



Procurement Policy

Creating Opportunities. Transforming Communities. Changing Lives

Version 1

May 2017

1 Purpose and Context

1.1 Purpose

This document sets out the policy for purchasing works, goods or services on behalf of One Manchester and its subsidiaries. Detailed guidance on implementation can be found in the associated procedures.

The purpose of having a common policy is to ensure effective procurement processes are adopted, helping us to maximise value for money, social value and increase efficiency. This means, adopting transparent and competitive approaches to procurement wherever practical to do so. Furthermore, this policy has been developed to ensure that One Manchester complies with its statutory and regulatory requirements.

All staff involved in procurement activity have a responsibility to be familiar with and adhere to this policy and procedures.

The policy has been developed to ensure appropriate and proportionate approaches to procurement procedures are adopted for all levels and types of spend from small direct purchases through to major development contracts.

1.2 Objectives

The objectives of the policy, as set out in the detailed procedures are:

- To provide clear guidelines and methods by which One Manchester procure, Contracts, Services and Suppliers.
- To establish the process for selection and award criteria for the appointment of Contractors, Services and Suppliers.
- To award contracts that achieve value for money
- To promote / achieve Social Value through our contracts
- To promote openness, equality, competition and transparency throughout the procurement process
- To maintain a modern approach to tendering provisions within the Financial Regulations to meet the European Union and UK procurement rules
- To promote and encourage partnership working in Joint Procurement ventures with relevant organisation's, to support local business
- To encourage Equality and Diversity

1.3 Code of conduct

All One Manchester staff engaging in procurement activity shall be aware of the policy and associated legal Acts and Statutory requirements when undertaking procurement activity.

1.4 Legal Context

This policy has been developed to help One Manchester comply with a range of statutory and regulatory requirements. They include:

- EU Legal Framework - Directive 2014/24/EU of the European Parliament.
- The Social Value Act (2013)
- Modern Slavery Act (2015)
- Bribery Act (2010)
- HCA Regulatory Framework

1.5 Greater Manchester context

One Manchester is committed to working in partnership with other Greater Manchester partners. Where possible, we will work with partners to achieve better value for money and maximise social outcomes for our communities. The Greater Manchester Combined Authority has developed and

adopted a Social Value Policy that has been adopted by all GM local authorities, as well as a number of registered providers. One Manchester's approach to social value in procurement has been developed to be compatible with this approach.

2 Planning Procurement

Forward planning is required in order to:

- Allow time to develop well considered, and sufficiently detailed tender specifications or briefs.
- Consider and identify relevant and appropriate social value requirements.
- Adhere to legal requirements regarding advertising periods for open tenders.
- Ensure that potential suppliers have sufficient opportunity to hear about, and respond to opportunities to ensure effective competition.

Typical procurement timescales vary from less than a month for direct orders upto 6 months for a full OJEU process.

3 Methods of Procurement

3.1 Overview of procurement methods

There are various ways in which One Manchester can procure works, goods and services from direct orders to competitive tender. The process for each method is described in the procedure.

3.2 Selecting and Implementing the Required Procurement Method

Budget holders are required to ensure that the appropriate approach to procurement is applied consistent with the requirements of the delegatory framework and in accordance with Section 20 consultation where appropriate.

3.3 Pre Qualification Requirements

One Manchester will set requirements that must be met by suppliers. Demonstration that these criteria are met will be assessed either when considering suppliers for inclusion in preferred supplier lists, or when inviting tender responses.

The requirements include adequate insurance, financial checks and ethical considerations consistent with our values and priorities as a social business.

4 Tender Processes

All tenders should be based on a standard specification to ensure parity of returned information and will follow the process outlined in the tender procedure which includes the number of tenderers required, reporting, scoring and evaluation.

A tender report will be produced identifying best value in terms of time cost and quality in line with tender scoring criteria. The final report will confirm the tender with to best overall score in terms of value and quality.

The approach to evaluating and scoring tenders should be developed by the manager responsible for the tender in consultation with the Social Value Impact Coordinator.

Scoring matrices should be developed to help ensure a consistent and objective approach to assessment. Results will be weighted against price and quality with a minimum of 20% reflecting social value.

One Manchester will make use of specialist or housing sector external procurement frameworks where it is considered to add value to the procurement process, where there are H&S issues or the works are specialist in nature.

Where contracts exceed the EU thresholds they should be formally advertised through the Official Journal of the European Union (OJEU). Current thresholds are outlined in the procedure.

