

# Procurement Policy



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## Statement of Intent

Radian is committed to ensuring that all procurement activities and management of our supply chain delivers:

- Our corporate objectives, including Values and Behaviours
- Quality and Value for Money (VFM)
- Legal and regulatory obligations
- Innovation and strategic sourcing
- Transparency, proportionality, equal treatment, non-discrimination and mutual recognition

## Abbreviations and definitions

<b>Aggregation</b>	Contracts for services of the same type which are regular in nature.
<b>Contract Value</b>	<p>For the great majority of contracts, the value here reflects the entire term of the contract including all units or lots, and any extensions. For agreements without a term, the value is 48 x monthly value or 4 x annual value. Any forward projection must include variations against volume, inflation or other factors that may increase costs.</p> <p>Please refer to the Procurement team for verification, including exceptions to this general definition.</p>
<b>Contract Manager</b>	The term “contract manager” extends to any individual or team requesting, initiating or overseeing a contract or any other form of purchase.
<b>Financial Regulations</b>	The current version of the Radian Financial Regulations; Section 7 covers procurement activity.
<b>Goods</b>	<p>Tangible items: a goods (or supplies) contract covers the purchase or hire, and where relevant the siting or installation of, these goods.</p> <p>For mixed delivery of goods, services and/or works, the classification reflects the element with the greatest value.</p>
<b>Light touch regime (LTR)</b>	A specific set of rules for certain service contracts that tend to be of lower interest to cross-border competition. Relevant services are defined by their Common Procurement Vocabulary (CPV) codes.
<b>OJEU</b>	Official Journal of the European Union
<b>OJEU regulations, OJEU thresholds</b>	See PCR 2015
<b>PCR 2015</b>	Public Contract Regulations 2015. These are the UK implementation of EU law and are expected to remain in force when the UK leaves the EU. References to the EU

and OJEU in a procurement context can generally be understood as referring to PCR 2015.

**Project Team**

A temporary organisation that is created for the purpose of delivering one or more business products according to an agreed Business Case.

**Procurement Project**

An initiative to inform and drive the pre-requisites leading to a contract for supply of procurement of defined goods, services or works, or a mix of these. A “project” in this sense generally ceases around the start of the contract.

**Radian**

“Radian” will be used throughout this document to refer to all the companies in the Radian group.

**Requisition**

A request for a product or service to be performed or put into operation by an economic operator before it has been formally approved or an official Purchase Order raised.

**RFQ**

Request for quotation

**RP**

Registered provider

**Services**

Non-tangible items: a services contract may cover many types of activities or specialisms. No transfer of possession or ownership takes place; deliverables cannot be stored, transported or perish. Services come into existence at the point they are utilised or implemented.

**Works**

Building and construction work, with related design or consultancy services, including but not limited to; new developments or major scheme renovations, site preparation, demolition, test drilling and boring, civil engineering, roofing, building installation, electrical wiring and fitting, insulation works, plumbing, plastering, joinery, flooring, painting and glazing, renting of construction or demolition equipment.

## 1 Policy scope

All Radian employees and executive board members involved in supply chain management or conducting any form of procurement activities must comply with the requirements of this policy at all times.

In addition to purchasing, procurement in its wider sense covers the whole cycle of planning, scoping, specifying, tendering, negotiating, contracting, contract management and evaluating. It covers goods and services separately or in combination and construction works.

The Procurement Team can assist with clarifications on any part of this Policy, which may be in the form of written procedures and guidelines. This extends to changes in regulation or practice that may result from the United Kingdom leaving the European Union.

Radian is a trading name of The Swaythling Housing Society Limited.

For legal entities where the The Swaythling Housing Society Limited or other RP member of the Radian group of companies has an interest but is not a majority stakeholder, this Procurement Policy and relevant procedures are advisory.

## 2 Legal and regulatory frameworks

### 2.1 Introduction

In common with other RPs and the broader public sector, our policies and practice are shaped and governed by a range of regulations, predominantly the Public Contracts Regulations 2015 (Section 3 below). Procurement-related activity must comply with applicable legislation, including UK law and relevant industry regulations and codes of practice. An indicative list is given in the Appendices.

