

## CLYDESDALE HOUSING ASSOCIATION LIMITED

**Policy:** Procurement Policy

**Date:** 29 June 2022

**Lead Officer:** Technical Services Manager

**Review Date:** 29 June 2025

**Regulatory Standards:** Standard 2

The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

### Guidance

- 2.1 The RSL gives tenants, service users and other stakeholders' information that meets their needs about the RSL, its services, its performance and its future plans.
- 2.2 The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as recipient of public funds, and actively manages its accountabilities.
- 2.3 The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.
- 2.4 The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.
- 2.5 The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.

## **POLICY**

### **1 Overview of Procurement Policy and Principles**

This Procurement Policy sets out the method Clydesdale Housing Association Limited and its subsidiaries ("the Association"), will follow when procuring contracts for the supply of services, goods and materials and / or the execution of works.

#### **Related Policies/Documents**

- Procurement Policy
- Internal Financial Controls Policy
- Risk Management Policy
- Anti-Bribery Policy
- Fraud & Corruption Policy
- Value for Money Policy
- Standing Order Policy (incorporating Scheme of Delegate Authority)
- Whistleblowing Policy
- Entitlements Payments & Benefits Policy

In the event of any conflict or inconsistency between the terms of this Policy and any provisions in any of the above policies relating to public procurement of contracts, this Policy shall take precedence.

Legislatively the Association's procurement activities are guided by:

EU Treaty Obligations,  
EU Procurement Directives,  
Public Contract (Scotland) Regulations 2015,  
Procurement Reform (Scotland) Act 2014,  
Procurement (Scotland) Regulations 2016,  
Construction Procurement Handbook 2018,  
Any relevant Scottish Procurement Construction Policy Note (CPN) and Scottish Procurement Policy Note (SPPN).

#### **1.1 Corporate and Strategic Links**

All procurement undertaken by the Association must have regard to the terms of the Procurement Strategy and the values, objectives and goals set out in that Strategy.

#### **1.2 Conflicts and Declarations of Interest**

In all written procurement/contractual documentation (including the approved provider list), it will be explicitly stated that any conflicts of interest (particularly those falling within the scope of the payments and benefits policy), must be declared in advance of a contractual relationship being established. Any implications relating to payments and benefits will be brought before the relevant Committee for determination.

In addition, if a relationship is created during the term of a contract that would fall within the scope of the entitlements, payments and benefits policy, this will be highlighted to the relevant Director and reported to the next relevant Committee.

Any failure by a contractor to highlight a relationship falling within the scope of the payments and benefits policy may lead to their exclusion from a public procurement exercise. They, and any associated businesses, may be subsequently disqualified from competing for current and future contracts. Legal advice will be taken where this is considered appropriate.

Any failure by a member of staff to declare an interest or highlight a relationship falling within the scope of the payments and benefits policy will be dealt with through the Association's disciplinary procedures.

### **1.3 Canvassing, bribery and inappropriate behaviour**

It should be noted that if at any time a contractor attempts to canvas, bribe or unduly influence a member of staff, board member or any other official or agent of the Association, then they, and any associated businesses, may be excluded from a public procurement exercise. Subsequently they may be subsequently disqualified from competing for current and future contracts. Legal advice may be taken where this is considered appropriate.

### **1.4 Compliance & Governance**

#### Annual Report

The Association will update its procurement strategy for the next financial year, prepare an annual procurement report on regulated procurements to be submitted to Scottish Government and published online to include:

- a summary of the regulated procurements that have been completed during the year covered by the report,
- a review of whether those procurements complied with the Association's procurement strategy,
- the extent that any regulated procurements did not comply, a statement of how the Association intends to ensure that future regulated procurements do comply,
- a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report,
- a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report; and,
- a summary of the regulated procurements the Association expects to commence in the next two financial years.

#### Procurement & Commercial Improvement Programme (PCIP)

The Procurement & Commercial Improvement Programme (PCIP) replaces the previous Procurement Capability Assessment (PCA) that was a mandatory

requirement for all Local Authorities. The new PCIP now includes Housing Associations and is monitored and administered by Scotland Excel (SXL). A poor score could have implications in attaining Scottish Government grant funding.

- This PCIP focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver,
- This forms part of our continuous improvement programme and is a key driver for always striving to be better,
- The full contents of PCIP including all guidance, Dashboard, Advance Information Requirements, Full, Medium & Lite assessments alongside the Information Bank can be found [here](#).

## **1.5 Pre-procurement**

Prior to procurement of goods or services or works falling within the scope of this Policy, consideration shall be given to the following:

- Can the goods, services or works be provided in-house, is expertise and time available?
- Are alternative sources of goods, services, works readily available?
- Is there any special requirement for a particular contract to be undertaken impartially and independently?
- What are the expected benefits of seeking external provision?
- Is there a wish to test the market for cost and quality benefits?
- What are the risks from in-house v external provision?
- Can the project benefit from a collaborative approach?

The Association may also wish to undertake some form of pre-procurement market review or engage with suppliers in the particular relevant sector or market in order to better inform the Association's requirements from the procurement in question and way in which the Association will conduct that procurement.

Any pre-procurement market review exercise should be tailored to reflect the particular requirements of the Association and the market or sector in question but, by way of example, a pre-procurement market review may include:

- research to identify potential suppliers through peer group networking and benchmarking groups;
- review of information on procurement portals to identify similar work and interested suppliers;
- research with advisers and consultants to ensure the contract scope is properly defined and expressed; and
- informal approaches to potential suppliers to gain a fuller understanding of the Association's requirements and suppliers' capacity, capability and interest to meet such requirements. Any approach of this type is on an at-risk basis and should not imply that a supplier is being given preferential or preferred bidder status not should their input in any way skew a tender exercise in their favour

## **1.6 Roles and Responsibilities**

### **The Management Committee**

Will be responsible for approval of any authority delegated to staff in respect of procurement activity.

### **The Management Team**

Are responsible for application of the policy and procedure on a day-to-day basis and for ensuring that staff with a role in respect of procurement are briefed and aware of their responsibilities in the application of the policy and procedure.

No single contract award should be made (by all staff including the CEO) in any circumstances without an independent review and approval by a member of the Management Team who is not directly involved in the procurement exercise. The Board shall also be notified of all single contract awards above an agreed limit.

The Procurement Lead will review and be copied into all correspondence, information and forms as the project progress and prior to the contract awards made during the course of any project.

### **Staff**

Are responsible for ensuring that in procuring goods and services they fully comply with this policy and procedures and that only those staff who have been trained in its application procure goods and services on behalf of the Association and then only within the extent of any authority given by virtue of this policy and procedure.

All staff have a duty to bring to the immediate attention of the Association any act or omission (by any party to a procurement process) that would constitute non-compliance with this policy and procedure. Failure to do so without good reason will be dealt with under the terms of the Association's disciplinary policy.

### **Procurement Support Lead**

To prepare the annual procurement report, maintain the contracts register administer contract documentation and maintain the Group's account on Public Contract Scotland.

They will also advise on procurement matters and support staff in procurement through delivery of training as well as practical support in drawing up documentation and running procurement exercise. There will also be a need to use external procurement advisors in supporting some procurement activities.

Any queries regarding this Policy or any queries which arise during a procurement procedure should be addressed to the Procurement Support Lead.

## **2 Objectives of this Procurement Policy**

The objectives of this Policy are to:

- Ensure that the Association maximises value for money when procuring contracts;
- Ensure that the Association complies with all legal and regulatory requirements governing procurement and related best procurement practice when procuring contracts;
- Ensure that procurement accords with the requirements of the Association's policy in respect of payments and benefits;
- Maximise opportunities to jointly procure services on a collaborative basis with colleagues in other local registered social landlords and related organisations;
- Ensure that expectations of tenants, customers, staff, colleagues and other key stakeholders are met and continually improved; and
- Ensure that the Association makes best use of the commissioning process and that there is sufficient flexibility to ensure expenditure can be increased and decreased as necessary within the financial year,
- Ensure our supply chains are clear about the 'Transparency in Supply Chains', every organisation carrying on a business in the UK with a total annual turnover of £36m or more to produce an annual Statement; setting out the steps they have taken to tackle modern slavery and human trafficking in their organisation and supply chain and We will work with suppliers with a turnover below £36m to ensure they consider modern slavery and human trafficking in their organisation and supply chain impacts associated with products and services they provide.
- Take measures to ensure that we encourage the Local Supply Chain to become actively involved in all Clydesdale HA procurement activities.

### **3 Procurement Routes**

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 are listed in Appendix 1

#### **1. Single Tender Justification Form (shown in Appendix 2)**

This form 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 (STJF) to the relevant Director for approval before confirming award of the contract.

As per the Custodial and Record Keeping Policy (401-07), in cases where only one specialist supplier exists, approval is required:

- By the relevant Director for expenditure not exceeding £20,000 (excluding Vat)
- By the Chief Executive or the Director of Strategic Services, for expenditure exceeding £20,000 but not exceeding £150,000 (excluding Vat)
- By the Board, for expenditure exceeding £150,000 (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.

2. **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 (out with exceptions listed in the Procurement Strategy)
3. **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.
4. **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.



## Appendix 1

- Frameworks, (T) (the most accessible frameworks are from prerendered providers such as Scotland Excel (SXL), Crown Commercial Services (CCS), Procurement Hub, Procurement for Housing (PfH), Scottish Procurement Alliance (SPA) etc
- Dynamic Purchasing System (DPS), (T)
- Competitive Procedure with Negotiation,
- Competitive Dialogue,
- Innovation Partnership,
- Negotiated Procedure without Prior Publication.

## Appendix 2

### SINGLE TENDER JUSTIFICATION FORM

#### WHY USE THIS FORM?

This form is to be used for the any appropriate supply, services and works contracts. It can be used in exceptional circumstances or where only one specialist supplier exists that can deliver the project/contract or the contract is of low value and 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, you are required to submit this Single Tender Justification Form (STJF) to the staff member for approval before confirming award of the contract.

As per the Authority to Incur expenditure and in cases where only one specialist supplier exists, approval is required:

- By [appropriate staff member?] for expenditure not exceeding £10,000 (excluding Vat)
- By the Manger 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 Board, for expenditure exceeding £50,000 (excluding Vat)

An exceptions report detailing where single quotations have been accepted and approved by the Director will be provided to the Management Committee annually for all expenditure exceeding £20,000.

#### WHAT TO CONSIDER IN TERMS OF PLANNING?

If approval is not provided, you will be required to take further steps in relation to procuring the Contract. You must therefore ensure that your timetable (including the submission of this Single Tender Justification Form), allows sufficient time to undertake a procurement exercise in accordance with the Regulations if necessary.

Where any of your Contracts awarded or proposed through this route are extended or increased in future with the same party you are required to submit a further Single Tender Justification Form.

## PROJECT INFORMATION AND JUSTIFICATION?

|   |              |  |
|---|--------------|--|
| Project title   |              |  |
| Proposed contract to be awarded (i.e. what is the purpose of the Contract, what will be delivered under the Contract, what are the proposed Contract outputs) |              |  |
|   |              |  |
| Proposed contract value (ex VAT) annually and over a typical 5-year period if a constant requirement?   | Annual Value |  |
|   | 5 Year Value |  |
| Proposed Supplier   |              |  |

Please demonstrate in a clear and comprehensive manner how you deem the Single Tender offers Value for Money (VfM)?

