

# Procurement Strategy and Guidance for Spadesbourne Homes Ltd

## 1. Introduction

This procurement strategy is set out for Spadesbourne Homes Ltd.

## 2. Objectives

- **Ensure Value for Money (VfM):** Achieve the best possible outcomes for Spadesbourne Homes and its stakeholders by obtaining goods and services at the most advantageous combination of cost, quality, and sustainability.
- **Promote Transparency and Accountability:** Maintain clear and open procurement processes to build trust and ensure compliance with legal and regulatory requirements.
- **Support Local Economy:** Prioritise local suppliers to boost the local economy and foster community development.
- **Sustainability:** Incorporate sustainable practices in procurement to minimise environmental impact.

## 3. Procurement Principles

- **Fairness:** Ensure all suppliers are treated equally and fairly.
- **Competition:** Encourage competition to drive innovation and cost-effectiveness.
- **Integrity:** Maintain high ethical standards and avoid conflicts of interest.
- **Efficiency:** Streamline procurement processes to reduce time and cost.

## 4. Procurement Process

1. **Needs Assessment:**
  - Identify and document the specific needs of the business.
  - Engage stakeholders to understand their requirements and expectations.
2. **Market Research:**
  - Conduct market research to identify potential suppliers and understand market conditions.
  - Evaluate the capabilities and reliability of suppliers.
3. **Procurement Planning:**
  - Develop a procurement plan outlining the procurement activities, timelines, and responsibilities.
  - Set clear criteria for supplier selection based on quality, cost, and sustainability.
4. **Supplier Selection:**
  - Issue a Request for Quotation (RFQ) or Request for Proposal (RFP) to potential suppliers.
  - Evaluate proposals based on predefined criteria and select the most suitable supplier.
5. **Contract Management:**
  - Negotiate and finalise contracts with selected suppliers.
  - Monitor contract performance to ensure compliance with terms and conditions.

## 6. Performance Evaluation:

- Regularly assess supplier performance and provide feedback.
- Implement corrective actions if necessary to address any issues.

## 5. Procurement Levels and Legal Requirements

To ensure adherence to UK legal requirements, the company should consider the following procurement levels:

1. **Micro-Purchases (up to £10,000):**
  - No competitive quotations are required.
  - Ensure purchases are distributed equitably among qualified suppliers.
2. **Small Purchases (£10,001 to £50,000):**
  - Obtain at least three competitive quotations.
  - Document the selection process and rationale for the chosen supplier.
3. **Large Purchases (over £50,000):**
  - Follow a formal procurement process, including issuing a public tender.
  - Ensure compliance with the Public Contracts Regulations 2015 and other relevant legislation.

## 6. Guidance for Implementation

- **Training:** Provide training for directors and staff involved in procurement to ensure they understand the processes and principles.
- **Documentation:** Maintain thorough documentation of all procurement activities to ensure transparency and accountability.
- **Technology:** Utilise procurement software to streamline processes and improve efficiency.
- **Continuous Improvement:** Regularly review and update procurement policies and procedures to adapt to changing needs and market conditions.

## 7. Risk Management

- **Identify Risks:** Recognise potential risks in the procurement process, such as supplier failure or cost overruns.
- **Mitigation Strategies:** Develop strategies to mitigate identified risks, such as diversifying the supplier base and setting contingency plans.

## 8. Issuing a Public Tender

Issuing a public tender involves several key steps to ensure transparency, fairness, and compliance with UK procurement regulations. Here's a detailed guide:

1. **Identify the Need:**
  - Clearly define the goods, services, or works required.
  - Engage with stakeholders to ensure all requirements are captured.

2. **Prepare the Tender Documentation:**
  - **Specification:** Detail the requirements, including technical specifications, quality standards, and delivery timelines.
  - **Evaluation Criteria:** Define how bids will be assessed, including the weightings for cost, quality, and other factors.
  - **Terms and Conditions:** Include contractual terms, payment schedules, and any legal requirements.
3. **Advertise the Tender:**
  - **Find a Tender Service (FTS):** Publish the tender notice on the FTS, the UK's official platform for public sector contracts over £118,000.
  - **Contracts Finder:** For contracts over £12,000, also publish on Contracts Finder to reach a wider audience.
  - **Other Platforms:** Consider additional platforms such as local newspapers, trade publications, and industry websites.
4. **Manage Supplier Enquiries:**
  - Provide a clear point of contact for suppliers to ask questions.
  - Ensure all questions and answers are shared with all potential bidders to maintain fairness.
5. **Receive and Open Bids:**
  - Set a clear deadline for bid submissions.
  - Ensure bids are opened in a secure and transparent manner, typically by a designated procurement officer.
6. **Evaluate Bids:**
  - **Compliance Check:** Ensure all bids meet the mandatory requirements.
  - **Scoring:** Evaluate bids based on the predefined criteria and weightings.
  - **Clarifications:** If necessary, seek clarifications from bidders to fully understand their proposals.
7. **Award the Contract:**
  - **Decision:** Select the winning bid based on the evaluation scores.
  - **Notification:** Inform all bidders of the outcome, providing feedback to unsuccessful bidders if requested.
  - **Contract Award Notice:** Publish a contract award notice on the FTS and Contracts Finder.
8. **Contract Management:**
  - **Finalise Contract:** Ensure all contractual terms are agreed upon and signed.
  - **Monitor Performance:** Regularly review the supplier's performance against the contract terms.
  - **Manage Changes:** Handle any contract variations or issues that arise during the contract period.
9. **Post-Contract Review:**
  - Conduct a review to assess the procurement process and supplier performance.
  - Document lessons learned to improve future procurement activities.