### 2.2 The Regulator of Social Housing (RSH)

As a Registered Provider (RP) of Social Housing, Radian is regulated by the RSH. The RSH economic objectives are directed towards responsible use of public funds in both procurement and other activities.

Registered providers must demonstrate, for example, a robust approach to achieving value for money, backed by sound decision making and a rigorous appraisal of potential options for improving performance.

### 2.3 Contracts Finder

Contracts Finder is a UK government service (<https://www.gov.uk/contracts-finder>) allowing suppliers to search online for public sector contracts, and organisations to then publish award notices. Radian is required under PCR 2015 to advertise any opportunity over £25,000 on Contracts Finder, other than 'closed' or external framework tenders.

### 2.4 Other regulations

Further regulations, legislation and guidelines, both external and internal, that can inform Radian's procurement activities are listed in the Appendices.

## **3 Public Contracts Regulations 2015 (PCR)**

### **3.1 Introduction**

The Public Contracts Regulations 2015 (the “OJEU Regulations” or “PCR 2015”) are the UK implementation of the relevant EU legislation. RPs are regarded as Bodies Governed by Public Law (BGPLs). They are classified as “contracting authorities” for the purposes of the OJEU Regulations, and so must comply with such regulations.

These Regulations will remain in force as and when the United Kingdom leaves the European Union, and irrespective of any final deal. References to “OJEU regulations” and “OJEU thresholds” are synonymous with regulations and thresholds incorporated in PCR 2015.

All OJEU tender procedures must be conducted in compliance with the general EU principles of transparency, non-discrimination and equal treatment of suppliers.

In the event of any conflict between the Standing Orders and Financial Regulations of Radian Group and the requirements of PCR 2015 the latter always take priority.

Procurement procedures, strategies or projects must not be designed or run with the intention of excluding our obligations under PCR 2015 or purposely subdividing any requisitions, commitments or orders with the intention of avoiding procedures, internal thresholds or OJEU thresholds.

The Procurement and project teams must together produce a sourcing strategy report or equivalent outlining the approach to market and evidencing ongoing compliance, to be signed off as required.

While the focus is on contracts above OJEU threshold, the principles set out below extend to all levels, in proportion to their value and risk to the business.

URL: <http://www.legislation.gov.uk/ukxi/2015/102/contents/made>

### **3.2 Key principles**

Queries regarding these principles should be directed to the Procurement Team.

#### **3.2.1 Competition**

Radian must not purposely narrow competition without justification or include discriminatory or disproportionate selection or evaluation criteria in its procurement processes that would have this effect.

Radian must treat suppliers, partners, sub-contractors and all economic operators equally without discrimination and shall act in a transparent and proportionate manner.

#### **3.2.2 Communication and confidentiality**

Communications shall be non-discriminatory, use widely-supported technology and shall not restrict suppliers’ access to the procurement procedure.

In all communication exchange and storage of information, Radian shall ensure that the integrity of data, and the confidentiality of tenders and tender-related information provided by prospective suppliers are preserved.

Radian may examine tender contents only after the time limit set for submitting a bid has expired.

Radian must send notices to the EU Publications Office for publication and must be able to provide proof of the dates on which notices are sent and also confirmations received.

### **3.2.3 Tenderer engagement**

Radian shall take appropriate measures to ensure that competition is not distorted by prior engagement with current or prospective tenderers.

Radian must share with all tenderers any relevant information resulting from or in the context of the exchange with a tenderer.

### **3.2.4 Disaggregation**

For any requirement, an “above OJEU threshold” contract must not artificially split into two or more “below OJEU threshold” contracts in an attempt to avoid the requirements of the OJEU Regulations. This would constitute a clear breach of the Regulations.