Think about what information you have in connection with costs to evidence VfM to use this supplier:

1. Do we have historic costs that were openly tendered and reference this and dates?
2. The supplier has offered us a detailed breakdown of hours, rates and materials including all costs associated and this has been deemed VfM based on professional view?
3. We have costs of a similar service provision from another RSL that has been openly tendered?

|  |
|--|
|  |
|--|

**Please explain in a clear and comprehensive manner**

- a) why the award of the Contract through a Single Tender route without any competitive process is considered lawful and appropriate?
- b) detail the selection methods applied to identify the proposed Supplier

**Think about the compelling argument to use this supplier, if there are other suppliers who could do this work example could be:**

- 1. They are the only supplier that can undertake the project and why?
- 2. The supplier has a unique set of skillsets, experience and knowledge and they are...
- 3. We have over 60% of the supplier's equipment in our stock?
- 4. The supplier has licence agreement with CHA and no other supplier can provide the licences?

## WHAT TO DO NEXT?

Now that you have provided the project information above you must complete the appropriate section below in the **APPROVAL PROCESS** and then send to the relevant person depending on the level of spend?

### APPROVAL PROCESS

We confirm that the information supplied in this Single Tender Action Justification document is true and accurate in all respects and we confirm and undertake that if any of such information becomes untrue or inaccurate that we will notify the director immediately and resubmit any updated information as required

#### Option 1 - Contracts less than £10k

**Authorised by appropriate Staff:**

|                        |  |
|------------------------|--|
| Signed by: (Signature) |  |
| Managers Name:         |  |

|  |  |
|--|--|
| Managers Position:   |  |
| Date:  |  |
| Approved by – Head of Enhance/Care/Asset Management signature: |  |
| Date:  |  |

## Option 2 - Contracts less than £20k

### Authorised by Manager:

|                                     |  |
|-------------------------------------|--|
| Signed by: (Signature)              |  |
| Managers Name:                      |  |
| Managers Position:                  |  |
| Date:                               |  |
| Approved by – Director's signature: |  |
| Date:                               |  |

## Option 3 - Contracts between £20k - £50k

### Authorised by Director:

|   |  |
|---|--|
| Signed by: (Signature)  |  |
| Managers Name:  |  |
| Managers Position:  |  |
| Date:   |  |
| Approved by – CEO or Director of Strategic Finance signature: |  |
| Date:   |  |

## Options 4 - Contracts over £50k

### Board authorisation

|  |  |
|--|--|
| Signed by: (Signature)   |  |
| Managers Name:   |  |
| Managers Position:   |  |
| Date:  |  |
| Approved by Board – Director's signature after Board Approval: |  |
| Date:  |  |

### POST COMPLETION?

The completed STJF should be signed off by the relevant person and provided to the procurement lead for filing with the project file and for collating overall spend purposes for Annual Procurement Report returns.

# PROCUREMENT STRATEGY

29 June 2022

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## 1. OUR VISION AND COMMON VALUES

Our Vision is:

**Quality homes and excellent services for all – today and in the future**

Delivered through these Common Values:

- we listen, learn and work with customers, stakeholders and partners to improve how we work in the pursuit of excellence
- we encourage leadership and teamwork to identify and share progressive ideas
- we value our people's commitment and support their enthusiasm in achieving success
- we invest in the wellbeing of our customers and our people

## 2. INTRODUCTION

Clydesdale Housing Association Limited, recognises that sustainable procurement has a critical role to play in making best possible use of its resources and in demonstrating value for money for our tenants and stakeholders. The Association is committed to the highest standards of openness, probity and accountability.

The Association has clear strategy and procedures in place which make sure the organisation acts with transparency, honesty and propriety and avoids any public perception of improper conduct.

The Association spends a significant amount each year to obtain a wide range of goods, services and works. Procurement is a high value activity for the Association and its successful implementation will have a critical impact on our performance and strategic outcomes.

The total value of contracts procured by The Association remains below the annual £5m threshold for which a formal Procurement Strategy is required by the Procurement Reform (Scotland) Act 2014. We believe, however, that having a procurement strategy allows a planned focus for our procurement activities and set out how we will meet our aims and objectives and deliver value for money.

A procurement strategy will also facilitate and improve procurement throughout the organisation to allow The Association to move forward against its strategic business targets and improve understanding around the process at all levels within The Association.

This strategy aims to demonstrate a clear and structured approach to all of The Association's procurement activities outlining what will be done and when to deliver quality, price, experience, specialist knowledge and value for money in order to achieve best value.

This strategy has been prepared in the context of The Association's Business Plan 2022-2025, and Section 15 of the Procurement Reform (Scotland) Act 2014. It sets out The Association's procurement aims and objectives which reflect both regulatory obligations, internal policies and local/national priorities. The Association aims to comply with all legislative requirements placed upon it including the Public Contracts Scotland Regulations 2015 (now UK Regulations) but also to protect the interests of its tenants and stakeholders as well as the reputation of the sector by ensuring compliance with the Bribery Act 2010.

The Association, like all others, continues to face financial pressures therefore efficient, effective and sustainable procurement practice is paramount. It is recognised that commitment to and communication of this strategy will help The Association to achieve this aim. It will also allow The Association to continue to deliver excellent services which make the best use of the public money available.

Where a contracting authority has a likely annual spend of more than £5,000,000 million on regulated contracts in any calendar year, the Act obliges it to prepare and publish an annual procurement strategy. The Association anticipates that it will have such an annual spend across some financial years and this Strategy aims to fulfil that obligation to prepare and publish an annual procurement strategy.

Legislatively The Association's procurement activities are guided by:

- UK Treaty Obligations,
- UK Procurement Directives,
- Public Contract (Scotland) Regulations 2015,
- Procurement Reform (Scotland) Act 2014,
- Procurement (Scotland) Regulations 2016,
- Construction Procurement Handbook 2018,
- Any relevant Scottish Procurement Construction Strategy Note (CPN) and Scottish Procurement Strategy Note (SPPN).

All of The Association's procurement activity must comply with the procurement principles of:

- Accountability,
- Integrity,
- Efficiency,
- Openness,
- Fairness,
- Transparency,
- Equality and non-discrimination and
- Proportionality.

The drafting of this strategy has taken into account and is consistent with relevant policies of The Association including:

- Procurement Policy
- Internal Financial Controls Policy
- Risk Management Policy
- Anti-Bribery Policy
- Fraud & Corruption Policy
- Value for Money Policy
- Standing Order Policy (incorporating Scheme of Delegate Authority)
- Whistleblowing Policy
- Entitlements Payments & Benefits Policy

### 3. STRATEGY CONTEXT & OUTCOME OBJECTIVES

This sustainable procurement strategy is committed to ensuring that our procurement activities are fair, open, transparent and non-discriminatory and sustainable in accordance with legislation and best practices.

Defined as a “Public Body Governed by Public Law” The Association has a statutory obligation under the Public Contracts Scotland Regulations 2015 to ensure procurement activity is compliant with relevant legislation.

Procurement is the full range of activities related to purchasing goods, services and works. The Association carries out a range of procurement activity ranging from high value works through to the purchasing of small stationery items.

This strategy is aimed at promoting efficient, effective and sustainable procurement practices throughout the organisation which will reflect our vision, values and priorities.

We will raise awareness of The Association’s commitment to sustainable procurement through various means including stakeholder engagement, internal policies/ procedures, tendering processes, Public Contracts Scotland <http://www.publiccontractsscotland.gov.uk>.

#### Outcomes Objectives

There are ten anticipated outcomes from the Procurement Strategy, they will be delivered through a Procurement Action Plan and detailed in the Annual Procurement Report

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Deliver Value for Money (VfM)</li> </ul>               | <ul style="list-style-type: none"> <li>• Integrity - Ensure Fair and Ethical Procedures</li> </ul>                              |
| <ul style="list-style-type: none"> <li>• Ensure Sustainable Procurement</li> </ul>              | <ul style="list-style-type: none"> <li>• Transparency in Supply Chain to tackle Modern Slavery and Human Trafficking</li> </ul> |
| <ul style="list-style-type: none"> <li>• Use of Community Benefits</li> </ul>                   | <ul style="list-style-type: none"> <li>• Actively involving the Local Supply Chain</li> </ul>                                   |
| <ul style="list-style-type: none"> <li>• Resident Consultation and Engagement</li> </ul>        | <ul style="list-style-type: none"> <li>• Payments within Terms</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Ensure that Fair Working First is mandatory</li> </ul> | <ul style="list-style-type: none"> <li>• Health &amp; Safety Compliance</li> </ul>  |

## **Deliver Value for Money (VfM)**

Value for Money must form the basis for all procurement decisions taken by The Association. Each procurement decision should decide whether services or goods can be provided in a more effective, efficient and economical way. Obtaining Value for Money will mean choosing the goods/service/works which offers the optimum combination of whole life costs, quality, and service benefits that help achieve our strategic objectives.

This is not necessarily the lowest price option.

- All options should be considered, and the decision should take into account The Association's obligations in terms of delivering quality, social value, and managing risk and health and safety,
- We will ensure quality and service through the formal contract performance management meetings with key suppliers and contractors, and feedback from customers and other stakeholders,
- The Association will look to secure partnerships which can be applied to several projects and/or work streams over a period of years to encourage delivery in the most efficient and cost-effective manner,
- We will seek to reduce administrative waste through reviewing, challenging and adapting processes and procedures to adopt appropriate new technology (e.g., e-procurement), changing supply chain relationships, streamlining back-office processes and reducing transaction costs,
- We will continuously improve by using cycles of learning. Procurement is not a single event; it requires a culture of review, challenge, adaptation and continuous improvement to ensure optimal performance in a changing environment,
- The Association will regularly review current performance and processes and benchmark the wider market to ensure that we are making the most appropriate procurement decisions.

## **Ensure Sustainable Procurement**

In compliance with the Act, The Association will give consideration to the environmental, social and economic issues relating to all regulated procurements and how benefits can be accrued, on a contract-by-contract basis by taking proportionate actions to involve SME"s, third sector bodies and supported businesses in our procurement activities. We will also:

- Where appropriate, work with providers to minimise the environmental and social impacts associated with products and services,
- When procuring larger contracts, either directly or via consortia, we will, where appropriate, seek to leverage additional social value in the form of providing apprenticeships and/or employment opportunities within the local community as part of contract specification.

## **Community Benefits**

The Act requires that, for any regulated procurement with an estimated value equal to or greater than £4,000,000 (excluding VAT), The Association must consider whether to impose community benefit requirements as part of the contract delivery before carrying out the procurement. The Association must include in the contract notice relative to the procurement a summary of the community benefit requirements it intends to impose or, if it is not going to include any community benefit requirements, the reasons for not including any such requirements. Examples of Community Benefit include, but are not limited to:

- Increasing digital skill for residents,
- Work to ensure job readiness in the local area,
- Work with groups in communities to improve skill, abilities and confidence,
- Work to increase local employment and reduce unemployment,
- Work to bring young or old apprenticeships with contracts we let,
- Maximise all CB opportunities either via financial contribution or points-based commitment system commensurate to the size and dynamics of the contract being let,
- Ensure the suppliers monitor the CB outcomes and report and measure via KPIs

## **Resident Consultation and Engagement**

Where our residents are affected by any procurement process, we will consult and engage with them in line with our existing Customer Focus Strategy and Strategy, the requirements of the Scottish Social Housing Charter and the National Standards for Community Engagement

## **Fair Working First**

Take measures to ensure that our supplier adopt the 5-core principle of Fair Working First (FWF) in Scotland. Fair Work First Guidance is asking employers to adopt fair working practices. Bidders will require to demonstrate how they will promote fair working first in the delivery of this contract and in turn help secure best value. [Fair Work First \(FWF\)](#) criteria for Regulated Procurement that commences from 1 April 2021, and replaces Fair Working Practices guidance. FWF asks businesses bidding for a public contract to commit to progressing towards adopting the five criteria:

- appropriate channels for effective voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the gender pay gap and create a more diverse and inclusive workplace; and
- payment of the real Living Wage.

