



Procurement Policy

Policy Title:	Procurement Policy
Policy Author:	Gold Consultancy Ltd
Date of Approval:	30 April 2024
Date for Next Scheduled Review:	April 2026
Review Body:	Maintenance Sub-Committee
Equality Impact Assessment Complete:	No
Policy Published on Web:	TBC
Scottish Social Housing Charter Standard	1, 2, 4, 5 & 13
Scottish Housing Regulator Standard:	3 & 4
Scottish Housing Regulator Guidance:	UK Regulation & Scottish Reform Act and Asset Management Strategy Guidance 2023

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1. Introduction

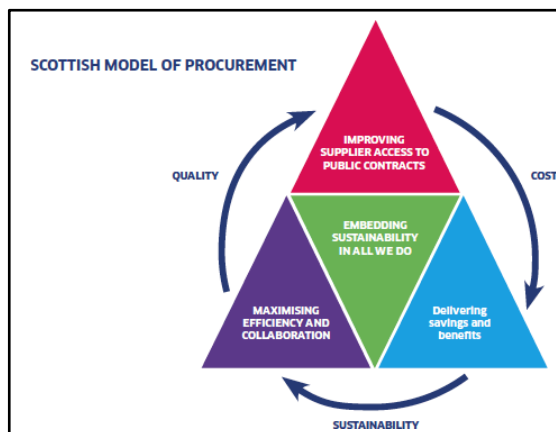
- 1.1. Rutherglen & Cambuslang Housing Association (RCHA) seeks to procure services in a manner that complies with current legislation and best practice. RCHA income is predominantly from customers rent and grant funding from Scottish Government for development spend and it's important that we spend this money wisely, can demonstrate fair procurement, value for money and maximise benefits from the spend.
- 1.2. Sustainable procurement and obtaining value for money through our procurement procedures is of paramount importance to RCHA and our stakeholders.
- 1.3. Public sector procurement in Scotland is based on five key principles: Equal treatment, transparency, proportionality, mutual recognition and confidentiality.
- 1.4. This policy aligns with the Public Procurement Strategy for Scotland 2023 ensuring that RCHA procurement activities are good for businesses and employees, good for society, good for places and communities and open and connected

2. Legislation and Good Practice

2.1 The legal framework which governs public procurement includes:

- The Procurement Reform (Scotland) Act 2014
- Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016
- Bribery Act 2010
- Public Procurement Strategy for Scotland 2023-2028

This Procurement Policy will ensure concept of value for money in procurement - an informed balance between cost, quality, and sustainability. The Value for Money triangle illustrates the Scottish Model of Procurement.



3. Aim of Policy

- 3.1 This policy should be used in conjunction with the Procurement Procedure and Guide which is reviewed annually. The Procurement Procedure and Guide outlines all procurement activities that RCHA may be involved in including key roles and responsibilities and a procurement process overview. The process outlined in the Procurement Procedure and Guide must be adhered to at all times.

4. Equality, Diversity and Inclusion

- 4.1 The Association is committed to reviewing services and policies to remove any discrimination and to ensure that the Association fulfils its duties in relation to Equality, Diversity and Inclusion (EDI). Procurement practice will reflect this commitment by encouraging relationships with contractors and service providers who are equally committed to EDI.
- 4.2 The Association will use clear and precise language in all procurement documentation. The Association will not design a procurement process to favour any particular supplier.

5. Procurement Routes, Contracts Award and Purchase Orders

Procurement Routes

- 5.1 There are a number of procurement Routes/techniques that are open for the Association to use, the most common are listed below, and the more complex routes that will require procurement consultancy or expertise assistance.

5.2 Single Tender Justification

This form, reflected in Appendix 2, is to be used for the appropriate supply, services and works contracts. It can be used in exceptional circumstances; where only one specialist supplier exists that can deliver the project/contract; the contract is of low value (below £20,000); or the proposed supplier has a unique set of skillsets, experience and knowledge. If you believe that there is a justification for the award of a contract without a competitive process in accordance with UK, Scotland and Public Procurement Regulations, or the value is below £20,000 you are required to submit this Single Tender Justification Form (STJ) to the relevant Director for approval before confirming award of the contract.

In the cases where only one specialist supplier exists, approval is required:

- By [appropriate staff member] for expenditure not exceeding £10,000 (excluding Vat)
- By the Senior Managers for expenditure not exceeding £20,000 (excluding Vat)
- By the Director for expenditure exceeding £20,000 but not exceeding £50,000 (excluding Vat)
- By the Committee, for expenditure exceeding £50,000 (excluding Vat)

An exceptions report detailing where single quotations have been accepted and approved by the Chief Executive or member of the Senior Management Team will be provided to the Board annually for all expenditure exceeding £20,000.