PCR 2015, Regulation 6. contains additional aggregation provisions that apply specifically to services contracts, routes to market and available procedures

### **3.2.5 Availability of procurement documents**

Irrespective of the procurement procedure used, at the point the OJEU Notice is issued all designated procurement documents must be ready and made available to suppliers electronically. The essential documents include the SQ (Selection Questionnaire) (if one is being used), the tender document, the specifications and the terms and conditions of contract. Together with any additional documents, sufficient information must be provided for each supplier to fully understand and respond to Radian’s requirements.

The document set must be uploaded into the electronic procurement portal for all suppliers to see. The OJEU Notice should contain a weblink to this portal.

### **3.2.6 Contract award**

The models used for assessing and scoring tenders must be based on objective qualitative criteria directly linked to the subject matter of the contract. They must encourage active competition and allow the information provided by each supplier to be effectively verified to assess how well they meet the award criteria.

All scoring must be fair, impartial, transparent and fully justified.

Members of the procurement team are not permitted to score tenders; only advise on interpretation with the exception of products or services being procured for direct use by the Procurement team.

Designated timescales, for example the 10-day standstill period, must be followed

Once a supplier has been awarded the contract an Award Notice must be published in the Official Journal within 30 calendar days to inform the market of this.

After award, for audit purposes, the Procurement team shall draw up a written report covering key aspects of the process leading to the award. All such reporting must be kept for a minimum of 3 years from the date of award:

## 4 Procurement partnership

### 4.1 Introduction

The Procurement Team are available to assist project/contract managers and stakeholders on any type of current or future contract, complementing their detailed knowledge of their own specialist area.

This may range from clarifying a single point on a lower-value contract, to a full partnership for any type of tender where the project team must follow detailed protocols. Situations where a partnership is recommended, or mandatory are set out below.

A range of procedures, guidelines, templates and other materials are available to support procurements at any level.

Where contracts or other agreements may have been arranged informally with the supplier in the past, contract managers must assess whether this is now the correct approach.

### 4.2 Specification and value

The specification is a key part of any contract or agreement, setting out immediate and long-term requirements including performance metrics where relevant.

The projected lifetime value determines how the proposed project can be taken forward, for example as a simple request for quotation to a complex tender exercise.

Project teams will have the detailed professional knowledge and experience to produce this information. The Procurement team is ready to support if needed and act as a “critical friend” ahead of going to market.

### 4.3 Sourcing

A wide variety of routes is potentially available for exploring the marketplace and sourcing suppliers, giving some flexibility. Choice depends on factors such as level and type of spend, likely size of supplier base and time and resources available.

Project teams should consider a range of options beyond any previous approach to market.

### 4.4 Approval

A Project Sourcing Strategy requires sign off by the budget holder and Head of Procurement.

Full Business Cases submitted to the Radian Business Change Group should have a procurement assessment prior to seeking approval to commence the project.

Radian Financial Regulations provide a Scheme of Delegation, to ensure that decisions are taken and budget is approved by those who have the approved level of authority. For requisitions that are not classified as a project, authorisation must be obtained in accordance to the Group Financial Regulations.

### 4.5 Timescales

For a successful procurement exercise, with full involvement of the project team and stakeholders, the project team must allow sufficient time and resources for all stages.

Contract Managers are encouraged to anticipate both new requirements and renewals, and engage with Procurement at an early stage.

For a successful procurement exercise sufficient time and resources for all stages must be factored in. In particular, to fulfil PCR 2015 requirements, for an OJEU tender contract managers should factor an absolute minimum of 120 working days into the process/project. Essential steps such as suppliers' site visits for costing purposes ahead of tender, or data migration and training ahead of going live, can add several months to the schedule.

Where time is unavoidably limited, Procurement can advise on alternative, possibly shorter-term, approaches to achieving or sustaining contractual cover.

## 4.6 Documents

Procurement can advise on suitable documentation both to present to bidders and for subsequent evaluation for each type of project, and will be able to provide templates and guidance where needed.

## 4.7 Procurement portal

**All Radian tenders must be conducted via the procurement portal, In-Tend.**

All quotations above £25,000 must also be run through the portal. This supports best practice and compliance in areas such as fairness, transparency, privacy and traceability, plus support for interfacing with Contracts Finder.