## **Integrity - Ensure Fair and Ethical Procedures**

The Association is determined to ensure that its procurement decisions are transparent and preserve the integrity of the organisation. The Entitlements, Payments and Benefits Strategy, Fraud & Corruption and Anti-Bribery Policies set out the criteria and how The Association must conduct its business. Other measures are set out below to ensure openness and transparency.

- The Association requires that all staff immediately alert their line manager, supervisor or coach, and Board Members immediately alert the Chief Executive, to any attempt by any firm to influence a procurement decision by way of inducement or otherwise,
- Canvassing of staff or Board by any Contractor for any contract is expressly forbidden. Such actions are a serious breach of trust and as a result, following investigation, any contractor found to have behaved in such a manner will not be used by The Association and we will ensure that others seeking references concerning the contractor are made aware of such conduct. The Association will refer to the provisions contained in the Bribery Act to pursue such situations to the fullest extent possible. In addition, The Association will consider any liaison required with the Scottish Housing Regulator in relation to Notifiable Events,
- Contractors are similarly bound to alert The Association's Chief Executive and/or the Chairperson immediately should any inducement be sought by any member of staff or Board member,
- Such action is viewed as a serious breach of The Association's Conditions of Service for staff and Code of Conduct for Board members. Therefore, following investigation, such conduct may lead to disciplinary action up to and including dismissal in the case of staff and removal from the Board for Board Members. The Association will consider any liaison required with the Scottish Housing Regulator in relation to Notifiable Events,
- All staff/Board will annually complete a Declaration of Interest Form noting any "close relationships" where they may be a conflict. These will be reported, along with suggested actions to Board annually. If circumstances change throughout the year, then the Board/staff member should update the Chief Executive immediately.



## **Transparency in Supply Chain to tackle Modern Slavery and Human Trafficking**

In compliance with the regulation and the Act, The Association will give consideration to modern slavery and human trafficking issues relating to all procurements and how our suppliers and suppliers supply chain ensure that they are taking measures to ensure that modern slavery and human trafficking are being considered. We will also:

- We ensure our supply chains are clear about the 'Transparency in Supply Chains', every organisation carrying on a business in the UK with a total annual turnover of £36m or more to produce an annual Statement; setting out the steps they have taken to tackle modern slavery and human trafficking in their organisation and supply chain,
- We will work with suppliers with a turnover below £36m to ensure they consider modern slavery and human trafficking in their organisation and supply chain impacts associated with products and services they provide.

## **Local Supply Chain**

The Association are keen to promote the involvement of the local supply chain throughout our area of operations for all Works, Services and Supplies contracts, therefore we will:

- Take measures to ensure that we encourage the Local Supply Chain to become actively involved in all Clydesdale HA procurement activities,
- We will also endeavour to work with local businesses to ensure that they are able to compete for our business against suppliers and contractors from outside the region,

## **Payments within Terms**

We will as far as reasonably practicable, ensure that:

- All regulated contracts include the provision for the contractor to make any payment to any sub-contractors within 30 days of receipt of invoice/payments applications, and so forth will all sub, sub-contracting down the line,
- All payments are made within the Financial Regulations and that they are made timeously in accordance with the contract conditions but no later than 30 days after the receipt of invoice/payments applications,
- Measure Payment Terms via KPIs and evidence and spot check maybe part of the process

## **Health & Safety Compliance**

We will ensure compliance with the Health and Safety at Work Act 1974 (c37) by making bidders provide the required information and evidence in relation to policies, accreditations and any Health and Safety failures they have had as part of the procurement process.

In connection with all works and services contracts this will be part of the selection process and they will require to demonstrate their compliance with the Health and Safety at Work Act 1974

## 4. FINANCE

The Association considers that the adoption of a compliant procurement strategy across all aspects of the business is not only desirable but essential given the legislative environment within which we operate.

The Association expenditure on capital and revenue works and services externally procured during 2021/22 was approximately £950,000. Our forecasted equivalent expenditure in the coming years is as follows:

|         |       |
|---------|-------|
| 2022/23 | £2.2m |
| 2023/24 | £2.1m |
| 2024/25 | £1.2m |
| 2025/26 | £900k |
| 2026/27 | £1.0m |

The quantum of the expenditure profile means that The Association must ensure that its operating procedures and processes are compliant to avoid the potential risk of legal challenge. Given the profile the area of greatest risk is in terms of capital expenditure. However, this is mitigated by the practice of using consultants with a track record both of successful procurement and with a good working knowledge of UK and Scottish Procurement Regulations. As The Association continues to implement its Business Plan 2022-25 and its associated service delivery and business systems, it is likely in the medium to long term to want to build up its in-house procurement capacity but will continue to rely on some form of consultancy input for procurement support as required.

A further risky area in terms of experience and knowledge is the lesser revenue-based expenditure where procurement rules did not necessarily apply to the degree they have since the Regulations.

In addition, The Association is committed to ensuring value for money for its tenants and stakeholders and therefore the processes and procedures must not only demonstrate but deliver such outcomes.

It is The Association's intention to ensure that, where possible, all contracts awarded by it provide for payment of invoices within a maximum of 30 days and with a maximum of 14 days in connection with development activities from the date of receipt, including payments due by The Association to a contractor, by a contractor to a sub-contractor as well as payments due between sub-contractors.

## **5. RISK MANAGEMENT**

The Association's Risk Management Strategy has been developed to make sure that any risks to The Association and the customers it serves are properly recognised and managed. In all its procurement dealings, The Association will identify risks, evaluate their potential consequences, consider possible opportunities, and manage those risks effectively, at every stage of the process.

## **6. DIGITAL PROCUREMENT**

As part of our digital transformation The Association fully supports the drive to enable an electronic procurement process, including electronic ordering, invoicing and payments. Therefore, Public Contracts Scotland will be used to publish notices for contract opportunities and the award of contracts for tender regulated by the Act or the Regulations.

## 7. ROLES AND RESPONSIBILITIES

Implementation of this strategy requires clear functional responsibility to be assigned for procurement at both Board and staff level. An outline of the responsibilities and delegation is shown below:

|   |   |
|---|---|
| <b>Management Committee</b>                   | <ul style="list-style-type: none"> <li>• Delegating authority to Audit Sub-Committee where appropriate.</li> <li>• Adopting this Procurement Strategy ensuring it supports the achievement of Clydesdale HA's objectives in line with its values.</li> <li>• Monitoring the outcome of the procurement strategy to ensure delivery thereof.</li> <li>• Overseeing procurement and contract management to ensure they are operating effectively.</li> <li>• Approval of the Annual Procurement Report.</li> <li>• Monitor outcome of procurement strategy.</li> </ul>              |
| <b>Management Team</b>                        | <ul style="list-style-type: none"> <li>• Ensuring that key policies and strategies are being considered during the procurement process;</li> <li>• Capacity building to ensure that organisational arrangements are in place to deliver the Procurement Strategy effectively.</li> <li>• Maintaining an overview of corporate arrangements for procurement and ensuring they are operating economically, efficiently and effectively.</li> <li>• Ensuring that value for money is achieved from procurement.</li> <li>• Ensuring delivery of the procurement strategy.</li> </ul> |
| <b>All staff making procurement decisions</b> | <ul style="list-style-type: none"> <li>• Taking responsibility for procurement in their services, following the guidelines in this Strategy and the Procurement Procedure.</li> </ul>   |

|                                    |   |
|------------------------------------|---|
|                                    | <ul style="list-style-type: none"> <li>• Liaising with Line Manager to allow monitoring of all procurement activity in their services.</li> <li>• Project management and making sure an appropriate project plan is in place and resourced.</li> <li>• Seeking advice from the Procurement Support resource as appropriate to ensure compliance.</li> </ul>   |
| <b>Budget Holders Linked above</b> | <ul style="list-style-type: none"> <li>• Following procurement procedures relevant to the level of risk associated to the goods, works, and services being purchased.</li> <li>• Conducting relationships with suppliers and partners in an appropriate manner to promote Clydesdale HA in a positive manner to ensure that the KPIs and the requirements of each contract are met effectively.</li> </ul>  |
| <b>Procurement Lead (TSM)</b>      | <ul style="list-style-type: none"> <li>• Production of reports to Board/Committee.</li> <li>• Production of Annual Procurement Report.</li> <li>• Review and update of Contracts Register.</li> <li>• Supporting staff throughout the procurement process</li> <li>• Ensuring training is delivered to exist.</li> <li>• Ensuring that relevant staff in their area have the right level of skills to deliver effective procurement.</li> <li>• Quarterly review ensures The Association's procurement undergoes a continuous improvement process.</li> </ul> |

## **8. TRAINING**

The Association is committed to supporting and encouraging any staff involved in procurement activity to obtain relevant procurement training and to gain the skills and experience necessary to carry out their duties and responsibilities.

Inter alia, we will use the Public Contracts Scotland Procurement Journey tool <https://www.procurementjourney.scot/procurement-journey> to help support and develop the procurement skills of relevant staff.

The Association aims to ensure that its governing body members also receive appropriate levels of training regarding organisational and governance responsibility for procurement compliance.

The Association will actively seek to ensure the responsible person for procurement has or is supported to attain Chartered Institute of Procurement and Supply (CIPS) qualifications or to an appropriate level therein e.g., CIPS Level 3 Advanced Certificate in Procurement and Supply Operations or has the equivalent experience.

Training will be provided to all staff with a role in procurement by an external consultant to clarify the revised Strategy, Policy and Procedure and this will be summarised as part of the induction process for all new employees thereafter.

## **9. IMPLEMENTATION, MONITORING, REVIEWING AND REPORTING**

The Association has an obligation to publish this strategy in accordance with the Procurement Reform (Scotland) Act 2014, for those organisations where there was no dubiety about the application of the legislation, there was a requirement to publish their strategies by 31 December 2016. The approval and subsequent publication of this Strategy will allow our position to be regularised

On publishing this strategy, The Association will notify Scottish Ministers by sending an email to [ProcurementStrategies@gov.scot](mailto:ProcurementStrategies@gov.scot) with a copy of this strategy attached or a link to where this strategy can be accessed from.

This first publication covers the period 2022/23 to 2024/25, a 3-year period, and will be available via The Association website: [www.clydesdale-housing.org.uk](http://www.clydesdale-housing.org.uk)

The Management Team will implement and review this strategy and develop The Association's approach during the early years following best practice in the sector and beyond.

Performance monitoring will be through future internal audit programmes, regular reports to the Board, and assessment against a selection of questions from the Procurement and Commercial Improvement Programme (PCIP).

This strategy will be reviewed on at least a 3 yearly basis to build up the quality of the Strategy and associated practices; ensure compliance with legislation; and to enable The Association to strategically respond to any changing environmental factors.

The Association will publish an annual procurement report which will provide details on all regulated procurement and address all matters contained within this strategy.

