Association will investigate the options for introducing innovative practices into procurement, such as e-procurement, bulk purchasing initiatives and procurement card schemes.