



PROCUREMENT POLICY

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PROCUREMENT POLICY

1 Background

- 1.1 These Procurement Rules (the **Rules**) set out the Rules that must be followed by Goram Homes (**Goram**) for:
 - 1.1.1 The procurement of Supplies, Services or Works; and / or
 - 1.1.2 The award of any Concession.
- 1.2 Goram is a company wholly owned by Bristol Holding Limited, which is itself wholly owned by Bristol City Council. Goram has been established so that it is a body with a commercial character, not meeting needs in the general interest. As such a body it does not fall within the definition of a body governed by public law under the Public Contracts Regulation 2015.
- 1.3 These Rules support and supplement Goram's:
 - 1.3.1 Standing Orders;
 - 1.3.2 Schedule of Delegated Authority; and
 - 1.3.3 Financial Regulations.

2 General Principles

- 2.1 These Rules constitute Goram's contract procedure rules and:
 - 2.1.1 ensure that Goram obtains Value for Money;
 - 2.1.2 prevent corruption or the suspicion of it;
 - 2.1.3 ensure fairness and equality of treatment of all suppliers, avoidance of bias, favouritism and that fairness can be demonstrated through an audit trail; and
 - 2.1.4 promote social value, including the local economy and environmental sustainability, to the extent that it is legally permitted.
- 2.2 All contracts must be let in accordance with:
 - 2.2.1 these Rules; and
 - 2.2.2 Goram's terms and conditions. Where this is not possible or departure is being considered a clear note on why it is not possible to be noted for audit purposes.
- 2.3 Goram's procurement process shall:
 - 2.3.1 Seek to reduce disadvantage, advance equality and promote community cohesion as defined in the Equality Act 2010; and

2.3.2 Make every effort to promote local business including small and medium-sized enterprises (SME).

2.4 No Contract shall be made unless:

2.4.1 It can be demonstrated that it represents Value for Money; and

2.4.2 The necessary authorisation has been obtained.

2.5 All suppliers must be able to demonstrate a commitment to:

- Compliance with all local laws and regulations, including those related to social and environmental performance.
- Good governance, including policies related to ethics and corruption
- Positive practices beyond what is required by regulations (e.g. environmentally friendly manufacturing process, excellent labour practices)

3 Compliant Exceptions

3.1 It should be the default position to obtain value for money through competition, as described in the Rules, unless there are compelling reasons not to do so.

4 Direct award

4.1 Where Goram has already entered into a contract with a contractor or JV partner, Goram may waive the requirements under this procurement policy and directly award subsequent contracts to that contractor provided that:

4.1.1 The Board of Goram is satisfied with the performance of that contractor under its existing contract; and

4.1.2 The Board of Goram is satisfied that the direct award would achieve value for money for Goram by reference to benchmarked construction prices set out in the Building Cost Information Service (BCIS), as published by the Royal Institute of Chartered Surveyors from time to time.

5 Standards, Breaches and non-compliance

5.1 Compliance with these Rules is mandatory.

5.2 Those with responsibility for fulfilling their duties in line with the Rules are required to maintain ongoing knowledge and awareness to ensure compliance.

5.3 It will be the responsibility of staff (including those with line management responsibilities) to address non-compliance swiftly and in the most appropriate way according to the circumstances.

5.4 Means of reporting concerns can also be raised anonymously in line with Goram's whistleblowing policy.

- 5.5 Failure to comply with these Rules may constitute a disciplinary matter that may be pursued as appropriate, in accordance with the relevant human resources policy.
- 5.6 An employee must not seek or receive any bribe, gift or inducement of any kind. Any employee who has either been offered a bribe, gift or inducement, or is aware or suspects that another employee has been, shall report it to the Managing Director, or in the case of the Managing Director, to the Chair of the Board.
- 5.7 If an employee is or could be in a position where somebody with whom they have a family, personal or financial relationship might bid for a contract, they must not be involved in any way in the procurement exercise or seek to influence it.

Key Financial & Procurement Thresholds

General

Table 1 Key Financial Thresholds & Procurement Procedures

ACTIVITY	UP TO £50k	Contract: £50k to £1m	Contracts: Over £1m
Tender process (as a minimum)	Obtaining at least one Quotation (preferably written), wherever possible from local / SME supplier	Seeking a minimum of three Quotations where possible with one of the three quotes from local / SME suppliers or ITT with formal procedure	Formal procedure
Formal Advertising / Publication of opportunity	Optional	Yes	Yes
Further requirements			Requires Board approval and legal advice, to be supported by external consultants

Key Processes and Other Considerations

6 Timescales

- 6.1 Documenting specifications clearly and accurately is critical to achieving the right long-term outcomes for Goram so employees should dedicate sufficient time for this activity.

6.2 Timescales for submission of tenders / quotations shall be reasonable, sufficient and proportionate in order to enable suppliers to submit a suitable response in order to facilitate genuine competition.

6.3 Where the procurement is a re-tender it is essential to put in place necessary and appropriate time in advance to ensure continuity of service.

7 Preliminary Market Consultation

7.1 Where relevant and proportionate to do so, preliminary market consultation is permitted and encouraged with the intention of informing the procurement process and potential suppliers.

8 Advertising Opportunities

8.1 Publishing of quotation / tender opportunities shall be in line with Table 1 Key Financial Thresholds & Procurement Procedures. The primary means of advertising shall be via Goram's website.