## **10. EQUALITIES & DIVERSITY**

Clydesdale Housing Association Limited acknowledges the importance of equality and diversity, and our responsibility to play a prominent and participative roll in encouraging and supporting difference. Through the provision of services and initiatives, including procurement of goods and services, the Association will work to ensure inclusivity, address and remove discrimination, support, promote and celebrate difference – and offer services which represent the needs of all our stakeholders. As part of any selection and quality assessment criteria, including qualifying interviews, we will ask for evidence about their work to promote Equalities.

## **11. POINT OF CONTACT**

Joe Gorman  
Chief Executive Officer  
Clydesdale Housing Association Limited  
39 North Vennel  
Lanark  
ML11 7PT

Tel: 01555 665316



# **Staff Procurement User Guide**

**Valid from: 29 June 2022**

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## **Appendices**

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## 1 Introduction

Clydesdale Housing Association Limited and its subsidiaries (“the Association”), recognises that sustainable procurement has a critical role to play in making best possible use of its resources and in demonstrating value for money for our tenants and stakeholders. The Association is committed to the highest standards of openness, probity and accountability.

The Association spends a significant amount each year to obtain a wide range of goods, services and works. Procurement is a high value activity for the Association and its successful implementation will have a critical impact on our performance and strategic outcomes.

This Procurement Procedure/Guide is designed to provide support to those staff with responsibility for procuring Works, Goods or Services for the Association.

### What is Procurement?

We define effective procurement as:

*“The acquisition of works, goods and services at the best possible cost, in the right quantity and quality, at the right time, in the right place and from the right source for the direct benefit of the Association and our customers”*

In relation to public procurement and this paper the following definitions apply:

- **“Works”** contracts relate to those where the outcome is a building or civil engineering project to fulfil an economic or technical function,

*E.g., New Build, Capital Replacement Works Kitchen, Bathroom, Heating etc*

- **“Supply”** contracts are those that result in the purchase, lease, rental or hire purchase of products,

*E.g., Purchase of Kitchen, bathroom and Heating equipment to be installed by inhouse teams. Lease of vans/cars of other vehicles, phones or equipment etc*

- **“Service”** contracts are those not covered by works or supply

*E.g., Repairs & Maintenance, Lift Maintenance, Gas Service & Maintenance, Ground Maintenance, Gutter Cleaning, Legal Service, Internal & External Audit, Insurance etc*

## 2 Procurement Thresholds

When procuring contracts for goods, services or works, the Association must comply with the Public Contracts (Scotland) Regulations 2015 (**“the Regulations”**) and the Procurement Reform (Scotland) Act 2014 (**“the Act”**).

The Association is subject to a two-tier procurement regime, in terms of which the Regulations will apply to contracts with a value which meets or exceeds the relevant UK thresholds, and the Act will apply to contracts with a value below such UK thresholds but with a value which is equal to or greater than the thresholds set out in the Reform Act.

The UK procurement thresholds values change every 2 years, and the table below lists updated contract value thresholds that Contracting Authorities (Housing Associations) must follow for all UK procurement procedures from 1 January 2022. More info can be found on Scottish Government website.

The thresholds are now expressed inclusive of VAT, not net of VAT, reflecting a change in practice resulting from the UK's independent membership of the WTO Government Procurement Agreement. This change means that the thresholds have, in effect, been reduced.

| Contracting Authorities                               | Public Contracts Type             | New Threshold (Net of VAT)   |
|---|-----------------------------------|--|
| Central government bodies                             | Supplies or Services              | <b>£138,760</b> Indicative value excluding 20% VAT<br>£115,633     |
| Other contracting authorities (e.g., HA, RSL, LA etc) | Supplies or Services              | <b>£213,477</b> Indicative value excluding 20% VAT<br>£177,897     |
| All Contracting Authorities                           | Works                             | <b>£5,336,937</b> Indicative value excluding 20% VAT<br>£4,447,447 |
|   | "Light Touch Regime" services     | <b>£663,540</b> Indicative value excluding 20% VAT<br>£552,950     |
|   | Small lots / Supplies or Services | <b>£70,778</b> Indicative value excluding 20% VAT<br>£58,982       |
|   | Small lots / Works                | <b>£884,720</b> Indicative value excluding 20% VAT<br>£737,267     |

## 2.1 Scottish Procurement Thresholds

All values are exclusive of VAT and relate to the full life of the contract (including any potential extensions or renewals).

| Contracting Authorities     | Public Contract Type | Threshold (Net of VAT) |
|-----------------------------|----------------------|------------------------|
| All Contracting Authorities | Supplies or Services | <b>£50,000</b>         |
|                             | Works                | <b>£2,000,000</b>      |

The procedure for the award of any contract depends upon the estimated value of that contract. The relevant threshold values and the associated procurement procedure that must be applied are detailed in the table below.

| <b>Contract Type</b>        | <b>Contract Value</b>    | <b>Procurement Procedure</b>                       |
|-----------------------------|--------------------------|--|
| Works / Supplies / Services | Up to £20,000            | Direct appointment without any public procurement  |
| Works / Supplies / Services | £20,000 to £50,000       | Quick Quote Procedure under the Regulations & Act  |
| Supplies / Services         | £50,000 to £177,897      | Single or Dual Procedure under the Act             |
| Works                       | £4,447,447 and above     | Open or Restricted Procedure under the Regulations |
| Supplies / Services         | £177,897 and above       | Open or Restricted Procedure under the Regulations |
| Works                       | £2,000,000 to £4,447,447 | Single or Dual Procedure under the Act             |

The prescribed threshold values set out in the above table will be automatically revised in accordance with any subsequent amendment to the threshold values set by the UK for supply, services or works contracts (the next amendment being due to take effect from 1 January 2024).

All other financial limits specified in this Policy shall be subject to review from time to time and Association employees will be notified promptly of any change to the relevant values.

It should be noted that all values in procurement are cumulative and must be added over the term of the contract i.e., Legal Services for a 5-year contract at £20k per annum has a total contract value of £100k.

## **2.2 Below Regulated Procurement Thresholds - Contracts which are below threshold value**

Contracts with an estimated value below the thresholds set out in the Regulations and the Act do not require to be procured in accordance with the terms of the Regulations or the Act but must be procured in accordance with the requirements of the table listed below.

Contracts with an estimated value below the above prescribed thresholds do not need to be advertised in the UK or publicly procured in terms of the Regulations but contracting authorities must, ensure a degree of advertising and follow a procedure leading to the award of the contract which is sufficient to enable open competition and comply with general principles of equal treatment, non-discrimination, transparency and proportionality.

| Estimated value of contract  | Procedure to be followed   |
|--|--|
| Below £20,000 works and services / supplies*   | Work may be authorised within individual officer limits and contractor/supplier may be directly engaged without any form of public procurement exercise. It remains good practice to obtain at least 2 comparative quotes. Consider the use of the STJF if applicable.   |
| Between £20,000 and £50,000 works, services & supplies*                                | Minimum of three competitive quotations to be invited via Quick Quote (QQ) using standardised documentation and processes (for example, a specification, Quality document (if appropriate) and return date to be sent to all contractor/supplier being asked to provide costs). Lowest priced contractor or Most Economically Advantageous Tender (MEAT) can be used and to appoint. |
| Between £50,000 and £2m works*   | Best Practice tender process to be followed with at least three competitive tenders invited via Scottish Contract Notice via PCS tendering procedure. Contractor evaluated as being the (MEAT) to be appointed.  |
| Between £2m and £4,447,447 works and Between £50,000 and £177,897 services / supplies* | Formal Scottish tender process to be followed with at least three/five competitive tenders invited via Scottish Regulated Contract Notice via PCS full tendering procedure. Contractor/supplier evaluated as being the (MEAT) to be appointed.   |
| Over £4,447,447 works and Over £177,897 services / supplies*                           | Formal UK tender process to be followed with at least three/five competitive tenders invited via UK Regulated Contract Notice via PCS full tendering procedure. Contractor/supplier evaluated as being the (MEAT) to be appointed.   |

**\* out with any existing Measured Term Contracts (MTC) values that are imbedded within a contract**

The only exceptions to the above are as follows:

The use of any of the following will require the consent of the appropriate member of the Management Team in accordance with the authorisation levels detailed the Association's Internal Financial Control Policy and Standing Order Policy (incorporating Scheme of Delegate Authority)

In relation to building works and development proposals:

- where a developer or other party brings an opportunity to any of the Association and the terms of the proposed arrangements,
- to contract with a named building company where consultants are being used and there is a reason to offer a particular firm the work (for example if they have unique skills or have carried out work at risk),
- where works have been included as part of a schedule of rates contract which has been tendered in the usual way and the cost of the repairs does not exceed £50,000,
- where goods and materials are of a proprietary nature and no satisfactory alternative is available,
- that for other definable reasons open competition would not be appropriate e.g., in the case of long-term agreements negotiated tenders or monopolies.

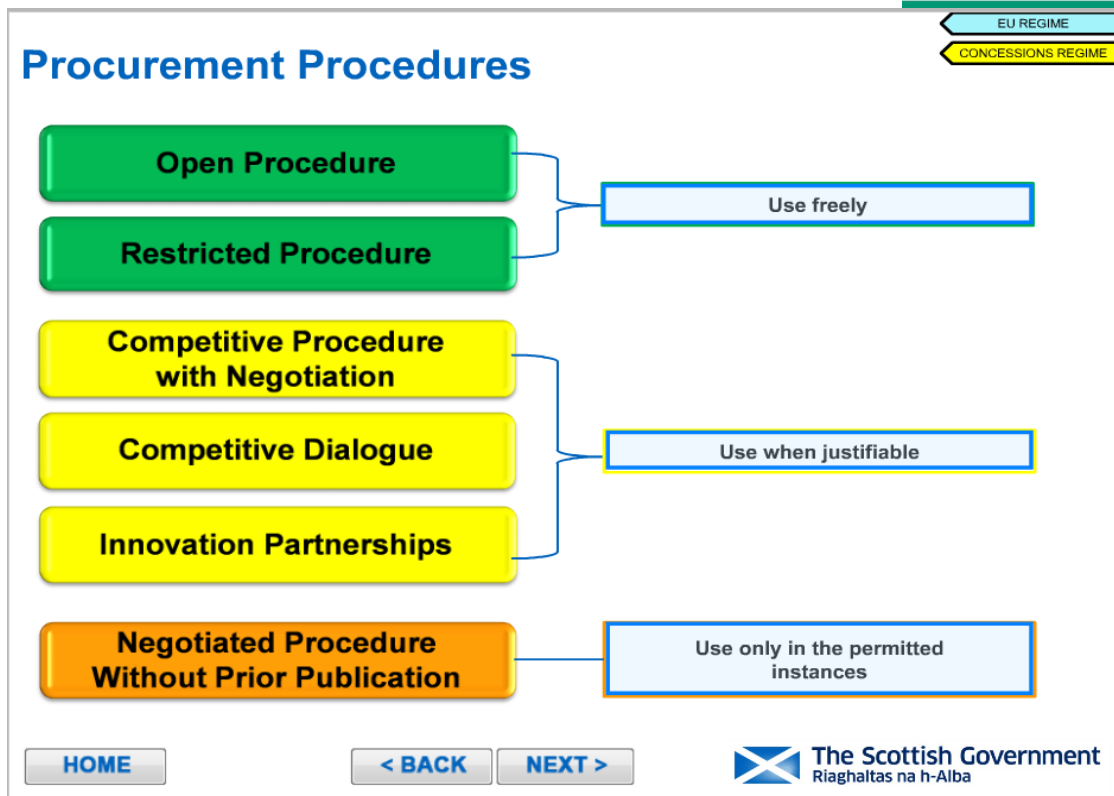
In relation to other business activities:

- where external organisations are being used and there is a reason to offer a particular firm the work (for example if they have unique skills or have carried out work at risk)
- where services are provided at a fixed price and no satisfactory alternative is available
- where services are only available from a limited number of external organisations – in which case, a reasonable number should be invited to quote

### 3 Procurement Routes

There are a number of procurement Routes/Techniques that are open for the Association to use, the most common are list below in **green**, and the more complex routes that will require procurement consultancy or expertise assistance are listed below in **red**. There are 4 main routes that are commonly used (**green**) and can be used freely by managers. Any of the Routes/Techniques list below in **red** should not be used freely and instead advice should be sought through the Compliance, Procurement and H&S Support prior to consideration of these options

1. Direct Award & Single Tender Justification (DA) & (STJ) (R)
2. Quick Quotes (QQ), (R)
3. Open (Single Stage) Procedure, (R)
4. Restricted (Dual Stage) Procedure, (R)
5. Prior Information Notice (PIN)
6. Frameworks, (T)
7. Dynamic Purchasing System (DPS), (T)
8. Competitive Procedure with Negotiation, (R)
9. Competitive Dialogue, (R)
10. Innovation Partnership, (R)
11. Negotiated Procedure without Prior Publication (R)



#### 4 The Procurement Journey

The [Procurement Journey](#) (PJ) provides guidance for public sector buyers who procure goods, services and care and support services.

