



Title: Procurement - Sanctuary Procedure

Business Function: All Functions across Sanctuary

Author: Group Head of Procurement

Other Contributors: Finance
HR Services
Governance
Business Users

Authorised by: Group Finance Director

Sanctuary:
Sanctuary Group is a trading name of Sanctuary Housing Association,
an exempt charity, and all of its subsidiaries.

Uncontrolled copy if printed

CONTENT

General Information	3
1. Objective of this procedure	3
2. Legislative/Regulatory context	4
3. Responsibilities for implementation	4
4. What's new - What's different?	4
5. Definitions	5
Detailed Procedures	7
1. Considerations before purchasing a product or service	7
2. OneSanctuary	7
3. Preferred and approved supplier arrangements	7
4. Private use of Sanctuary suppliers	8
5. When to Involve Group Procurement	8
Supporting Information	13
1. Procurement Route Planner	13
2. Additional support and guidance	13

General Information

1. Objective of this procedure

- 1.1 Sanctuary is required to comply with the Public Contracts Regulations (PCR) when conducting procurement activity. In addition, all procurement should deliver value for money, quality, efficient processes, Sanctuary policy (Environmental and Social) and manage risk to Sanctuary. A number of obligations must be fulfilled in tendering which are dependent on the type and scale of procurement activity. A summary is available on [Solis](#), or for detailed guidance contact Group Procurement.
- 1.2 Even when a tender process is not subject to PCR the principals of equality of treatment, transparency, mutual recognition, and proportionality must be applied. This procedure clarifies staff accountabilities and defines when to involve Group Procurement in procurement activity/decision making.
- 1.3 Failure to comply with this procedure could expose Sanctuary to significant legal, financial, and reputational risk.
- 1.4 All Designated Managers are accountable for staff following the processes set out within this document.
- 1.5 The objectives of this procedure are to:
 - ensure staff and their line managers understand when to involve Group Procurement in the planning and execution of procurement activity;
 - ensure staff and their line managers are provided with clarity on the steps to be followed, and tools and resources to be employed when planning to spend money on third party goods and/or services within the limits of their delegated authority;
 - provide guidance to staff when contemplating quotations, tenders or contracts for goods and services, where no single Preferred Supplier arrangements are in place;
 - maximise value for money and compliance through collaboration in procurement activity across Sanctuary; and
 - support the delivery of Sanctuary's obligations in relation to ethical and governance requirements, including such considerations in the supply chain as Modern Slavery, equality, diversity and inclusion, cyber security, and conflicts of interest.
- 1.6 Failure to adhere to this procedure may result in disciplinary action.
- 1.7 This procedure covers the purchase of goods and services, including the use of One Time Payments, and Government Procurement Cards (GPC), other than those detailed in paragraph 1.8.
- 1.8 This procedure does not cover the procurement of construction and major works within Development and Assets, which are treated separately in the [Construction and Major Works Procurement - Sanctuary Procedure](#).

2. Legislative/Regulatory context

- [Public Contracts Regulations 2015](#)
- [The Public Procurement \(Amendment etc.\) \(EU Exit\) Regulations 2020](#)
- [The Public Procurement etc. \(EU Exit\) \(Scotland\) \(Amendment\) Regulations 2020 \(legislation.gov.uk\)](#)
- [General Data Protection Regulation](#)
- [Modern Slavery Act 2015](#)
- [GPC - Sanctuary Policy and Procedure](#)
- [Data Protection - Sanctuary Policy and Procedure](#)
- [Group Financial Regulations \(England\)](#)
- [Financial Regulations - Scotland](#)
- [Environmental - Sanctuary Policy](#)
- [Equality, Diversity, and Inclusion - Sanctuary Policy Statement](#)
- [Procurement - Sanctuary Policy](#)

3. Responsibilities for implementation

3.1 Directors/Regional Managers (or equivalent) are responsible for ensuring adoption of and adherence to this procedure. This procedure applies to all staff within Sanctuary.