9 Formal Tender Procedure

9.1 Where a formal Tender Procedure is used, employees must invite at least 3 tenders but are permitted to structure the Tender Procedure in any way (provided that it complies with these Rules).

9.2 The ITT must not be based on price alone and must set out the evaluation criteria for both price and quality, along with how those tenders will be assessed in accordance with the rest of these Rules.

9.3 The ITT can either be operated with a negotiation/dialogue phase, or the employee is permitted to award a contract on the basis of a Tender without negotiation/dialogue.

9.4 Tenders will be evaluated in accordance with the evaluation criteria disclosed in the published tender documents.

9.5 In setting criteria and in the evaluation of quotes/tenders, reference should be made to the accompanying evaluation guidance.

9.6 Where a formal Tender Procedure is used, Goram will appoint an external consultant to support with the tender process.

10 Opening of Quotations / Tenders

10.1 Quotations and Tenders should be transmitted by electronic means. Quotations and Tenders submitted by electronic means shall ensure that:

10.1.1 evidence that the transmission was successfully completed is obtained and recorded through the system; and

- 10.1.2 Quotations / Tenders are not opened until the deadline has passed for receipt of tenders (where a formal deadline is in place).
- 10.2 Quotations / Tenders received after the specified date and time may be considered at Goram's sole discretion.
- 10.3 Where information is felt to be missing or omitted in a Quotation / Tender then Goram may clarify that with tenderers at its sole discretion.

11 Contracts and documentation

- 11.1 All Contracts shall be executed by an employee with authority to do so.
- 11.2 The use of electronic signatures is permitted, provided legal advice has been obtained as to the process where legal advice is required as per Section 11.4 and 11.6 of this policy.
- 11.3 A Contract must be executed as a deed when one or more of the following situations exist:
 - 11.3.1 The Contract relates to a construction project (whether a Contract for Works or a Contract for Services) where the overall value of the Works or Services is greater than £500,000;
 - 11.3.2 Contracts for Works below the value of £500,000 where there is a risk of latent defects;
 - 11.3.3 Where it is particularly complex or high risk;
 - 11.3.4 Where it is a mortgage or charge;
 - (a) Where it is for the acquisition or disposal of an interest in land;
 - (b) Where it is an appointment of a trustee, and/or;
 - (c) Where it is a power of attorney.
- 11.4 Legal advice must be sought for a Contract that includes one or more of the following features:
 - 11.4.1 Where the Contract Value is greater than £1m (one million);
 - 11.4.2 Where it involves financial lease arrangements;
 - 11.4.3 Where it is proposed to use a contractor's own terms;
 - 11.4.4 Where it is particularly complex or high risk;
 - 11.4.5 Where Goram intends to enter into a Joint Venture arrangement.
- 11.5 All Contract formalities must be concluded before the supply, service or works begin, bar in exceptional circumstances, and then only with the written

approval of the Board. All related parent company guarantees and/or bonds should be delivered in accordance with the Contract/Tender.

- 11.6 The employee responsible for securing signature of the Contract must ensure that the person signing for the other contracting party has authority to bind it. Legal advice should be obtained where this appears uncertain.

12 Contract Extensions and Variations

- 12.1 Extensions or variations to existing contracts must be made in line with the terms and conditions of the relevant Contract.

13 Contract Management

- 13.1 Contract management must be an integral part of the consideration when seeking to award a new Contract. This will include establishing dedicated contract managers and contract management systems that are aligned to contract and corporate objectives, Value for Money and performance improvement.
- 13.2 Payments shall be made in accordance with the contract and in a timely manner so as to avoid the payment of any interest charges.
- 13.3 During the life of a Contract, the contract manager must monitor the Contract in line with any approved Contract management framework
- 13.4 If a contractor fails to comply with any of the provisions of a Contract, the contract manager must try to secure compliance. Proper records must be kept regarding Contract failings and any corrective measures put forward. If this is not successful, the matter should be referred promptly to the Board and their advice sought as to what action should be taken to protect Goram's interests.
- 13.5 Where practicable, all Contracts should contain a dispute resolution procedure. If a contractor raises a dispute which is not clearly within the terms of a contract, the contract manager must not negotiate a settlement until the claim has been referred to:

SCHEDULE 1 – DEFINITIONS

DEFINED TERM	MEANING
"Bidder"	Means any person who asks or is invited to submit a quotation or tender.
"Contract Manager"	Means Contracts that have been set up with the expressed intention of supporting the delivery of Works, Service or Supplies or Concessions,
"Contract Value"	<p>Means the whole life value or estimated whole life value (in money or equivalent value) for any purchase (including any extensions available) calculated as follows:</p> <ul style="list-style-type: none"> (a) Where the Contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the fixed period; (b) Where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those transactions over the life expectancy of the Contract; (c) Where the Contract is for an uncertain duration, by multiplying the monthly payment by 48.
"Employee"	Means a member of staff employed by Goram with relevant and appropriate authority to act on behalf of Goram.
"Tender"	Means a Bidder's proposal submitted in response to an ITT.
"Value for Money"	Means optimum combination of whole-life cost and quality (or fitness for purpose) to meet the customer's requirement. This includes consideration of Social Value.
"Quotation"	Means a quotation of price and any other relevant matter (without the formal issue of an invitation to Tender).