5 Contracts / Agreements

5.1 Form of Contract

Staff should be aware of the contracting requirements set out in the Delegatory Framework. This sets out:

- The requirement to set out contract terms in writing
- Who is able to authorise spend for different thresholds
- The form of contract which should be adopted for different types of transactions

Where a contract is made wholly in writing, it can be structured in one of two ways:

- As a simple contract (also referred to as an agreement under hand). 6 Year limitation period
- As a deed executed in so-called "solemn form", which maybe under seal where applicable) 12 years limitation period

5.2 Contract Terms

Contract terms will normally comprise of service specific terms, and One Manchester Standard terms appropriate for the type of service or goods being procured.

Contract considerations are required to protect One Manchester for associated risks, they include, but are not limited to:

- Liquidated and Ascertained damages
- Retention
- Confidentiality and data protection
- Payment schedules, and interim valuations
- Performance measures
- Dispute resolution
- Termination

5.3 Contract performance management

Contract performance should be managed as defined in the contract terms / supplier agreement. Appropriate Key Performance Indicators (KPIs) should be considered and incorporated prior to entering any agreements, as well as the approach that will be taken to monitoring performance.

6 Managing new and preferred suppliers

One Manchester will obtain and maintain key information about its supplier base in order to support financial administration, as well as monitor of the social and economic impact of our supply chain.

A register of all current suppliers will be maintained.

One Manchester will maintain a preferred supplier list for all areas where it has a frequent requirement for goods and services. Service directors should oversee maintenance of preferred supplier's lists for use by their teams. The preferred supplier list should conform to a standard common format so that they can be combined to assist with group wide analysis.

The following principles should be applied when considering inclusion of suppliers on the preferred supplier lists:

- We should seek to ensure that local suppliers are included with preference for businesses operating in our neighbourhoods, city, and county.
- We should have preference for businesses that can demonstrate shared values and social objectives.

- We should consider past performance and satisfaction from previous trading relationships in the business.

Where such lists are not maintained firms and organisations operating under formal frameworks or existing contracts shall be used.

7 Commitment to social value

7.1 Social Value Priorities

One Manchester's Social Value Strategy aligns with both the objectives of the Greater Manchester Combined Authority, and our own social investment priorities. We seek to secure additional social benefits from our supply chain that compliment our own activities and those of our community partners.

The following priorities are regarded as relevant to all our procurement activities in the context of social value.

- **Supporting more resilient communities:** We seek to build capacity and sustainability of the voluntary, community and social enterprise sectors, encourage resident participation and promote active citizenship.
- **Improving places and reducing environmental impact:** We seek to promote environmental sustainability, reduce wastage, limit energy consumption and procure materials from sustainable sources. We will also seek to enhance the local environment to create neighbourhoods that look and feel better.
- **Supporting a stronger more resilient local economy:** We seek to develop skills and confidence to increase employability within our communities and surrounding areas. We encourage our suppliers to source labour and services from within Manchester to help develop the local economy.
- **Supporting Healthier and Happier people:** We seek to increase opportunities for local people to engage in activities and access services that will improve their health and wellbeing.
- **Supporting more confident and capable young people:** We seek to maximise the potential of young people in our communities by enabling opportunities for them to develop skills, and have access to challenging and inspiring experiences.

7.2 Applying and documenting social value considerations

Social value is considered in procurement activities in the following ways:

- All procurement activities involving spend of over £25,000 should consult with the social value impact coordinator to determine how we will identify relevant and proportionate social value requirements linked to the procurement.
- Where purchasing goods or services through a tender, Social Value will be considered in the tender specification, and social value will be weighted (20%) and scored as part of the tender return.
- For all purchases, below the OJEU limit, efforts should be made to ensure local contractors and suppliers are able to bid. One Manchester will take a pro-active approach to engaging with local suppliers to help them engage with our supply chain. In some circumstances the cheapest prices will not represent the best value for money to One Manchester. E.g. where a local supplier can demonstrate additional social value benefits to our communities.

- Suppliers seeking to be registered on our preferred supplier lists may be subject to scrutiny and vetting in relation to our corporate values and social value priorities.

8 Supply chain development

One Manchester will take a pro-active approach to supporting the development of a socially responsible supply chain. We will analyse the footprint of our expenditure, and develop action plans to support more local procurement that benefits our communities linking to our enterprise support and capacity building services.

9 Recording and storage of procurement data

Information will be logged and maintained in order to ensure compliance with regulations, and to provide management information for One Manchester to inform procurement decisions.

10 Monitoring and review

In accordance with the Delegatory Framework, reporting of all waivers authorised will be reported quarterly to the Audit Committee.

The policy will be reviewed every three years.

11 Supporting and developing capacity and skills for effective procurement

To ensure this policy is effective, it must be communicated and embedded throughout One Manchester. It is essential that individuals with responsibility for procurement activities are familiar with this policy and associated procedures.

All budget holders should ensure that anyone given delegated authority to spend is aware of and supported to ensure compliance with the procurement policy.