Please ensure that you watch the Procurement Journey produced by the Scottish Government [Welcome Video](#) if you are new to the Procurement Journey and for more detailed information please refer to the [How to Use the Procurement Journey](#).

It is recommended that managers follow the steps on the Procurement Journey

The Procurement Journey is laid out in an interactive “journey” i.e., information is listed in a series of chronological stations (or pages) - from Prepare right through to Lessons Learned at the end of a contract.

At any time, if you want to return to the homepage, you can do this by clicking home or on the Procurement Journey logo in the top left-hand corner of each page.

New functionality means that the top of every Procurement Journey page now includes a main navigation panel. This allows you to access specific Procurement Journey stations directly as well as other information. For example, general and new information can be found by clicking a link under “Additional Resources”. New content of checklists, quickfire guides, videos and documents are included within “Tools, Documents and Templates”.



## **5 Direct Award (DA) – Less Than £20,000 (excluding Vat)**

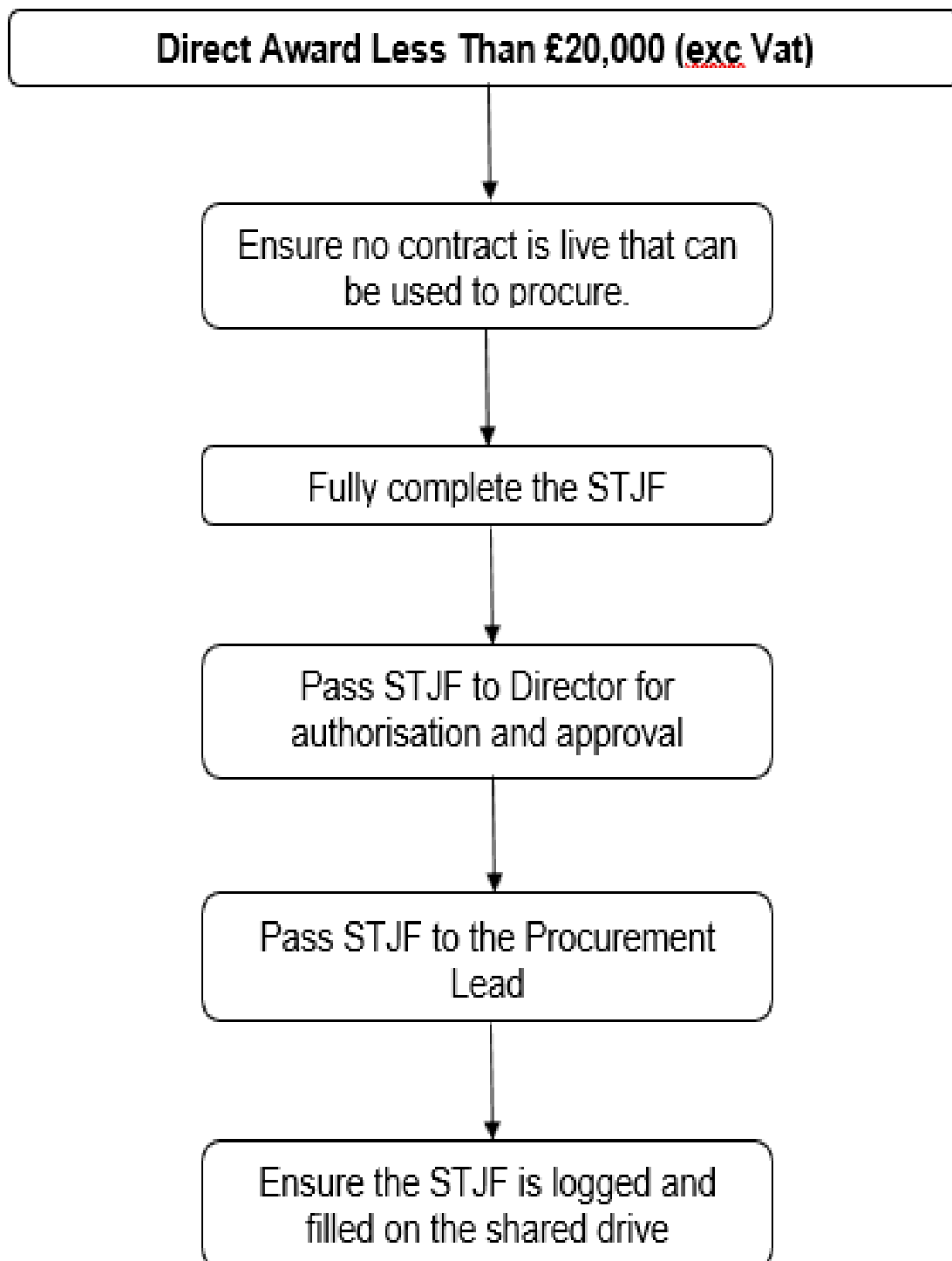
The Association has adopted a practical and pragmatic approach to below regulated procurement that is any works and services / supplies contracts, below £20,000 excluding vat. The contract may be authorised within the individual officer limits and contractor/supplier may be directly engaged without any form of public procurement exercise.

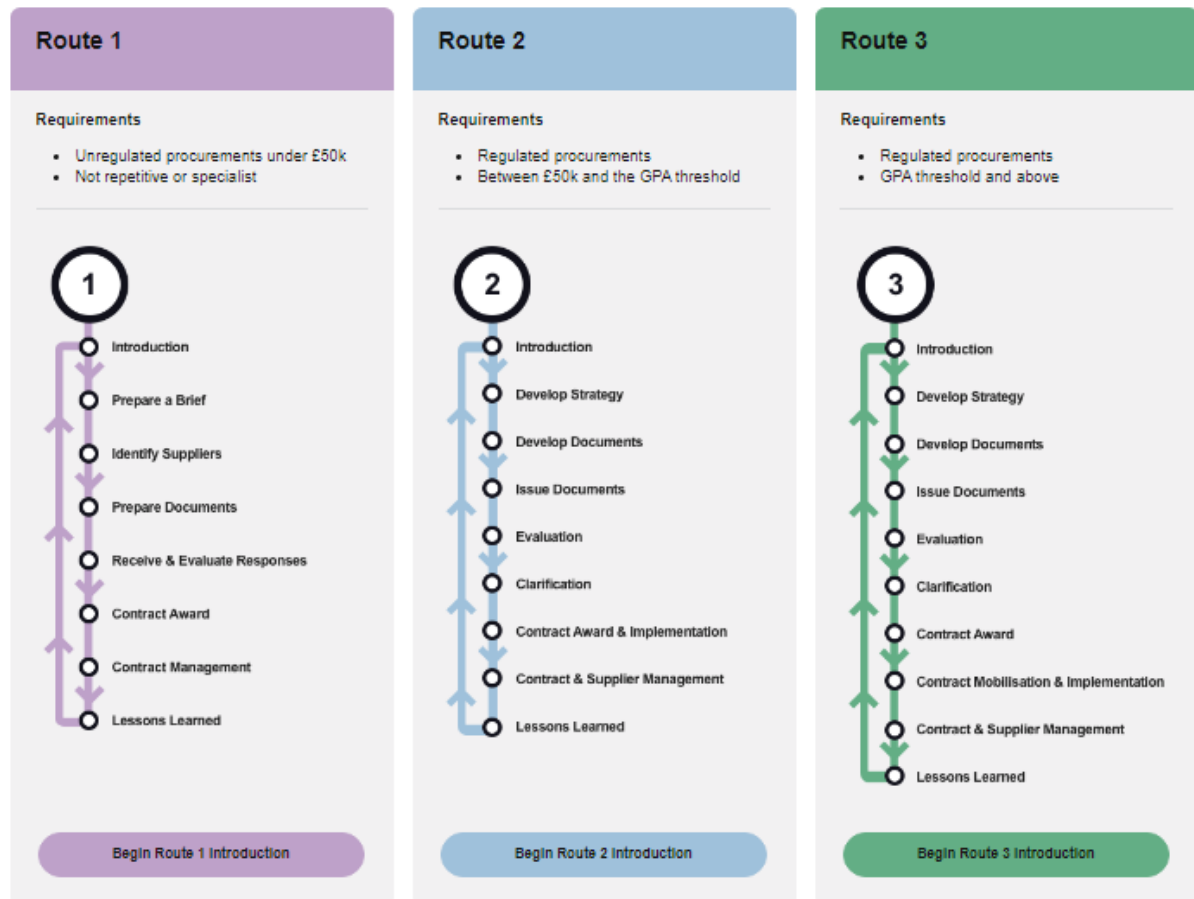
The route to follow the use of this process would be through the completion of the Single Tender Justification Form (STJ Form) and provide the form to the relevant Director for authorisation. See Flowchart below

This STJ Form is to be used for the appropriate supply, services and works contracts. It can be used in exceptional circumstances or where only one specialist supplier exists that can deliver the project/contract, or 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 (STJF) to the relevant Director for approval before confirming award of the contract.

No single contract award should be made by any staff member, including the Chief Executive Officer, in any circumstances without an independent review and approval by another member of the Management Team who is not directly involved in the procurement exercise. The Management Committee shall also be notified of all single contract awards above an agreed limit.

The Procurement Lead will review and be copied into all correspondence, information and forms as the project progress and prior to the contract awards made during the course of any project.





## 6 Quick Quote (QQ) – Route 1

Quick Quote (QQ) is an online quotation facility using the Public Contract Scotland (PCS) website that allows Contracting Authorities to obtain competitive quotes electronically for low value & low risk requirements. Details of the QQ are created on the PCS 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 from £20,000 up to a maximum value of £50,000 (outwith exceptions listed above in section 2.2)

### How to Create a QQ

It is recommended that prior to creating a QQ for the first time that you review the [PCS User Guides & Videos](#) and ensure that you fully understand the process required to create a QQ.

QQ is a very simple and straightforward procurement procedure, and it is best advised to have prepared all the documents that you require in advance of creating the notice. This will mean the process is quicker and you have the required documents to hand to upload to the QQ. Template documents are available.

### What Documents will I need to create a QQ?

It is good practice to have standard documents to avoid any flawed and poor QQ outcomes. It is also good practice to include an element of quality/price in the submission.

