



OCH PROCUREMENT POLICY



1. OVERVIEW

- 1.1 OCHL was established to meet the needs of local people in Ogwell. We maintain land and buildings to benefit the community and have a responsibility to manage our finances and assets effectively and transparently.
- 1.2 The procedures laid out in this document establish standards and guidelines for the procurement of supplies, equipment, construction and services, through open and competitive processes, and for managing contracts using good administrative practices and sound business judgement.

2. CODE OF CONDUCT

- 2.1. The code of conduct set out below governs performance, behaviour and actions of OCHL, including board members, employees, volunteers and agents who are engaged in any aspect of procurement including, but not limited to, the purchase of goods and services, the awarding of contracts, or the administration and supervision of contracts.
- 2.2. No board member, employee, volunteer and agent acting on behalf of OCHL shall participate in the selection, award or administration of a bid or contract if there is a conflict of interest, real or apparent to a reasonable person. Conflicts of interest may arise when any board member, employee, volunteer and agent acting on behalf of OCHL has a financial, family or any other beneficial interest in a firm considered or selected.
- 2.3. No board member, employee, volunteer and agent acting on behalf of OCHL shall do business with, award contracts to, or show favouritism toward a member of their immediate family, spouse's family, or to any company or concern that employs or has any relationship to a family member. We have adopted the definition of related parties set out in the Statement of Recommended Practice for Charities.
- 2.4. No board member, employee, volunteer and agent acting on behalf of OCHL shall solicit, accept gratuities, gifts, consulting fees, trips, or financial favours from a company, an employee or an individual seeking to do business with us, or from members of their family or from any party with a sub-agreement or ancillary contract.
- 2.5. As permitted by law, OCHL shall pursue appropriate legal, administrative or disciplinary action against any board member, employee, volunteer and agent acting on behalf of OCHL, who is alleged to have committed or has been convicted of a procurement related infraction.

3. SOLICITATION AND COMPETITION

- 3.1. All procurement transactions should deliver value for money.
- 3.2. OCHL must identify and clearly specify standards for the goods and services it requires.
- 3.3. The procurement requirements for different levels of expenditure are set out in the table below.

AMOUNT	PROCUREMENT – MINIMUM PROCEDURE
£0 - £2,499	A direct award can be made
£2,500 - £24,999	Three written quotes or prices must be obtained from relevant suppliers of goods, works and/or services

£25,000 or over	A formal tender process is required
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- 3.4. There may be situations where a more formal bidding process is required for goods or services at values below £25,000. This should take into account the balance between the process and the size of contract and should not be onerous or complex.
- 3.5. Decisions will not be solely based on cost but will take account of quality and service. Examples of criteria other than cost include:
- Quality of the goods or service
 - Quality of customer service
 - Use of local labour
 - Sustainability
 - Equality and diversity
 - Affirmative efforts to utilise local companies and small businesses
 - Guarantees, warranties and insurance cover
- 3.6. In relation to procurements of £2,500-£24,999, the procurement files will include copies of the three quotes and a brief written rationale for contractor selection.
- 3.7. For procurement of £25,000 and above, selection will be through a tender process based on a written specification of the goods and/or services required. Where appropriate, we will use a pre-qualification questionnaire (PQQ). Selection criteria will be agreed in advance and made explicit to prospective suppliers. Criteria may be absolute hurdles or given as a weighting. The balance between cost and other criteria will be decided in advance. Examples of criteria other than cost are set out in 3.6. Clarification may be sought from prospective suppliers where a PQQ is incomplete, or a tender may be disregarded if the PQQ is substantially incomplete.
- 3.8. In relation to tenders, procurement files will include:
- A written record of the basis for contractor selection
 - Justification for lack of competition if competitive bids could not be obtained
 - Copies of the tender documentation and bids received.

4. ROLLING CONTRACTS

- 4.1. Service providers will be selected using the procurement principles outlined. Each contract will be different and will be considered against the following guidelines:
- An ideal contract period for many services is three years. This allows partnership working to blossom and gives the contractor a level of security when tendering, particularly if the service has up-front costs
 - Costs may be fixed over the three years or may be varied annually, with an opt-out clause if costs increase by greater than inflation.
 - The contract should be reviewed bi-annually, and may be extended, should both parties be in agreement

- The contract should be regularly retendered, at least every five years.

5. CONTRACT ADMINISTRATION

- 5.1. OCHL has a system of contract administration to ensure the proper oversight and management or procurement activities.
- 5.2. OCHL is responsible for evaluating contractor performance and documenting, as appropriate, whether contractors have met the terms, conditions and specifications of the contract. This may include progress inspections, interim products, inspection of goods delivered, and any other methods, suitably documented, that provide assurance that the goods and services are being delivered within the scope of the contract.
- 5.3. OCHL's contract administration system will ensure that the method of procurement is documented, and records maintained for five years after final payment is made.

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