5.3 Quick Quote (QQ)

Quick Quote is an online quotation facility which allows Contracting Authorities to obtain competitive quotes electronically for low value requirements. Details of the QQ are created on the portal and distributed to a select list of suppliers. QQ are only distributed to the selected suppliers and are not made public on the portal. This will be used for procurement up to a value of £50,000 for Supplies and Services and £100,000 for Works (out with exceptions listed in the Procurement Strategy)

5.4 Open (Single Stage) Procurement

The Open procedure is a one-stage procurement process which covers exclusion grounds, selection criteria and award criteria. An Open procedure means that any organisation can respond to the advertised Contract Notice, download the procurement documents and submit a tender. All tenders must be evaluated in line with the methodology and criteria set out in the procurement documents.

The Open procedure is best used where:

- The requirements are typically straightforward, with a relatively simple Selection and Award process; and
- It is anticipated that only a small number of organisations will respond to the advertised Contract Notice.

5.5 Restricted (Dual Stage) Procurement

The Restricted procedure is a two-stage process.

Stage One (Selection) - Suppliers are alerted to express an interest to a contract opportunity by obtaining and submitting a Standard Procurement Document (SPD); this will be used to establish their capability, experience and suitability etc. The purpose of the SPD is to select a shortlist of 5 (or more) suppliers which are likely to meet the tender requirements,

Stage Two (Award) - Shortlisted suppliers which meet the selection criteria are then invited to tender. All tenders are evaluated in line with the methodology and award criteria set out in the tender documentation.

The Restricted procedure is best used where:

- It is anticipated that a large number of suppliers will respond to the advertised Contract Notice; or
- The requirements are typically complex, with a relatively detailed Selection and Award evaluation process.

5.6 Contracts Award and Purchase Orders

5.7 Award of contract will be made by the procuring member of staff using PCS within 10 working days of a decision being made. This will generate notification to the successful and unsuccessful tenderers and a purchase order will be issued to the successful bidder.

5.8 The Association operate a “No Purchase Order, No Pay” policy.

5.9 The Association has a Contracts Register in place linked to Public Contract Scotland (PCS) and all awarded contracts must be entered into this register within 10 working days of awarding the contract. Ordering of any goods, services and works below the regulated values must be called off only from a compliant framework unless a new procurement exercise takes place.

6. Documents and Templates

- 6.1 The Association will provide a bank of template documents that are reviewed regularly by Maintenance Manager and these should be used for all procurement activities.
- 6.2 Single Procurement Document (SPD) should be used where applicable. The [SPD](#) contains mandatory and discretionary exclusion criteria, and also selection criteria.

7. Value for Money

- 7.1 In all our procurement activities we will aim to achieve the best 'value for money' in a sustainable manner by ensuring that, whenever appropriate, we will assess price and quality. All procurement should meet with the Association's Value for Money Statement. All above regulated value contracts must be awarded to the Most Economically Advantageous Tender (MEAT).
- 7.2 We will ensure that our procurement processes are fair and comply with legal requirements, UK and Scottish Government legislation, particularly the changes required by the Procurement Reform (Scotland) Act 2014 and any supplementary guidance issued by the Scottish Government.
- 7.3 The weighting of price/quality and of individual quality questions has a significant impact on the outcome of the tender. The rationale for weightings must be included in the Pre-Procurement Plan. Having a higher quality: price ratio does not in itself guarantee a quality product or service. In fact, ensuring that only suitably qualified and capable suppliers get through the qualification (SPD) stage, and having a sound specification is just as important. Generally speaking, the greater the potential for variation in quality of goods/services/works (assuming that variations in quality matter) the greater the weighting on quality needs to be in the tender.
- 7.4 Following evaluation of tender responses and application of award criteria, all tenders will be scored, and a contract award decision will usually be made. All above regulated value contracts must be awarded to the Most Economically Advantageous Tender (MEAT).

8. Sustainability

- 8.1 We recognise the importance of sustainable procurement and our duty to demonstrate that we are procuring in a manner that improves economic, social and environmental wellbeing of the communities in which we operate. All procurement should meet with the Association Sustainability statement.

9. Community Benefits

- 9.1 A register of Community Benefits will be populated with applicable contracts and updated six monthly.
- 9.2 Community Benefits must be maximised from all contracts to provide added value to Association procurement. The contract manager of each contract must ensure that what was outlined in the tender document as tender award in respect of community benefits is met throughout the lifetime of the contract.