3.2 Managers are responsible for:

- ensuring staff follow this procedure;
- ensuring staff have access to appropriate training; and
- maintaining staff performance where there is involvement in the procurement process.

3.3 The Group Procurement team is responsible for:

- ensuring procurement processes and systems meet legislative requirements;
- the approval of new vendors;
- ensuring alignment with Sanctuary's Corporate Social Responsibility agenda: and
- providing advice to staff members.

4. What's new - What's different?

4.1 November 2021 - Formal review, this procedure and the associated policy has been amended by way of general update. Key changes include:

- Reference has been made to the:
 - [The Public Procurement \(Amendment etc.\) \(EU Exit\) Regulations 2020](#)
- Procurement benefits have been defined as:
 - Value for money
 - Quality
 - The delivery of Sanctuary's Environmental and Social policy

- Efficiency
- The management of risk.
- The policy now references the new Environment Strategy and new Supplier Management Security Policy.
- The emergency procurement procedure sign-off requirement has been changed from Group Finance Director and Group Head of Procurement, to just the Group Head of Procurement
- Clarification around mini competition requirements within a framework has been provided.
- Total value for PCR thresholds has been clarified.
- The reason for confirmation of invoices has been expanded.

5. Definitions

5.1 The following definitions aim to support the user's understanding of this procedure.

<i>Anticipated Annual Spend</i>	The expected expenditure on the goods, services or works to be provided over a year.
<i>Contractor</i>	Contingent labour engaged through an approved agency.
<i>Project Initiation Document (PID)</i>	A document to be signed off prior to a tender commencement.
<i>Approved Supplier</i>	A commercial organisation which has satisfied the minimum procurement criteria as defined by Group Procurement, in the new supplier process and terms and conditions.
<i>Consultant</i>	A person engaged through a third-party business to provide professional advice.
<i>Declaration of interest</i>	Any personal interest which may reasonably be deemed to impinge in any matter relevant to any purchasing activity must be declared to the Group Head of Procurement before conducting any business with the supplier. This is in addition to the requirements for a Declaration of Interested as laid out in the Staff Handbook.
<i>Designated Officer (DO)</i>	Staff with delegated authority for a specific purchasing activity who raise purchase orders or those who carryout local procurement activities within specified Supplier or financial limits. Authority levels are as defined by Sanctuary's financial regulations.
<i>Procurement Thresholds</i>	Current Procurement Thresholds can be found on SOLIS .
<i>Free Text</i>	A SAP process to create a shopping cart whereby the end-user manually enters a description of the goods/service required together with the price and appropriate supplier.
<i>Goods</i>	Products supplied and used/consumed in the performance of work duties.

Group Procurement	The team of procurement professionals based at Worcester head office who provide strategic and tactical procurement services to all Group Directorates
Government Procurement Card (GPC)	Sanctuary's preferred payment method for one-off orders below £500 that cannot be obtained through OneSanctuary. See GPC - Group Policy and Procedure for preferred use and excluded types of spend.
ITT	Invitation to Tender; a structured, formal procurement process to obtain best commercial terms.
Mini Competition	Further competitive process against a pre-determined set of suppliers on an existing framework.
OneSanctuary	Sanctuary's ERP system (including Procure to Pay).
Originator	Any staff member of Sanctuary who raises a requisition.
Preferred Supplier	Any Supplier who has satisfied the procurement selection criteria through a competitive strategic sourcing process and offers Sanctuary preferential terms such that they are designed 'Preferred' in the Procurement section of SOLIS .
Procurement	The act of obtaining goods or services from a third party.
Public Contract Regulations (PCR)	The legislation that governs how public procurement is undertaken in England and Scotland.
Purchasing	The transactional act of buying goods or services, utilities or works via electronic or manual systems.
Quotation	Structured but informal requests (usually for price, availability, and delivery terms).
RFP	Request for Proposal; a structured, formal (normally Group Procurement led) process to obtain best commercial terms.
Services	The procurement of third-party labour in the performance of an activity.
Strategic Sourcing	A comprehensive, cross functional approach to routes to market.