Quotations below £25,000 may be handled either through the portal or by other means provided that the contract manager can demonstrate the same general principles with all documentation available for reference and audit purposes.

A well-managed, well-evidenced procurement process both demonstrates our professionalism and lessens the risk of challenge by unsuccessful bidders.

In-Tend was formerly known internally as R-Buy.

## 4.8 Supplier approval and supply chain management

The following applies to all purchases other than sundry payments.

Radian staff cannot place any form of commitment or order with any economic operator (supplier) unless they are already recognised by Radian as an approved supplier.

Requestors must first submit a New Supplier Form for approval to be inclusion on Open Accounts (or undertake equivalent steps for another finance system). This includes a set of criteria and minimum standards that must be completed in advance of any order, contract or commitment by any Radian member of staff. It may also in future include the requirement to agree to a Radian Code of Conduct, contract or similar. Procurement or Finance may sometimes request additional information to that required on the new supplier form.

Lack of supporting evidence will delay this process, and consequently payment to the supplier.

Any invoice received without a purchase order or by an unapproved supplier will be rejected by Finance.

The project manager is responsible, on Radian's behalf, of undertaking required due diligence. This may need to continue over time, for example monitoring the supplier's insurances and certification over time.

Note that ACCL membership, while including the above steps, is currently restricted to construction-related activities. Being 'approved' for inclusion on a finance system is not synonymous.

## 4.9 Due diligence

This covers the checks that should be carried out to ensure that a prospective supplier is operating legally and ethically, and minimises the risk of harm to Radian's residents, staff reputation and business as well as the supplier's own staff. Examples might include public liability insurance, professional certification, ICO certification (where the supplier processes Radian-supplied data) or modern slavery compliance (where the supplier's business is high-risk in this respect).

External credit checking will be undertaken.

Due diligence must always be relevant and proportionate, taking into account the overall risk to the business.

For some types of contract, due diligence is an integral part of the shortlisting and award process. Otherwise, it is the responsibility of the contract manager or requestor to carry this out on Radian's behalf ahead of signing an agreement. Except for one-off purchases, they must also ensure that evidence remains current over time.

## 5 Value thresholds and payments

### 5.1 Values

The estimated value of a contract determines which Procurement procedure(s) should be followed. They are effective for the life of this Policy unless overridden by Radian Financial Regulations or other higher authority.

Procurement provides guidance to help determine a contract's value. For complex contracts this is the overall value irrespective of any division into lots that may later be awarded to single or multiple suppliers.

While PCR 2015 already prohibits disaggregation for OJEU contracts, the same principle extends to lower-value contracts, that is, a single contract must not be artificially split into two or more smaller contracts primarily to avoid value-based requirements.

Similarly repeat individual purchases of similar goods or services (whether by a single team or across multiple teams or sites) must be actively considered for a future single contract. Purchasers are encouraged to discuss their requirements with Procurement. Activity may otherwise be identified through retrospective analysis of spending.

### 5.2 Internal thresholds

The thresholds set out below are common to all types of procurement, whether goods, services, works or a combination, except OJEU as PCR 2015 differentiates works from other categories.

Requirements for competitive bidding cover all purchases over £1,000 unless they are covered by an existing purchase agreement, framework or contract.

Before any purchase, managers must consider if Radian already has an existing source through a term contract or ACCL membership.

Support from the Procurement team is required for all projects valued above £25,000.

For lower-value projects, support is available depending on complexity and resource.

#### **Purchase orders and payments**

A single, low-risk payment less than £1,000 may be made as a Sundry Payment.

In all other circumstances, a supplier must be approved and set up on the relevant accounting system before a purchase order can be raised.

### **Non-PO Spend Management**

Certain categories of expenditure do not require a Purchase Order, typically where the purchase is not classified as supply chain spend, for example: Expenses, Travel, License Agreements, Utilities, Fuel, Tax payments (Sales, income, property, payroll). For an agreed list of exceptions please refer to the Financial Regulations.