The documents that you will need to create are listed below:

1. ITT – Invitation to Tender
2. Pricing Schedule
3. Standard Form of Contract (for Works cover more than 1-year e.g., SBCC MTC 2016 or alternatives)
4. QQ Abbreviated SPD
5. General Certificates:
  - a. General Data Protection Regulations (GDPR) Declaration
  - b. Freedom of Information Request
  - c. Anti-Collusion and Non-Canvassing Certificate
  - d. Statutory Terms for All Workers
  - e. Conflict of Interest Statement

### ITT – Invitation to Tender

The ITT must contain at the least information as listed below:

1. Scope of Services/Works Required – General Statement,
2. Requirement of Tenderers – Insurance, completion dates, and any certificates they must have etc
3. Specification – a full and detailed set of requirements and any performance requirements,
4. Timetable – details of all the key dates
5. Abnormally Low and Abnormally High Tenders – details on how you would deal with any very low or very high tenders

### Scope of Services/Works Required

A general statement of what will be required in connection with the tender.

### Requirement of Tenderers

Details of any insurance requirements under the scope of the service or works, details of any start and completion dates critical to the contract, details of any accreditations and certificates that may be required NICEIC, GasSafe etc

### Specification

A full and detailed set of requirements and any performance requirements that will be required in connection with the tender. Any specification should be as detailed as possible to ensure that the bidder process for all of your requirements.

## Timetable

A sample timetable is listed below. It is reasonable to allow ideally 14 days minimum – 21 days maximum from issue to return date. Allowing for preparation of the documents and award typically a QQ takes 31 days in the example below.

| Quick Quote   |                   |                   | Days      |
|---|-------------------|-------------------|-----------|
| Activity  | Start Date        | Complete Date     |           |
| Prepare Documents for QQ                                      | Mon<br>21/06/2021 |                   |           |
| Issue of QQ SPD, ITT & QMS                                    | Mon<br>28/06/2021 |                   | 7         |
| Closing date & time for submission of questions               | Thu<br>08/07/2021 |                   | 10        |
| Closing date & time for return of completed QQ SPD, ITT & QMS | Mon<br>12/07/2021 |                   | 4         |
| Receive, sort & evaluate submitted SPD, ITT & QMS             | Mon<br>12/07/2021 | Fri<br>16/07/2021 | 4         |
| Estimated Contract Award                                      | Fri<br>16/07/2021 |                   | 3         |
| Contract Start Date   | Mon<br>19/07/2021 |                   | 3         |
| <b>Total Days</b>   |                   |                   | <b>31</b> |

## Abnormally Low and Abnormally High Tenders

A sample clause is listed below:

### **Abnormally Low & High Tenders**

CHA will follow The Public Contracts (Scotland) Regulations 2015, Section 69(1) in connection with any tenders they consider to be abnormally low. We will also use the Scottish Government Abnormally Low Tender Calculator (ALTC) to review ALT.

CHA will require the tenderer to explain the price or costs proposed in the tender where the tender appears to be abnormally low in relation to the works, supplies or services.

CHA will reserve the right to consider tenders to be “Abnormally Low Tender” and will request further information to clarify and validate your tender costs. If the response provided doesn’t give satisfactory clarification or validation or mitigate the risk, then the client reserves the right to consider this to an “Abnormally Low Tender” and remove the tender from the Price/Quality tender process.

### Pricing Schedule

The Price Schedule should be a detailed list of what is required relating back to the specification and the more detail the greater the chance of getting an even priced tender that ensures that the bidder's price for all the requirements.

### Standard Form of Contract

If the QQ is for Works covering more than 1-year then consideration should be given to the use of a standard form contract such the SBCC MTC 2016 or alternatives. You can also consider an exchange of letters as the form of agreement to undertake the works/services based on the specification and agreed price.

### QQ Abbreviated SPD

The Association has a template QQ Abbreviated SPD that should be used and that can be found in the procurement template folder.

### General Certificates

The Association has a list of template certificates that should be used and that can be found in the procurement template folder.

## **7 Open (Single Stage) Procurement**

The Open Procedure or Single Stage as it is referred to in the Reform Act 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.

The Open Procedure has slightly differing timescale requirements to the Single Stage. The Open Procedure for above UK Regulated Goods/Services and Works must be advertised for a minimum of 30 days on PCS. A single stage for above Scotland Regulated Goods/Services and £ Works has no requirement to be advertised for at least 30 days.

### Procurement Journey Route

Depending on the value (see page 4) you would use either [Route 2](#) or [Route 3](#) on the Procurement Journey

## How to Create an Open or Single Stage Procedure

It is recommended that prior to creating an Open or Single Stage Procedure for the first time that you review the [PCS User Guides & Videos](#) and ensure that you fully understand the process required to create an Open or Single Stage Procedure.

Open or Single Stage is a very simple and straightforward procurement procedure, and it is best advised to have prepared all the documents that you require in advance of creating the notice. This will mean the PCS contract notice process is quicker and you have the required documents to hand to upload to the PCS contract notice.

## What Documents will I need to create an Open or Single Stage Procedure?

Thou are required to have any standard documents and failure to have standard documents can and often does result in flawed and poor Open or Single Stage Procedure outcomes. The contract will need be advertised on Public Contracts Scotland (PCS) portal.

The documents that you will need to create PCS notice are listed below:

1. An SPD – this is the selection criteria to allow bidders to self-declare that they meet the relevant selection criteria set by the Association, the SPD would be used a Pass or Fail for the Open or Single Stage Procedure
2. Instructions to Tenderers - that must contain,
  - a. SPD Guidance to inform the bidders exactly what they have to provide as evidence for the selection criteria,
  - b. Scope of Services/Works Required – General Statement,
  - c. Requirement of Tenderers – Insurance, completion dates, and any certificates they must have etc
  - d. Timetable – details of all the key dates
  - e. Abnormally Low and Abnormally High Tenders – details on how you would deal with any very low or very high tenders
  - f. Background and overview of the tendering and quality ratio and quality evaluation process,
  - g. Quality Response requirements,
  - h. Quality/technical questionnaire,
3. T&C's or Standard Form Contract Documents which will apply to any resulting contract with the supplier,
4. Specification and technical requirements of the contract created inhouse of by a QS,
5. Pricing schedule or Bill of Quantities,
6. Form of tender,
7. KPIs,
8. Price / Quality Assessment Matrix set at the required ratio e.g., 50% cost / 50% quality,
9. Standstill Letter – Single or Open Procedure only requires a standstill letter under the Regulations not the Act values, although good practice is to use a voluntary standstill period of a minimum of 5 days,
10. Contract Award Letter.

## Advertising on PCS

All the documents listed above will require to be uploaded to PCS at the start of the procurement process. This is a single stage process and so all the documents must be prepared and ready prior to the creation of the Contract Notice on PCS.

## Timetable

As sample timetable is listed below. Allowing for preparation of the documents and award typically a single stage process takes 3/4 months in the example below.

| <b>Open (Single Stage)</b>  |                   |                      | <b>Days</b> |
|---|-------------------|----------------------|-------------|
| <b>Activity</b>   | <b>Start Date</b> | <b>Complete Date</b> |             |
| Prepare Documents   | Mon<br>21/06/2021 |                      | 32          |
| Issue of SPD, ITT & QMS   | Fri 23/07/2021    |                      |             |
| Closing date & time for submission of questions                                 | Fri 13/08/2021    |                      | 21          |
| Closing date & time for return of completed SPD, ITT & QMS                      | Mon<br>02/08/2021 |                      | 10          |
| Receive, sort & evaluate submitted SPD, ITT & QMS (QS tender checks and Report) | Mon<br>02/08/2021 | Mon<br>23/08/2021    | 21          |
| Standstill Period   | Mon<br>23/08/2021 | Thu<br>02/09/2021    | 10          |
| Contract Award  | Fri 03/09/2021    |                      | 1           |
| Pre-Start Meeting   | Fri 03/09/2021    | Fri 10/09/2021       | 7           |
| Mobilisation Period   | Fri 10/09/2021    | Fri 24/09/2021       | 14          |
| Contract Start Date   | Mon<br>27/09/2021 |                      | 3           |
| <b>Total Days</b>   |                   |                      | <b>119</b>  |



## 8 Restricted (Dual Stage) Procurement

The Restricted Procedure or Dual Stage as it is referred to in the Reform Act 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.

### Procurement Journey Route

Depending on the value (see page 4) you would use either [Route 2](#) or [Route 3](#) on the Procurement Journey

### How to Create a Dual or Restricted Stage Procedure

It is recommended that prior to creating a Dual or Restricted Stage Procedure for the first time that you review the [PCS User Guides & Videos](#) and ensure that you fully understand the process required to create a Dual or Restricted Stage Procedure.

Dual or Restricted Stage Procedure is a more complex procurement procedure, and it is best advised to have all the 1<sup>st</sup> stage documents prepared in advance of creating the notice. This will mean the PCS contract notice process is quicker and you have the required documents to hand to upload to the PCS contract notice.

After you have completed the 1<sup>st</sup> stage and you have your tender list of bidders (5 or more) you then issue a 2<sup>nd</sup> stage notice via PCS and issue the 2<sup>nd</sup> stage documents to the tender list of bidders.

## Stage2 Notice Status

### Pre-Publication Details

|                  |   |
|------------------|---|
| Document ID:     | [REDACTED] <a href="#">View, print or save Pre-Publication Stage 2 text</a> |
| Title:           | [REDACTED]  |
| Nature:          | <b>Works Contract</b>   |
| Document Source: | <b>Wizard</b>   |
| Status:          | <b>Dispatched</b>   |
| Created:         | <b>04/10/2021 17:05</b> by [REDACTED]                                       |
| Last Amended:    | <b>26/10/2021 16:13</b> by [REDACTED]                                       |
| Released:        | <b>04/10/2021 17:20</b>   |
| Original Notice: | <a href="#">View the Stage 1 Notice</a>                                     |

### What Documents will I need to create a Dual or Restricted Stage Procedure?

You are required to have any standard documents and failure to have standard documents can and often does result in flawed and poor Dual or Restricted Stage Procedure outcomes. The contract will need be advertised on Public Contracts Scotland (PCS) portal.

The documents that you will need to create a PCS notice are listed below:

#### Stage 1

1. An SPD – this is the selection criteria to allow bidders to self-declare that they meet the relevant selection criteria set by the Association, the SPD would be used a Pass or Fail for the Dual or Restricted Stage Procedure
2. Instructions to Tenderers - that must contain,
  - a. SPD Guidance to inform the bidders exactly what they have to provide as evidence for the selection criteria,
  - b. Scope of Services/Works Required – General Statement,
  - c. Requirement of Tenderers – Insurance, completion dates, and any certificates they must have etc
  - d. Timetable – details of all the key dates
  - e. Abnormally Low and Abnormally High Tenders – details on how you would deal with any very low or very high tenders
  - f. Background and overview of the tendering and quality ratio and quality evaluation process,
  - g. Quality Response requirements,
  - h. Quality/technical questionnaire,

#### Stage 2

1. T&C's or Standard Form Contract Documents which will apply to any resulting contract with the supplier,
2. Specification and technical requirements of the contract created inhouse of by a QS,

3. Pricing schedule or Bill of Quantities,
4. Form of tender,
5. KPIs,
6. Price / Quality Assessment Matrix set at the required ratio e.g., 50% cost / 50% quality,
7. Standstill Letter – Dual or Restricted Procedure only requires a standstill letter under the Regulations not the Act values, although good practice is to use a voluntary standstill period of a minimum of 5 days,
8. Contract Award Letter.

