

# HOMES ENGLAND - PROCUREMENT POLICY

## OBJECTIVE

Homes England aims to achieve value for money via efficient and effective procurement of works, goods and services to meet its operational and administrative requirements.

## EXECUTIVE SUMMARY

Homes England's procurement activities include works, supplies and services required to enable project and programme delivery, provide corporate services and manage our premises.

Homes England is committed to achieving value for money, in terms of quality and price, for all its procurement activity. In order to achieve value for money, Homes England will endeavour to clearly communicate our requirements and evaluation criteria, as an informed purchaser, and to establish levels of competition appropriate to the size and complexity of the purchase. Throughout the competitive process, Homes England will also seek to adopt the highest possible standards of probity.

Homes England is committed to ensuring that its public procurement obligations are complied with, including those obligations established in our Framework Document and Public Contract Regulations 2015.

To reflect Homes England's devolved delivery and decision making, responsibility for procurement decisions often rests at a regional level. The corporate procurement function provides advice and operational support to the regions and acts as a gateway to ensure probity and value money considerations are adequately addressed. A wide range of corporate functions exist which support the procurement process and where appropriate framework agreements have been established for professional and technical consultants.

The requirements of this procurement policy and detailed procedures apply whether procurement is being administered directly by Homes England staff, on its behalf by a public sector partner or by external consultants.

## PROCUREMENT ACTIVITIES

The main areas of procurement activity are as follows:

- **Works**

Other than Works necessary from time to time on the buildings owned by Homes England, the majority of Works procurements are associated with bringing land and/or property to the market. This can include demolition, decontamination, drainage, road building and other site-specific works. These Works will be either procured via existing frameworks (procured by Crown Commercial Service or other central purchasing bodies) or via standalone procurement.

Homes England's partnership working means that subsidised Works contracts can arise where Homes England will need to rely on the procurement arrangements of public and private sector partners. The nature of these arrangements will depend on nature of the Works contract and local arrangements adopted by partners.

Disposal of land for housing development can, in certain circumstances, be considered a procurement of Works, even though the financial transaction is income rather than expenditure. Those opportunities with a development value in excess of the EU threshold for Works are

subject to the full scope of Public Contract Regulations 2015. The Homes England has procured a framework agreement, our Delivery Partner Panel 3 (or DPP3), to enable efficient competition and compliance with the Regulations. Certain development opportunities will however require an individual OJEU competition.

- **Services**

Homes England's business involves the procurement of significant levels of consultancy advice across a wide range of disciplines including legal, economic evaluation, property, masterplanning and engineering professional services. In order to ensure Homes England maintains strong working relationships with these suppliers and is able to access high quality services and competitive prices, national framework agreements have been established.

Further competitions are widely used for instructions via these framework agreements. This has established clear benefits in improving the fairness, transparency and robustness of appointment decisions within the frameworks. It is envisaged that the framework agreements will continue to provide Homes England with the vast majority of services required to support project delivery.

Where Homes England does not have its own arrangements for the procurement of services, these are procured via frameworks procured by CCS and other central purchasing bodies.

Details of when the Homes England frameworks are due to be open to competition are available on request.

Other elements of Homes England's activities involve procurement of other services such as security, site maintenance and cleaning. Site security has recently been brought into a national framework, with site specific maintenance and cleaning requirements procured on a site by site basis.

Homes England also procures relatively modest levels of services in relation to administrative or staffing matters.

- **Supplies**

Homes England's business activities do not normally require significant amounts of supplies. There can be significant one-off supplies purchases and a recent example was the procurement for the supply of land drainage equipment which was procured in parallel to the associated Works contract. Homes England will procure these requirements itself in accordance with its public procurement obligations.

The operation and maintenance of a network of offices across England requires the purchase of goods and supplies to ensure these offices operate smoothly. Other than the purchase of IT equipment, photocopying, utilities, stationary, cleaning and security, which are procured at a national level, the purchase of such goods and services are delegated locally and often reflect office sharing and other arrangements.