**All internal threshold values are inclusive of applicable VAT.**

### **Purchases under £1,000**

Radian has determined that the requirement for competitive bidding is not mandatory. However, low value orders should be checked periodically for competitiveness.

For repeat purchases of the same or similar items or services, whether or not from the same source, the manager must now actively consider formalising these with a single supplier. An exception is repeat requests for distinct small works for from an ACCL supplier.

### **£1,000 to £5,000**

Requisitions not covered by a purchase agreement, framework or contract require a minimum of two Requests for Quotes (RFQs) to be issued.

### **£5,000 to £25,000**

Requisitions not covered by a purchase agreement, framework or contract require three RFQs (Note: this does not mean you must have three quotes for comparison, but you must have sent three requests out).

### **£25,000 to £50,000**

**Requirements to source any product, service or works that exceed £25,000 must initially be added to the Group Sourcing Plan for the year before a procurement strategy can be devised or approved.**

Requisitions not covered by a purchase agreement, framework or contract require a minimum of three RFQs. They must be supported by the Procurement team; the Award Notice must be published on Contracts Finder and **all quotations and documentation must be loaded into In-Tend.**

### **£50,000 up to OJEU threshold**

Must be tendered via our procurement portal In-Tend, must also be advertised on Contracts Finder and must be managed in partnership with the Procurement team. The Award Notice must be published on Contracts Finder and all tender responses and other documentation must be loaded into In-Tend.

### **OJEU threshold and above**

In line with PCR 2015, where the estimated contract value exceeds the relevant financial threshold (the "OJEU threshold"), the contract must be tendered in accordance with the procedures set out in the OJEU Regulations. Service contract managers must discuss possible eligibility for the additional "light touch" (LTR) threshold with Procurement.

The contract must be tendered via our procurement portal (In-Tend), must also be advertised on Contracts Finder and fully managed by the Procurement team.

Note that projects approaching OJEU thresholds in value must be considered initially as OJEU projects.

More detailed guidance is available from Procurement.

### 5.3 Public Sector Thresholds

The (financial) value of a contract is significant. It determines how it can be offered to the market to find a suitable supplier.

The value can be determined as follows:

- For term contracts, the estimated lifetime value including any extensions
- For annual or “rolling” contracts, four times the initial annual value
- For anticipated multiple purchases of the same general type from a single supplier not falling under the above, the estimated aggregate value
- For *bona fide* single purchases, the expected or quoted value

Except for single purchases, value projections must allow for uplift, inflation and other factors that might impact on costs over time.

Detailed advice on calculating a contract’s value, including contracts potentially using more than one supplier, are available separately from Procurement.

Effective from 1 January 2018, formal OJEU thresholds are as follows:

Type of procurement	Formal threshold
Social, educational, health, community, catering, legal and security services (the so-called “light touch” areas)	£615,278.00
All other services and supplies	£181,302.00
Works	£4,551,413.00

**All OJEU threshold values are exclusive of VAT.** Thresholds are subject to change from 1 January 2020.

The OJEU Regulations provide a reference list of the things that are classified as “works” and “services” under the Regulations.

Additionally, where a projected contract value approaches the relevant EU threshold, the project manager must be prepared for it to coming under OJEU regulations for tendering purposes and allow sufficient time and resources. This is to allow for unforeseen variances (for example late changes in specification) and to lessen the resulting risk of Radian breaching PCR 2015.

### 5.4 Payments

A single payment less than £500 and not presenting a high risk to the business may be made as a Sundry Payment.

In all other circumstances, a supplier must be set up and approved on the relevant accounting system before a purchase order (PO) can be raised. This includes multiple

purchases of any type(s) of goods or services from the same source over time. The set-up will require the requestor to obtain evidence of bank account and other details, and to undertake due diligence on behalf of Radian. In some circumstances, we may also require a supplier to agree to a Radian Code of Conduct.