Detailed Procedures

1. Considerations before purchasing a product or service

1.1 Before purchasing goods or services staff must first consider the following:

- Have I exhausted all 'no cost' alternatives?
 - Someone in the organisation may already have stock of this or similar product or alternatively the service could be delivered in-house.
- Are there sound business reasons for spending money?
 - The benefit of the product or service must be justified
 - Does the procurement support Sanctuary's Corporate Social Responsibility agenda, including Sanctuary's Environment Strategy?

2. OneSanctuary

2.1 Sanctuary suppliers available for purchasing can be located via the OneSanctuary system. If you do not have access to OneSanctuary you can request it using the [Procurement Access Request](#).

2.1.1 Within OneSanctuary you can search the catalogues for a supplier on the goods or services you require. If you cannot find what you require in the catalogues you can use the Free Text shopping cart facility after referring to sections 3, 4, 5 and 6 below.

3. Preferred and approved supplier arrangements

3.1 There is a searchable directory of suppliers who have satisfied Group Procurement selection criteria in relation to Public Contracts Regulations, national legislation and/or Sanctuary policy, where agreed terms following a competitive, strategic sourcing process have been established.

3.2 It is possible to search by supplier name or goods/services; search facilities are available in the Group Procurement section of [Solis](#). If staff experience any difficulty in identifying a source of supply, they should contact a member of Group Procurement before raising a request for a new supplier.

3.3 Where staff believe they have a purchasing need that can only be provided by a new supplier they must follow the 'New Supplier Process' which can be found in the Group Procurement section of [Solis](#).

3.4 Purchase orders must not be placed until a new supplier has been created on OneSanctuary.

3.5 Group Procurement will retain electronically signed copies of all Preferred Supplier contracts.

4. Private use of Sanctuary suppliers

- 4.1 In accordance with the National Federation Code of Contract 2012, Sanctuary suppliers should not be used for private purposes using Sanctuary's terms. Staff must not receive any favourable service from Sanctuary suppliers resulting from their employment with Sanctuary.
- 4.2 Any conflicts or perceived conflicts of interest must be referred to Group Procurement through the staff line management process. Any authorisation to proceed following a notification of a conflict or perceived conflict will be recorded in a register held by the Governance and Company Secretarial team.

5. When to Involve Group Procurement

- 5.1 Staff should involve Group Procurement as early in the process as possible and certainly before contacting new supplier with whom they intend to spend over £100,000. If in doubt regarding **any** supplier related issue, advice should be sought from Group Procurement.
- 5.2 Group Procurement will work in collaboration with business areas to understand the needs of the business and deliver auditable processes using a variety of tools to deliver value for money, quality, corporate social responsibility, efficiency and manage risk.
- 5.3 The Procurement Route Planner (**Appendix 1**) illustrates the authority limits as set out in the Group's financial regulations and does not replace the need to obtain the required authorisation for expenditure.

Anticipated Spend	Activity	Responsible person(s)
Applicable to all expenditure values	<ul style="list-style-type: none"> Define detailed specification Check SOLIS for Preferred Supplier arrangements Follow guidelines for how to buy Where catalogues or flexible forms are available (Preferred or Approved suppliers) they should be used. See Appendix 1 for Procurement Route Planner. 	Originator/DO
£0 - £9,999	<ul style="list-style-type: none"> As above, then: If there is a suitable Approved Supplier on OneSanctuary a 'Free Text' 'shopping cart' should be raised (New Supplier Requests should only be raised as necessary via the New Supplier Process). If there is no available/suitable supplier seek to pay using the GPC for small values (up to £500). If card payment is not accepted/appropriate, if the supplier is not on OneSanctuary and if it is a genuine one-off purchase, a One Time Payment form should be raised. 	Originator/DO