### Advertising on PCS

All the documents listed above will require to be uploaded to PCS at the start of the procurement process. This is a single stage process and so all the documents must be prepared and ready prior to the creation of the Contract Notice on PCS.

### Timetable

As sample timetable is listed below. Allowing for preparation of the documents and award typically a single stage process takes 4/5 months in the example below.

| <b>Restricted (Dual Stage)</b>                         |                   |                      |             |
|--|-------------------|----------------------|-------------|
| <b>Activity</b>  | <b>Start Date</b> | <b>Complete Date</b> | <b>Days</b> |
| Prepare Documents                                      | Mon 21/06/2021    |                      |             |
| Issue of SPD   | Fri 23/07/2021    |                      | 32          |
| Closing date & time for submission of questions        | Fri 13/08/2021    |                      | 21          |
| Closing date & time for return of completed SPD        | Mon 02/08/2021    |                      | 10          |
| Receive, sort & evaluate submitted Docs                | Mon 02/08/2021    | Mon 16/08/2021       | 14          |
| Issue Contract Docs & QMS to successful applicants     | Mon 16/08/2021    |                      |             |
| Return Date for Contract Docs                          | Mon 13/09/2021    |                      | 28          |
| Receive, sort & evaluate submitted Contract Docs & QMS | Mon 13/09/2021    | Mon 04/10/2021       | 21          |
| Standstill Period                                      | Mon 04/10/2021    | Thu 14/10/2021       | 10          |
| Contract Award   | Fri 15/10/2021    |                      | 1           |
| Pre-Start Meeting                                      | Fri 15/10/2021    | Fri 22/10/2021       | 7           |
| Mobilisation Period                                    | Fri 22/10/2021    | Fri 05/11/2021       | 14          |
| Contract Start Date                                    | Fri 05/11/2021    |                      | 3           |
| <b>Total Days</b>                                      |                   |                      | <b>161</b>  |

## 9 Regulated Procurements under the Public Contracts (Scotland) Regulations 2015

Contracts under the Regulations must be awarded on the basis of the **"Most Economically Advantageous Tender"** (MEAT). The "Most Economically Advantageous Tender" means the tender offer that is most economically advantageous from the Association's point of view having regard to the subject matter of the contract and including matters such as:

- quality;
- price;
- technical merit;
- aesthetic and functional characteristics;
- environmental characteristics;
- running costs;
- cost effectiveness;
- after-sales service;
- technical assistance;
- delivery date; and
- delivery period or period of completion

*(all as may be considered appropriate in relation to any particular contract).*

Contracts which are subject to the Regulations cannot be awarded on the basis of lowest price only and must be awarded on a mix of price and quality.

Requirements under the Regulations cannot be artificially split (de-aggregation) to avoid the application of the Act and/or the Regulations (e.g., a single requirement for services with a value of £200,000 cannot be the subject of two separate contracts of £100,000 each).

Where a proposed contract is "mixed", e.g., if it contains both works and services / supplies or services and supplies, it should be classified according to the main subject of the contract and then the largest subject value. I.e., supply and fit 50 new kitchens, main subject is the supply then the fit of the kitchens. The estimated value of the kitchen supply is £1,200 and the fit (works) cost is £1,000 then the main subject and higher value is the supply then the contract is a Supply. This should be followed for all contracts.

If the mixed contract comprises both services and supplies, or services covered, the main subject of the contract is determined by reference to which part of the contract has the greater value.

A flowchart and guidance note has been included at **Appendix 1** to this Policy to assist the Association staff in determining which statutory requirements apply to a particular procurement.

## 10 Regulated Procurements under the Procurement Reform (Scotland) Act 2014

Such contracts must be advertised on the Public Contracts Scotland website and publicly procured in accordance with the terms of the Act, which imposes general obligations on contracting authorities to treat economic operators equally and without discrimination and to act in a transparent and proportionate manner.

Any procurement which is subject to the terms of the Act must comply with general principles of:

- transparency – contract procedures must be transparent and contract opportunities should generally be publicised;
- equal treatment and non-discrimination – potential suppliers must be treated equally; and
- proportionality – procurement procedures and decisions must be proportionate.

Requirements under the Act cannot be artificially split (de-aggregation) to avoid the application of the Act (e.g., a single requirement for services with a value of £50,000 cannot be the subject of two separate contracts of £25,000 each).

Where a proposed contract is “mixed”, e.g., if it contains both works and services / supplies or services and supplies, it should be classified according to the main subject of the contract and then the largest subject value. I.e., supply and fit 50 new kitchens, main subject is the supply then the fit of the kitchens. The estimated value of the kitchen supply is £1,200 and the fit (works) cost is £1,000 then the main subject and higher value is the supply then the contract is a Supply. This should be followed for all contracts.

Whilst there is no mandatory obligation to use the SPD it is deemed and best practice and indeed Scottish Government (SG) “*encourage*” and “*recommend*” the use of the SPD as the standard document for all procurement activities for the selection criteria.

A flowchart has been included at **Appendix 1** to this Procedure/Guide to assist the Association staff in determining which statutory requirements apply to a particular procurement.

### Procurement of contracts under the Regulations:

An overview of each of the most relevant procedures under the Regulations is set out in this section of the Policy.

Each of these procedures is subject to certain minimum timescales. A guidance note has been included at **Appendix 2** to this Policy to assist the Association staff in determining the minimum timescales which apply to a particular procurement procedure.

In relation to all procedures under the Regulations:

A specific tender notice must be placed in the supplement via Public Contracts Scotland, and consideration given as to whether it would be appropriate to also advertise in a suitable professional/trade journal or the press;

Following the contract award decision, the Association must notify the successful and unsuccessful bidders of the contract award decision. Unsuccessful bidders must be given information on the scores they obtained, the reasons why they obtained those scores and the ***“characteristics and relative advantages”*** of the successful bidder’s tender submission compared to their own tender submission;

- A mandatory “standstill” period must be observed between the date of the notices informing tenderers of the outcome of the procedure and awarding the contract;
- If contract award notices are issued electronically, then the standstill period starts on the day after the date of issue of the contract award notices and ends at midnight on the tenth (10) day from that day;
- If contract award notices are issued by post, then the standstill period starts on the day after the date of issue of the contract award notices and ends at midnight on the fifteenth (15) day from that day;
- If the last day of the standstill period is not a working day, then the standstill period must be extended to include the next working day. For example, if the ten or fifteen-day standstill period ends on a Saturday, then the period must be extended until the next Monday;
- Once the applicable standstill period has expired, the Association may enter into a contract with the successful tenderer;
- Following completion of the tender procedure, the Association must publish a contract award notice via the Public Contracts Scotland website; and
- Any complaint about, or challenge to, the Association contract award procedure or any situation which could be reasonably expected to lead to such a complaint or challenge must be notified to **the chief executive/director immediately on the relevant the Association staff member becoming aware of it**. If a challenge is raised within the standstill period relative to a particular contract, all correspondence in relation to the challenge must immediately be passed to **Senior Management Team for review**.

## **11 General procurement principles – all procedures**

There are a range of general principles which apply and which must be considered by the Association in relation to procurement of all contracts, regardless of the estimated value of that contract and / or whether the contract needs to be procured in accordance with the terms of the Regulations or the Act.

The applicable general principles are as follows:

- No tender shall be accepted where there is insufficient or no budgetary allowance for the work or services to be carried out or the goods to be provided. In addition, the relevant officer will satisfy him/herself as to the financial viability of the contractor to complete major contracts prior to official acceptance. This will be done in conjunction with senior colleagues in Finance;
- Any selection and award criteria which are used must be clearly specified in the tender documents – “selection criteria” are criteria that relate to the tenderer and are used to assess the tenderer's ability to perform the contract in question, as well as its financial standing and eligibility; “award criteria” are criteria that relate to the Association's tender requirements and are used to identify the tender that is the most economically advantageous;
- Tenders will not normally be accepted purely based on the basis of the lowest priced tender. Quality, cost and ability to deliver an excellent customer focused product/service will all be a high priority for the Association;
- Where there is a genuine concern that the contractor tendering for the work will have to employ a number of additional members of staff who require training, this will be discussed prior to the tender award. At no time will a contractor be authorised to subcontract part of the tender work without the prior approval of the Association. Any intended joint working/sub-contracting by a contractor should be clearly stated during the tender process. All contractors will be fully responsible as prime contractor for the work carried out on their behalf by a sub-contractor;
- All Association staff must comply with the Bribery Act 2010 as well as the Association's anti-bribery policy and any other relevant policies;
- All documentation must be retained on the appropriate file for a period of 3 years after conclusion of the tender exercise;
- An appropriate written contract must be used and this must be concluded with the correct legal entity (which must be correctly designed in the contract);
- Any complaint about, or challenge to, an Association contract award procedure or any situation which could be reasonably expected to lead to a complaint or challenge must be notified to The Director of Corporate Services immediately on the Association staff member becoming aware of it;

- A description of all contracts entered into (and where possible before completion) will be provided to the Office Services Manager who will keep a central contracts register and will also be noted at the next relevant Board meeting;
- Following the issue of contract specification documents, potential tenderers will have the opportunity to raise questions in writing, arrange meetings or undertake office visits to clarify any points relating to the service to be provided. All contacts from potential tenderers will be fully recorded and logged, including, for example, minutes of meetings. Any new information passed on to a tenderer as a result of any meeting or communication shall be conveyed to all other tenderers;
- At no time shall details of prices or other sensitive information submitted by a contractor be disclosed to any other contractor.



## **Appendix 1**

### **Choice of Procurement Procedure**

#### **Guidance on Procurement Flowchart**

The attached flowchart has been designed for the Association staff members to determine what statutory requirements apply to procurements.

The relevant legislation is as follows:

- Procurement Reform (Scotland) Act 2014 – the “Act”; and
- Public Contracts (Scotland) Regulations 2015 – the “Regulations”.

Even where procurement does not fall under the requirements of either the Act or the Regulations, staff must ensure that bidders are treated equally and non-discriminatorily and that the Association acts in a transparent and proportionate manner (the “Principles”).

#### **Type of contract:**

- Goods or services.
- Works.

#### **Goods or services:**

**the Association** staff must consider the estimated total value of a contract before commencing any procurement exercise. The following must be taken into account:

- any amounts payable as part of an option or renewal;
- the estimated value upon commencement of the procurement; and
- the total estimated value of any lots.

Estimated total value of contract is < £50,000 – neither the Act nor the Regulations apply, please procure contract in accordance with one of the procedures set out in section 7 of the Procurement Policy.

Estimated total value of contract > £50,000 but < £189,330 – the Act applies, go to section 6 of the Procurement Policy.

Estimated total value of contract > £189,330 but < £4,000,000 – the Regulations apply, go to section 5 of the Procurement Policy.

Estimated total value of contract > £4,733,252 – the Regulations apply and the Act (community benefits) apply, please see sections 5 and 6 of the Procurement Policy.

If the services to be procured are health or social care services, please go to section 8 of the Procurement Policy.

## **Works:**

the Association staff must consider the estimated total value of a contract before commencing any procurement exercise. The following must be taken into account:

- any amounts payable as part of an option or renewal;
- the estimated value upon commencement of the procurement;
- the total estimated value of any suppliers and services necessary for executing the works, provided by the RSL to the contractor; and
- the total estimated value of any lots.