Other than the exceptions set out below, all buying activity must be initiated with a PO, as set out in the Financial Regulations

Some categories of expenditure do not require a Purchase Order, typically:

- As a call-off from certain term contracts
- where the purchase is not classified as supply chain spend, for example: expenses, travel, license agreements, utilities, fuel, tax payments (sales, income, property, payroll).

For an agreed list of exceptions please refer to the Financial Regulations.

## 6 Joint and third-party projects

Radian may fund wholly or in part a project that is managed and delivered by a third party.

In such cases, Radian's financial contribution must be authorised in the same way as it would be for funding an internal project to the same value.

For any project whose duration is expected to exceed three months, or whose total value is above £5,000, Radian's default situation must be to make staged payments against service performance or delivery.

The Radian contract manager must ensure that the proposed contract is fair to both parties, is clear about deliverables and other requirements, and does not commit to Radian paying for missing or inadequate deliverables over which we have no control. The contract or agreement for any aggregate funding over £5,000 must be verified either by Procurement or by a Radian-appointed legal service.

The Radian contract manager must ensure that appropriate due diligence has been evidenced by the third party to the standard we would aim for ourselves. If this is lacking, the Radian contract manager must cover outstanding due diligence ahead of authorising the contract.

Since competitive quotes or tenders would be inappropriate, for a proposed spend of over £5,000, the Radian contract manager must always submit an exemption report. This should briefly reference the general background, note the contractual arrangements including the expected payment schedule, and confirm that due diligence has been evidenced.

The above thresholds include VAT where applicable.

## 7 Contract Management

### 7.1 Contracts Register

Radian maintains a register of all term contracts in a designated location available to all staff. This allows anyone to see whether a particular supply source is already in place, with named contract manager(s) and other basic information.

Where a term contract has been negotiated separately, or is longstanding (including "rolling" contracts), regardless of the value it is the responsibility of the budget holder to notify

Procurement including supplying a copy of the agreement or contract itself. Procurement will include such contracts in the Contracts Register.

## **7.2 Contract and post-contract documentation**

Both the contract team and procurement team should hold records relevant to their respective functions in designated secure but accessible locations, and for recommended times.

All meetings and business reviews with suppliers should be recorded and minutes held against the supplier record.

## **7.3 Supplier performance management**

It is the responsibility of the budget holder and responsible officer to ensure a Contract Manager is assigned to new contracts and that the contract is managed appropriately.

Radian requires and expects high standards from all of its contractors, suppliers and business partners ensuring prohibition against any unlawful or unethical activity, all employees must take all reasonable steps to ensure that our suppliers represent Radian in a positive way.

Radian must make all efforts to pay suppliers in a timely manner and in accordance to our payment terms, reconciliation of statements of each main supplier will be performed periodically to identify any overdue invoices or bad debt.

Suppliers' prices, quotations and terms of purchase and delivery are confidential and should not be revealed to other suppliers and individuals outside of Radian, in line with Competition Law.

## **7.4 Agreements**

"Agreement" here includes terms and conditions and other forms of contract. Every procurement shall be backed by a written agreement, proportionate to its nature and risk.

Radian's Standard Terms and Conditions for the provision of goods and/or services apply to all purchase orders raised unless explicitly agreed or where provisions are superseded by a signed contract or framework agreement.

Project owners should encourage suppliers to use these Radian Terms and Conditions. However, where either the supplier's own, or a third-party agreement is proposed, it is the project lead's responsibility to ensure that Radian does not commit to an inappropriate agreement, for example the supplier's right to unilaterally change the terms and conditions once signed.

Aside from such agreement, some suppliers may be asked to sign up to a Code of Conduct.

Any directly relevant schedules, appendices or addenda shall be stored with the agreement.

Pro-forma invoices and letters of credit must be avoided where possible.

## **7.5 Longstanding arrangements**

Radian staff are encouraged to identify longstanding arrangements with individual suppliers, sometimes deemed "rolling" contracts. Where no written agreement now exists, both Radian and the supplier themselves may now have no insight into roles, responsibilities and dealing with unexpected or unwanted events. Radian may also have no assurances about the supplier's compliance with current legislation or best practices.