Anticipated Spend	Activity	Responsible person(s)
£10,000 - £49,000	<p>As above where agreed price available</p> <p>Where a framework agreement exists, undertake a 'mini competition. Contact Group Procurement for guidance.</p> <p>IF NO PREFERRED SUPPLIER IN PLACE:</p> <ul style="list-style-type: none"> RFQ/ITT and agreed contract terms may be required. Ideally three quotations should be obtained Quotations should be attached to the relevant shopping cart Contract authorised in accordance with Group procedures 	<p>Originator/DO</p> <p>DO with Group Procurement</p> <p>DO</p>
£50k - £PCR threshold	<p>As general above</p> <p>Where a framework agreement exists, undertake a mini competition. Contact Group Procurement for guidance</p> <p>Where a new tender is to be undertaken:</p> <ul style="list-style-type: none"> Raise a PID and obtain authorisation from relevant budget holder RDP/ITT and agreed contract terms will be required, sourcing carried out by cross functional team Contract authorised in accordance with Group procedures 	DO with Group Procurement
Emergency expenditure	In emergencies the tender process can be circumvented if authorised by the Group Head of Procurement.	DO/Group Head of Procurement
£ PCR Threshold and above	<ul style="list-style-type: none"> Raise PID, gain budget holder approval and consider whether Group Executive report is required Define detailed specification ITT and agreed contract terms will be required. Sourcing carried out by cross functional team following PCR 	DO with Group Procurement

6. Quotations

- 6.1 Where an approved supplier is used for purchases up to £9,999 and no agreed pricing exists, ideally at least one quotation is obtained by the DO.
- 6.2 Quotation(s) should be attached to the shopping cart in OneSanctuary as support in the event of any future dispute and for future audit purposes.

7. Request for Quotation (RFQ)

- 7.1 Group procurement should be notified in advance of any RFQ of £10,000 or over to allow sourcing advice to be provided and any activity outside of Group Procurement to be agreed.
- 7.2 For the supply of goods and/or services with an estimated annual value from £10,000 and below £49,999 RFQ's should be issued by the DO.

8. Request for Proposal (RFP)/Invitation to Tender (ITT)/Mini Competition

- 8.1 Group Procurement should be notified in advance of any FP/ITT or Mini Competition with an estimated annual value of over £50,000 even if the procurement is managed by the DO.
- 8.2 Where the anticipated expenditure over the expected life of the contract is close to or over the PCR threshold, Group Procurement **must** be informed as early as possible to review the requirement.
- 8.3 Where an existing framework agreement exists, the DO should undertake a mini competition in accordance with the framework. Procurement advice should be sought prior to starting the process.

9. Contracts

- 9.1 Staff should be aware that a verbal agreement may be contractually binding and must be wary of inadvertently committing Sanctuary to a financial obligation. If in any doubt, staff should always seek advice by contacting Group Procurement.
- 9.2 Every purchase order, contract or other agreement must be in writing and authorised in accordance with Group Financial Regulations unless purchased using the GPC.
- 9.3 Every written contract or agreement shall be on a form of contract approved for use by Group Procurement having been authorised by Legal Services. Amendments to standard form contract and approval to contract on any other terms may only be granted by Group Procurement or Group Executive.

10. OneSanctuary Purchase Orders

- 10.1 Purchase orders must be appropriately approved **before** suppliers are instructed.
- 10.2 Purchase orders must detail accurate costing data in sterling, exclusive of Value Added Tax (VAT) but inclusive of all other applicable charges which may include delivery, packaging and import duties.
- 10.3 Upon receipt of the goods or performance of the services, the Originator is required to complete a 'confirmation' through OneSanctuary. Confirmation not only identifies that the goods or services have been received but also allows the subsequent invoice to be matched and paid efficiently. Failure to complete a confirmation may result in delayed payment to the supplier which can result in charges to Sanctuary, Sanctuary accounts being put on stop, and could eventually lead to Sanctuary receiving poor performance ratings from external credit reporting agencies. Sanctuary is also legally required to publish its "paid on time" statistics.
- 10.4 Sanctuary's default payment terms are 30 days from receipt of valid invoice and undisputed invoice subject to delivery of the goods or completion of performance of the services. The default position can only be amended with the approval of the Group Financial Director or Director - Financial Services.