The procurement of supplies is an area where Homes England is likely to continue to take advantage of collaborative purchasing agreements and national frameworks operated by the Crown Commercial Service (CCS), and other public bodies where permitted.

## COMPETITION

Homes England's Framework Document, in conjunction with the EU procurement thresholds, provides a mechanism for increasing the level of competition based on whole life valuation of costs. A particularly complex procurement may lead to higher levels of competition being adopted.

### Expenditure below £5,000

Small value requirements do not require competition, but staff and consultants acting on behalf of Homes England have a duty to achieve value for money and must retain appropriate evidence of this.

### Expenditure in excess of £5,000 and below £10,000

This requirement is subject to competition. This may take the form of written quotations where a formal competitive tender situation would result in disproportionate administration costs, unacceptable delays or inefficiencies. Either three or four such quotations should be sought. This quotation process will be administered locally.

### Expenditure in excess of £10,000 and below the EU threshold

The Financial Framework establishes the need for full competition which will usually be via Contracts Finder.

### EU Threshold and above

All procurement activity must be in accordance with the European Communities Public Procurement Regulations. Where the life cycle costing of a contract indicates that the expected costs will equal or exceed these limits for Supplies, Services or Works, Homes England will comply with these requirements.

Works	£4,733,252
Services	£189,330
Services	£189,330

Furthermore, Homes England is committed to aggregating the values of contracts to comply with these thresholds.

For the avoidance of doubt Homes England is committed to achieving value for money both in terms of quality and in terms of price. With reference to procurement (rather than disposal of land) both quality and price factors will be considered together with quality/ price ratios being used to help decision making. Details of any relevant ratios and evaluation methodology will be disclosed in the tender documentation.

## REGULATORY REQUIREMENTS

Our Framework Document requires that Homes England's procurement policies conform to relevant HM Treasury guidance documents including Procurement Policy Guidelines and that account is taken of all relevant EU and other international procurement rules. Further details can be found from the Cabinet Office and Crown Commercial Service (CCS) websites.

In order to satisfy the Financial Framework commitments, procurements valued over £10,000 will normally be subject to an assessment of the company's financial strength and capacity by our Financial Due Diligence Team.

## OTHER MATTERS

### ProContract

Homes England use the ProContract procurement platform provided by ProActis. This supports all procurement activities above £10,000 and all disposal activities covered by the Public Contract Regulations 2015 (including DPP3).

### Collaborative Purchasing

Homes England will typically take the lead and ownership of procurement activities directly linked to delivery of projects. Where appropriate, such procurement arrangements are open to project partners and other public bodies to utilise.

As noted previously Homes England has its own or makes use of collaborative purchasing solutions for professional services. Homes England is committed to making sensible use of solutions established by CCS and other central purchasing bodies and increasing our use of such solutions. Specifically, Homes England makes use of CCS solutions for energy, banking, fleet, stationary and digital activities.

### Sustainability

Homes England is committed to sustainable development and as such our procurement arrangements are under continual review to ensure that they support these wider aspirations. Environmental sustainability forms part of our shortlisting arrangements and where appropriate forms a key part of specifications and evaluation criteria for the award of contracts.

As with all public bodies, Homes England is obliged to establish increasing levels of understanding and application of environmental sustainability across our business and management of our premises.

### Equality, Diversity and Inclusion

In line with the Government's policy on Diversity, Homes England will, as part of competitive procurements, establish arrangements bidders for Equality and Diversity and where appropriate provide evidence of this technical ability within their organisations. Depending on the nature of specific procurements specifications specific diversity requirements may be included and form part of the final award decision.

### Small and Medium Size Companies (SME)

The procurement arrangements of Homes England have the primary purpose of meeting its continuing business needs. However, Homes England recognises the need to ensure that, where possible, SMEs are able to access and compete for procurement opportunities as they arise. The nature of Homes England's procurement arrangements are such that SMEs represent a key part of our supply chain. As part of this commitment Homes England will continue to adopt the key practices and government guidance.

Homes England consistently achieves expenditure in excess of targets which reflects the existing and continuing importance of SMEs to Homes England's continuing business needs.