In such instances, staff should notify Procurement, who can then advise on a case-by-case basis.

## **7.6 Modifications to a contract during the term**

Modifications are permissible without the need for a new procurement exercise in any of the following cases:

- Where the modification in question has been specifically and clearly provided for by a clause in the original contract which was issued as part of the original tender documents (eg an option to extend the contract for a further time period)
- Where a change of supplier cannot be made for economic or technical reasons and would cause significant inconvenience or substantial duplication of costs for Radian, provided that increase in contract value is not going to be higher than 50 % of the value of the original contract
- Where a new supplier replaces the original supplier as a consequence of universal or partial succession into the position of the initial supplier, following corporate restructuring, including takeover, merger, acquisition or insolvency by another supplier that fulfils the criteria for qualitative selection initially established provided
- Where the value of the modification is below both of the following values:
  - 1) the applicable OJEU Threshold; and
  - 2) 10% of the initial contract value for service and supply contracts and below 15% of the initial contract value for works contracts

## **7.7 Probity**

### **7.7.1 Fraud and Money Laundering**

Radian takes a zero-tolerance approach to fraud and money laundering in all its forms. Further guidance is available in the Probity Policy.

### **7.7.2 Conflicts of Interest**

Those bound by this policy must declare any potential conflicts of interest.

A conflict of interest may arise where a staff member directly or indirectly has a financial, economic other personal interest which may be perceived to compromise their impartiality and independence in the context of any procurement activity or procedure. This extends to any individuals, such as consultants or specialist advisors, whether paid or not, invited to participate in any stage of the procurement exercise. Further guidance is available in the Declaration of Interest Procedure and Probity Policy.

Radian shall take appropriate measures to effectively prevent, identify and remedy conflicts of interest.

The offer or receipt of reasonable and proportionate gifts and hospitality from external sources and/or Radian is permitted subject to their being a business benefit to Radian. Further guidance is available in the Gifts and Hospitality Procedure.

### **7.7.3 Whistleblowing**

Radian provides confidential arrangements for the reporting of concerns and the provision of information which may prevent fraud or wrongdoing. This includes:

- Concerns regarding modern slavery and human trafficking
- Serious violation of law, rule or regulation, including Radian's own policies and procedures
- Fraud, bribery or corruption and malpractice

Further guidance is available in the Probity Policy and Whistleblowing Reporting Procedure.

## **7.8 Breaches of Policy**

Staff breaches of policy will be dealt with as set out mainly in the probity policy and associated procedures, but could include escalation to the Director of Finance, Chief Executive and or the Chair of ARC. They could also lead to disciplinary action or termination of a contract of employment.

A breach of the Public Contracts Regulations 2015 might lead to legal challenge to Radian and a contract being voided. Disputing such a challenge could impact negatively on Radian's provision of service, cause reputational damage and incur significant legal costs.

## **7.9 Exemptions**

**Exemptions should only be used as a last resort.** These negate the need to seek competitive quotations or tenders in special circumstances, set out in the Radian Financial Regulations.

## **Appendix A    Related Radian policies and procedures**

Procurement activities acknowledge other organisational policies and procedures including but not limited to these, and their successors.

### **Related Policies**

- Financial Regulations
- Probity policy
- Data protection policy
- Equality and Diversity policy
- Modern Slavery and Human Trafficking Statement

### **Related Procedures**

- Declarations of Interest Procedure
- Fraud, Theft, or Bribery Reporting Procedure
- Gifts and Hospitality Procedure
- Anti-money Laundering Procedure
- Non-contractual Payments and Benefits Procedure
- Procurement Procedures
- Rent Management Procedure
- Whistleblowing Reporting Procedure

Plus all applicable Procurement procedures

## Appendix B Legal & Regulatory Framework

Our Procurement policy, in common with other Radian policies, reflects a range of UK legislation. PCR 2015 is discussed within the Policy. Otherwise, in alphabetic order these include, but are not limited to:

### Bribery Act 2010

URL: <https://www.gov.uk/government/publications/bribery-act-2010-guidance>

### Criminal Finances and related legislation

Exemplified by Proceeds of Crime Act 2002, Terrorism Act 2000, Money Laundering Regulations 2017, Criminal Finances Act 2017

### Equality Act (EA) 2010 and Public Sector Equality Duty (PSED) 2011

The Equality Act protects people from discrimination on the basis of certain protected characteristics for example; age, race, disability, religion or belief. The emphasis is now on proactive prevention by organisations rather than rectification. As a subset of EA, PSED aims to encourage public sector organisations to fully integrate equality into their operations.