10. Contract & Supplier Performance Management

10.1 Proportionality

Contract and supplier management takes time and resources and therefore the extent of management has to be proportionate to the risk and impact of poor performance.

10.2 Benefits of contract and supplier management

Successful contract and supplier management will mean:

- service delivery is satisfactory to both parties
- the expected business benefits and value for money are being achieved or exceeded
- the supplier is efficient, co-operative and responsive
- the supplier and the Association understand their obligations under the contract
- there are no surprises
- there are no disputes
- professional and objective discussions over changes and issues are straightforward and easily managed
- efficiencies are being realised
- the Association's market knowledge improves, and benefits future contracts

10.3 In order to achieve this, the contract owner must meet regularly with the supplier and have open and professional dialogue with them. The supplier should feel able to raise any issues or concerns. The KPIs will provide a framework for the discussion with the supplier re. performance. There may be formal review milestones in the contract.

10.4 Any issues will be immediately highlighted to the relevant Senior Manager.

10.5 Annual performance review

In the absence of anything formal in the contract, a formal Performance Review will be undertaken at the end of every year of the contract period to document the effectiveness of the service provided and to record the level of satisfaction with the supplier.

10.6 Dealing with under performance

Where the working practices of a supplier fall short of the standards expected by the Association, we take steps to improve the situation. The Association must not allow its reputation to be diminished by the activities or poor performance of a supplier.

Where there is a material breach of contract this will be reported to the next relevant Committee meeting.

11. Procurement Strategy and Reporting

11.1 The Association is required by law to produce a Procurement Strategy annually and share with Scottish Government.

11.2 On an annual basis, we will review the anticipated value of contracts that will be placed in the coming year to establish if an Annual Procurement Strategy and Procurement Report are required. This will also be an opportunity to establish if there is scope and benefit to developing a framework for suppliers.

- 11.3 Each year, the Association will assess its planned procurements for the coming year to establish if a Procurement Strategy is required, in line with legislative guidelines.
- 11.4 A Procurement Report will be presented to Committee annually using the template for the Scottish Government website. The report is a requirement of the Procurement Reform (Scotland) Act 2014 a contracting authority which is required to prepare an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of that financial year.
- 11.5 Both the Procurement Strategy and Report are completed collaboratively by all teams involved in procurement activities in RCHA and presented for approval to Committee annually before being shared with Scottish Government and uploaded to RCHA website.

12. Relationship to Other Policies and Documents

12.1 This policy should be read in conjunction with the following documents:

- Procurement Procedure and Guide
- Procurement Strategy
- Association Sustainability Statement
- Scheme of Financial Delegation
- Standing Orders & Delegated Authority
- Data Protection and Information Sharing Policy
- Gifts, Hospitality, Payments and Benefits Policy
- Whistleblowing Policy
- Code of Conduct
- Fraud, Bribery and Money Laundering Policy
- Modern Slavery Policy – to be finalised
- Freedom of Information Policy

13. Monitoring and review

- 13.1 The Director is responsible for ensuring that this policy, and the policies and procedures which support it, are followed by all Committee and members of staff involved in the procurement process.
- 13.2 The Director is responsible for ensuring that staff implement this policy and the relevant procedures when procuring goods and services.
- 13.3 This policy will be reviewed thereafter every 3 years, or in light of any regulation or legislation changes or amendments.

APPENDIX 1 – Single Tender Justification



Single Tender
Justification Form - dr

APPENDIX 2 - Procurement Route Value

Value (exc. VAT)	Primary Procurement Process	Secondary Procurement Process	Approval
<£15,000	Suppliers' schedule of rates/price lists	Three quotes from Framework or Selected Suppliers	Budget holder & Senior Management Team
Goods and Services £15,000-£50,000	Three quotes from approved suppliers	Public Contracts Scotland ('Quick Quote' procedure) Framework or Selected Suppliers	Director
Works £15,000-£100,000	Quick Quote via PCS	Tender via Public Contracts Scotland	Director
Goods and Services >£50,000	Tender via Public Contracts Scotland	N/A	Management Committee
Works >£100,000	Tender via Public Contracts Scotland	N/A	Management Committee

*To match the new Delegated Authority Policy as agreed at August 2024 Management Committee Meeting

Policy Change History

Version No	Substantive Change	Author of Change	Approval	Date	Website
1.0	New Policy	D Gold	Committee	30/04/2024	Yes
2.0	APPENDIX 2 - Procurement Route Values	D Gold	Committee	27/08/2024	No