



Procurement Policy

1. Introduction

- 1.1 The Association is subject to the Procurement Reform (Scotland) Act 2014 and subsequent regulation for its procurement activity. Financial thresholds for a tranche of contracts above certain financial thresholds are specified there. The Act and subsequent regulation make provision in relation to a sustainable procurement duty and created obligations concerning advertising and community benefits.

2. Policy Aims and Objectives

- 2.1 The aims and objectives of the Association's procurement policy and the procedures contained there is to ensure that goods and services are obtained in the most transparent, effective and efficient way possible to achieve value for money fairly and ethically. The Association will comply with the aforementioned legislation and the duties and procedures noted below.

3. Specific Duties

- 3.1 The Act requires contracting authorities to publicise their intention to seek offers (contract notice) and award of a contract or framework agreement (award notice) on the Public Contracts website. (See section 6).

- 3.2 Community benefit requirements

The Act introduces a requirement of community benefit. The requirement relates to contracts of value higher than the Association's usual procurement activity although consideration should be given to the possibility of obtaining community benefit in lower value contracts if deemed practical.

4. Statutory Guidance on the Selection of Tenderers and Award of Contracts

Addressing Fair Work Practices, including the Living wage, in procurement.

- 4.1 Basis of the statutory guidance. Scottish Ministers published this guidance under section 29 of the Act. Contracting authorities must have regard to this guidance in relation to the selection of tenderers and the award of contracts for regulated procurements when the estimated value of the contract is equal to or greater than £50,000 for goods and services and £2,000,000 for works . . ." The guidance notes that Ministers " . . . would also encourage contracting authorities to apply this guidance wherever it is appropriate to do so, for example, for lower value or exempt contracts where a formal

tender evaluation is to be undertaken and where fair work practices are relevant and proportionate to the quality of the contract.”

- 4.2 The Association will take cognisance of the guidance. Our Contractor Application Pack and Contractors Code of Conduct assesses contractor eligibility criteria to undertake work on behalf of the Association. Works above £50,000; See 6.1.4.

5. Procurement Roles

- 5.1 The Management Committee will, as the governing body, have overall responsibility for procurement.
- 5.2 Committee members and staff will follow the quote and tendering procedures at section 6.

6. Quote and Tender Procedures

- 6.1 Approved procurement methods and cost thresholds, incorporated in the Association’s Standard Repair and Maintenance and Planned Maintenance Policies are:

- 6.1.1 Works below £3,000 to be instructed as necessary.

- 6.1.2 Works between £3,000 and £15,000 will require three written quotes. Submissions will be opened by two members of staff*. Costs will be recorded in the quote register and the register will be signed by all present at the opening of bids. (Except see below)

*Investment work within void properties and adaptation requests can be directly awarded via the Associations Maintenance Framework and must be recorded on the electronic Contract Register and quote register. Cost comparison and value for money checks to support the award will be reviewed by an Officer and Manager and be attached to the Homemaster system with the negotiated price displayed on the Works Order documentation.

- 6.1.3 Works between £15,000 and £50,000 to be procured through Public Contracts Scotland. Contract values - See appendix 1. The Public Contracts Scotland Quick Quote post box will be opened in the presence of two committee members and one manager and one other member of staff*. Costs will be entered in the tender register and the register will be signed by all present.

*Except voids or where specialist works will cause significant delays. All the above checks and records in 6.1.2 will be mirrored ensuring full transparency and value for money.

- 6.1.4 Contracts above £50,000 will be competitively tendered through Public Contracts Scotland. Contract values - See appendix 1. Tenders will be opened through the Public Contracts Scotland post

box in the presence of two committee members and two senior staff. Costs will be entered in the tender register and the tender register will be signed by all present.

7. Frameworks

7.1 The Association has used framework agreements, for example for window replacement, and this method of procurement will remain available subject to Committee approval.

7.2 The Association's Maintenance Framework can also be used in accordance with Appendix 2. Framework Mini-Competition Summary.

8. Review

8.1 The next policy review is scheduled for April 2025.

Appendices

Appendix 1 - Thresholds from 1 January 2022

Appendix 2 – Framework Mini-Competition Summary

Appendix 3 - Extracts from Public Contracts Scotland's website (Procurement Journey)

Appendix 4 - Equality and Diversity Impact Assessment.

Related Documents:

Financial Regulations

Regulatory Standards

Standard Repair and Maintenance Policy

Planned Maintenance Policy

The Standard Repair and Maintenance and Planned Maintenance Policies describe the Association's arrangements for ensuring that properties owned and factored by the Association are well maintained and kept in good and safe repair. This to the benefit of existing and prospective residents and to maximise the long-term integrity of the housing stock within the Association's portfolio.