Radian must actively promote equality throughout our supply chain.

URLs: <https://www.gov.uk/guidance/equality-act-2010-guidance> and

<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty>

See also: Radian's Equality and Diversity policy.

### Fraud Act 2006

URL: <https://www.legislation.gov.uk/ukpga/2006/35/contents>

### General Data Protection Regulations (GDPR)

URL: <https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/>

### Health & Safety Act 1974

URL: <http://www.hse.gov.uk/legislation/hswa.htm>

### Modern Slavery Act 2015

URL <https://www.gov.uk/government/collections/modern-slavery-bill>

### Public Interest Disclosure Act 2018

URL: <https://www.gov.uk/government/publications/the-public-interest-disclosure-act>

See also: Radian Whistleblowing policy

## **Safeguarding**

Exemplified by The Care Act 2014; Children's Act 2004; Working Together to Safeguard Children Act 2015

URL: <https://www.gov.uk/guidance/safeguarding-duties-for-charity-trustees>

## **Small Business Enterprise and Employment Act 2015**

URL: <https://www.gov.uk/government/news/the-small-business-enterprise-and-employment-bill-is-coming>

## **Public Services (Social Value) Act 2012**

The Act applies when Radian is procuring either (i) an above OJEU Threshold services contract, or (ii) a framework agreement as regards which services contracts are likely to constitute the greater part by value of the contracts to be called off under the framework agreement.

The Act requires Radian to consider how the services it is proposing to procure might improve the economic, social and environmental well-being of the area the contract will cover, and how, in conducting the process of procurement, Radian might act with a view to securing that improvement. So it is simply a duty to consider, not a duty to act.

Provided that Radian can demonstrate that before commencing the procurement process it has considered the above, then this will be sufficient to satisfy its obligations under the Act. If after considering matters, Radian decides not to include any social value requirements in its tender document then this permissible – Radian is not obliged to do so. If Radian decides to include social value requirements in its tender documents then they must be reasonable and proportionate to the subject matter of the contract that it is procuring, and also must be clearly explained to the bidders. If they are to form part of the tender evaluation, then the way in which they will contribute to the evaluation needs to be clearly set out in the tender documents.

The Act makes it clear that if an urgent need to arrange the procurement in question makes it impractical for Radian to comply with the obligation to consider social value requirements, then it is not obliged to do so.

<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

## **Appendix C Other relevant regulations and guidelines**

In alphabetic order:

### **National Housing Federation (NHF) Code of Conduct 2012**

Housing associations must adopt and comply with appropriate policies and procedures to prevent bribery and corruption.

Associations must exercise due diligence in dealing with consultants, contractors, suppliers, joint venture partners and agents to ensure that they have anti-bribery and corruption policies and procedures that are consistent with their own.

<https://www.housing.org.uk/>

### **RSH Governance & Financial Viability Standard (GFVS)**

Registered providers shall ensure effective governance arrangements that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner. Governance arrangements shall ensure registered providers:

- a) adhere to all relevant law
- b) comply with their governing documents and all regulatory requirements
- c) are accountable to tenants, the regulator and relevant stakeholders
- d) safeguard taxpayers' interests and the reputation of the sector
- e) have an effective risk management and internal controls assurance framework
- f) protect social housing assets.

Registered providers shall ensure that they manage their affairs with an appropriate degree of skill, independence, diligence, effectiveness, prudence and foresight.

<https://www.gov.uk/government/organisations/regulator-of-social-housing>