11. Government Procurement Card (GPC)

- 11.1 The GPC is Sanctuary's preferred method of payment for all, one-off purchases below £500 which cannot be satisfied from OneSanctuary Catalogues or Preferred Suppliers following quotation and duly raised purchase orders.
- 11.2 Preferred Suppliers must be the supply route of first choice and there are strict rules for the use of GPC.

12. Equipment Leasing and/or Rental Agreements

- 12.1 All proposals for new (or renewal of) equipment lease and rental agreements must be approved and authorised by the Group Finance Director after consultation with a member of Group Procurement. Copies of all lease or rental agreements will be retained by assets

13. Use of Contractors and Consultants

- 13.1 Before appointing a contractor or consultant and consistently throughout the life of the engagement, the appointing manager must be satisfied that the needs of the business cannot be met through direct or temporary recruitment routes.

- 13.2 Services of Contractors and Consultations must be procured in accordance with this procedure.

13.3 Contractors

- 13.3.1 Prior to any selection process being undertaken for a contractor, a written justification must be presented to the relevant Director for approval. The justification must include the following information:

- why the contractor is required;
- how long they will be engaged;
- the scope of the engagement;
- the costs and benefits; and
- confirmation that all alternatives have been considered.

- 13.3.2 All contractors must be engaged via an approved route to ensure compliance with IR35.

13.4 Specialist Consultant to provide support to an approved project.

- 13.4.1 The selection of a specialist consultant should be undertaken as per **Appendix 1** and approved through normal procurement channels.

13.5 Management Consultant for business change

- 13.5.1 Prior to selecting a management consultant to undertake management change activities, a written justification must be presented to the Group Chief Executive for approval, supported by the Group Director - Corporate Services. The justification must include the following information:

- why the contractor is required;
- how long they will be engaged;
- the scope of the engagement;
- the costs and benefits; and
- confirmation that all alternatives have been considered.

13.5.2 Potential consultants must demonstrate their financial, commercial, and technical capability to fully meet the contractual requirements. Sanctuary will use past performance and experience with reference to contracts of a similar nature, both with Sanctuary and other organisations, when considering the consultants suitability.

13.6 Any role fulfilled by a contractor or consultant must meet minimum requirements of the role (such as criminal records check - DBS) and comply with the processes detailed in the [Recruitment and Selection - Sanctuary Procedure](#).

13.7 Insurance

13.7.1 Contractors and consultants are responsible for confirming that they hold appropriate levels of public liability and professional indemnity insurances as appropriate for the type of work being undertaken. Copies must be provided to the recruiting manager prior to the commencement of the work, who must forward to Group Procurement with the 'new supplier' form.

13.8 Purchase orders must be raised to cover all work undertaken and approved prior to the contractor or consultant's commencement of work.

13.9 All contractors and consultants working on site or accessing Sanctuary systems must comply with all relevant Sanctuary procedures and policies, including but not limited to:

- Induction
- Site Protocols
- Access to Technology systems
- Health and Safety
- Driver Safety
- Confidentiality
- Acceptable usage
- Data protection.

13.10 Where a contractor or consultant incurs expenses for approved business, they will be paid at the standard Sanctuary rate.

14. Governance

14.1 The legislation and government guidance in the areas listed below affects Sanctuary's supply chain and processes:

- Modern slavery
- Equality and diversity
- Cyber security

- General Data Protection Regulations (GDPR)
- Conflict of interest
- Business continuity
- Sustainable Procurement.

Supporting Information

1. Procurement Route Planner

- 1.1 This planner (**Appendix 1**) illustrates the authority limits as set out in Sanctuary's financial regulations.

2. Additional support and guidance

- 2.1 Advice and guidance on buying goods and services including a quick guide to requisitioners can be found on [Solis](#).