Appendix 1

Thresholds from 1 January 2022

The Procurement Reform (Scotland) Act 2014

Public contract (other than a public works contract)	New Threshold from 1 January 2022	Value Excluding 20% VAT (Indicative only)
	£50,000 – no change	Not applicable

The Public Contracts (Scotland) Regulations 2015

Contracting Authorities	Public Contracts for	New Threshold (gross 20% VAT)	Indicative Value (net of VAT)
Central government bodies	Supplies or Services	£138,760	£115,633
Other contracting authorities (for example, registered social landlords, councils)	Supply or services	£213,477	£177,897
All Contracting Authorities	Subsidised services contracts	£213,477	£177,897
	Works (including subsidised work contracts)	£5,336,937	£4,447,447
	Light touch regime for services, for example, social services, legal services	£663,540	£552,950
	Small lots/Supplies and services	£70,778	£58,982
	Small lots/works	£884,720	£737,267

Appendix 2

Yorkhill Housing Association: Framework Mini-Competition Summary

Mini-Competition off the Framework

For planned, cyclical or larger [repeat] repair works (either voluntarily when the contract value is below £50k but always when in excess of £50k) the Association can organise a 'mini-competition' (tender) from contractors on the appropriate framework Lot(s).

The Association's maintenance framework contract was advertised as a 'National' notice, therefore the financial limit on spends for all reactive and planned works/ services let under the Association's framework contract, over the entire 4 year period, is £4,348,350.00.

When awarding mini-competition [tender] call-off contracts under the framework agreement, the Association does not have to repeat many of the stages of the original competitive tendering process which were carried out to set up the framework. No contract notice is required for call-off contracts awarded under a framework agreement, so Contractors on the Association's maintenance framework are already effectively 'pre-qualified'. Accordingly, mini-competition tenders can be evaluated and accepted solely on a price basis.

A mini-competition will be held in accordance with the Association's Maintenance Framework agreement/ underlying contract and the Association will issue a tender invitation to the contractors on the appropriate framework Lot(s), who are capable of meeting the particular need. This does not necessarily mean that every contractor on the framework Lot(s) must be included, however it should never be assumed that any particular contractor can be excluded from a mini-competition without reason.

Tenders via mini-competition shall be administered via Public Contracts Scotland (PCS) Quick Quotes for ease of administration and transparency, which also allows the Association to select and limit the tender list to their own framework contractors. The mini-competition notice and documents will cross refer to the Association's maintenance framework agreement/contract, and will also specify details for the particular mini-competition services/ works, all of which will comprise the call off contract terms and conditions.

Following receipt and evaluation of tenders the Association is required to notify the outcome of that mini-competition to all tenderers as soon as reasonably practicable. There is no requirement under the regulations to include reasons for the outcome, although the Association must respond within 15 days to a written request by a tenderer for debrief information.

However, providing a summary of reasons for the outcome and holding a voluntary standstill period does have the benefit of excluding the possibility of a legal challenge.

Although framework contracts should not last for more than four years under a framework agreement, the length of call-off or mini-competition contracts should be appropriate and proportionate and should reflect value for money. In circumstances where the call-off or mini-competition contract runs beyond the expiry of the framework, the Association shall ensure that proper supplier management arrangements are put in place for the duration of that call-off or mini-competition contract.

Yorkhill Housing Association: Framework Direct Award Summary

1. The Association may also use the Framework to directly award works to Contractors, however, this will be limited to Major and Capital works within void properties and authorised Adaptation works to minimise delays in these time sensitive tasks.

2. The appointment of Specialist Contractors or Consultants where appropriate.

All direct awards shall be accompanied by cost comparisons and value for money checks must also be carried out prior to the award and attached to the Homemaster system with the negotiated agreed price displayed on the Works Order documentation.

Appendix 3

Public Contracts Scotland Procurement Journey

Route 1

This Route provides guidance and templates for procurements that are:

- low value (a total estimated value of under £50k excluding VAT)
- low risk and
- non-repetitive.

Route 2

This Route of the Procurement Journey provides guidance for regulated procurements, as defined in the Procurement Reform (Scotland) Act 2014, which are between £50k and the thresholds for goods and services.

The main objectives of this route are:

- to provide a step-by-step guide to conducting a route 2 procurement exercise
- to provide a set of guides and templates that can be used to collate and analyse the data required when conducting the procurement exercise
- to standardise the public sector procurement process across organisations
- to highlight the minimum legal and policy obligations involved at each stage of the process.

Route 3

- Route 3 is designed for use by Procurement Officers. If this does not apply to you, please contact your Procurement Function or Centre of Expertise.
- This route of the Procurement Journey provides guidance for regulated procurements for goods and services at the higher value regulated procurement threshold and above.