Estimated total value of contract < £2,000,000 – neither the Act nor the Regulations apply, please procure contract in accordance with one of the procedures set out in section 7 of the Procurement Policy.

Estimated total value of contract > £2,000,000 but < £4,733,252 – the Act applies, go to section 6 of the Procurement Policy.

Estimated total value of contract > £4,000,000 but < 4,733,252 – the Act (community benefits) apply, go to section 6 of the Procurement Policy.

Estimated total value of contract > £4,733,252 – the Regulations apply and the Act (community benefits) apply; go to section 5 of the Procurement Policy.

## **Procurement of goods, services or works under the Act (“regulated procurements”)**

The sustainable procurement duty applies:

the Association must consider and prepare a report on how the procurement can: (i) improve social, economic and environmental wellbeing of the Association's area; (ii) facilitate the involvement of SMEs, third sector bodies and supported business in the procurement process; and (iii) promote innovation; and

the procurement process must be carried out with a view to securing the above improvements.

Publication of contract notice (excluding call-offs under framework agreement unless the call-off is above the thresholds) and contract award notice on PCS.

Where the Association decides to exclude a supplier from participating in a procurement process before a tender has been submitted, it must notify that supplier of the decision and include: (i) the names of the excluded suppliers; (ii) the exclusion criteria used; and (iii) the Association's scoring (if any) used against the criteria.

Upon deciding to award a contract, the Association must notify all unsuccessful tenderers of the name of the successful tenderer, the award criteria used, and the Association's scoring against those criteria, of the unsuccessful tenderer and the successful tenderer.

Requirement for technical specifications to be set out in the tender documents.

### **Procurement of works under the Act (Community Benefits)**

The requirements set out in section 4 above and the principles apply.

Before undertaking the procurement, the Association must consider whether to impose community benefit requirements as part of the procurement. Community benefit requirements relate to training and recruitment, availability of sub-contracts, or improvements to the economic, social or environmental wellbeing of the Association's area.

The contract notice must contain:

- a summary of the community benefit requirements intended to be included in the contract; or
- a statement of reasons for not including any community benefit requirements.

Where requirements are included in a contract, the contract award notice must state the benefits which the Association considers to be derived from the requirements.

### **Procurement of goods or services under the Regulations**

The principles apply.

The tender requires to be published in the UK e-notification service/Official Journal (OJUK) and one of the defined procedures set out in the Regulations must be followed:

- open or restricted procedure;
- innovation partnership;
- competitive procedure with negotiation; or
- competitive dialogue.

Specific requirements include:

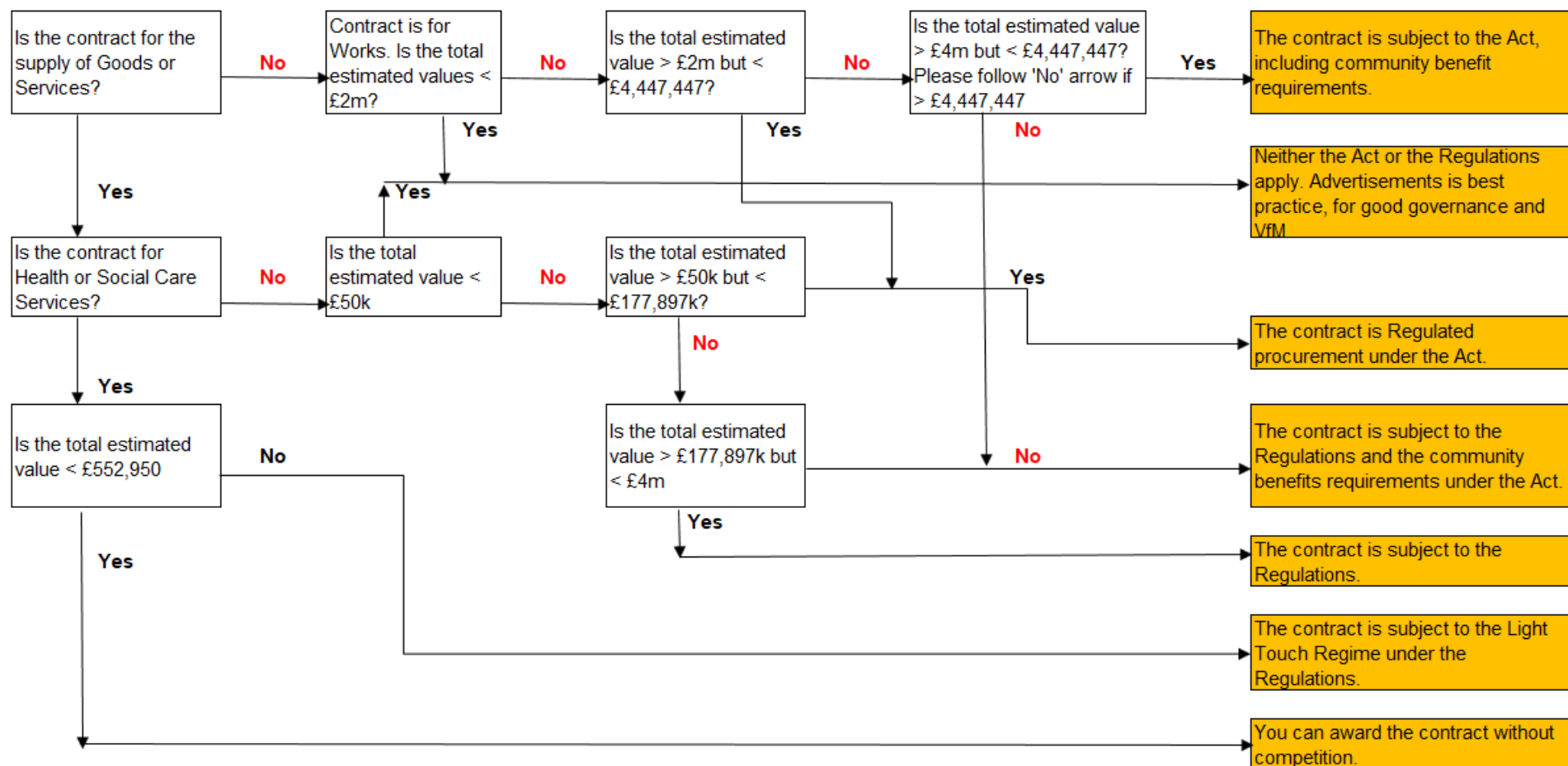
- technical specifications to be set out in the tender documents;
- tender documents must be available electronically and free of charge from the date of publication of the contract notice;
- mandatory and discretionary grounds for excluding tenderers – maximum turnover requirement of two times the value of the contract;
- selection and award criteria; and
- self-declaration for tenderers under the European Single Procurement Document.

## **Appendix 2 - Flowchart**

The flowchart, on the following page, has been designed for the Association staff members to determine what statutory requirements apply to procurements. The relevant legislation is as follows:

- Procurement Reform (Scotland) Act 2014 – the “Act”; and
- Public Contracts (Scotland) Regulations 2015 – the “Regulations” (now UK Regulations)

Even where procurement does not fall under the requirements of either the Act or the Regulations, the Association staff must ensure that bidders are treated equally and non-discriminatorily and that the Association acts in a transparent and proportionate manner (the “Principles”).



## Appendix 3

### Procurement Timescales

| Type of procedure                   | Standard timescales  | Options for the Association to reduce timescales  | Tenders submitted electronically | Requirement is urgent and longer time limit is impractical as a result | PIN published no more than 12 months and no less than 35 days from despatch of contract notice |
|-------------------------------------|--|---|----------------------------------|--|--|
| <b>Open</b>                         | Despatch of contract notice to receipt of responses – 35 days<br>Standstill period – 10 days if notice issued electronically / 15 days if by other means   | 5-day reduction   | Period reduced to 15 days        | Period reduced to 15 days  |  |
| <b>Restricted</b>                   | Despatch of contract notice to receipt of responses – 30 days<br>ITT to receipt of tenders – 30 days<br>Standstill period – 10 days if notice issued electronically / 15 days if by other means    | May agree time-limit with tenderers – in absence of agreement minimum period is 10 days | 5-day reduction                  | Period reduced to 15 days<br><br>Period reduced to 10 days             | Period reduced to 10 days  |
| <b>Competitive dialogue</b>         | Despatch of contract notice to expressions of interest – 30 days<br>Standstill period – 10 days if notice issued electronically / 15 days if by other means  |   |                                  |  |  |
| <b>Competitive with negotiation</b> | Despatch of contract notice to expressions of interest – 30 days<br>ITN to receipt of tenders – 30 days<br>Standstill period – 10 days if notice issued electronically / 15 days if by other means | May agree time-limit with tenderers – in absence of agreement minimum period is 10 days | 5-day reduction                  | Period reduced to 10 days  | Period reduced to 10 days  |

Not at this stage, we can get that completed if your bid is successful during or after stage 2

## Minimum Timescales

(Please click on highlighted cells)

|  | Dispatch of Prior Information Notice<br>Minimum Days | Selection Stage<br>Minimum Days | Award Stage<br>Minimum Days |
|--|--|---------------------------------|-----------------------------|
| Open Procedure   | N/A  | N/A                             | 35                          |
| Open Procedure with electronic submission of tenders                         | N/A  | N/A                             | 30                          |
| Open Procedure with publication of compliant PIN                             | 35   | N/A                             | 15                          |
| Open Procedure with duly substantiated state of urgency                      | N/A  | N/A                             | 15                          |
| Restricted Procedure   | N/A  | 30                              | 30/10                       |
| Restricted Procedure with electronic submission of tenders                   | N/A  | 30                              | 25/10                       |
| Restricted Procedure with publication of compliant PIN                       | 35   | 30                              | 10                          |
| Restricted Procedure - Use of a PIN as a call for competition                | 35   | 30                              | 30/25/10                    |
| Restricted Procedure - with duly substantiated state of urgency              | N/A  | 15                              | 10                          |
| Competitive Procedure with Negotiation                                       | N/A  | 30                              | 30/10                       |
| Competitive Procedure with Negotiation with electronic submission of tenders | N/A  | 30                              | 25/10                       |
| Competitive Procedure with Negotiation with publication of compliant PIN     | N/A  | 30                              | 10                          |
| Competitive Procedure with Negotiation with PIN as a call for competition    | 35   | 30                              | 30/25/10                    |
| Competitive Procedure with Negotiation - duly substantiated state of urgency | N/A  | 15                              | 10                          |
| Negotiated Procedure Without Prior Publication                               | N/A  | N/A                             | None                        |
| Competitive Dialogue   | N/A  | 30                              | None                        |
| Innovation Partnership   | N/A  | 30                              | None                        |
| Dynamic Purchasing System  | N/A  | 30                              | 10                          |

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**The Scottish Government**  
Riaghaltas na h-Alba

**CLYDESDALE HOUSING ASSOCIATION LIMITED****Report To: Management Committee****Date: 29 June 2022****Report From: Chief Executive****Subject: Notifiable Events****Report has implications in following compliance areas:**

- |                                   |                        |
|-----------------------------------|------------------------|
| ✓ Equalities & Human Rights       | ✓ Financial Management |
| ✓ Governance Standards            | ✓ Legal Obligations    |
| ✓ Policy                          | ✓ Risk Management      |
| ✓ Scottish Social Housing Charter | ✓ Strategic Planning   |
| ✓ Tenant & Resident Safety        |                        |

**Notifiable Events**

The Association currently has no active Notifiable Events lodged with the Scottish Housing Regulator (SHR).

**Regulation**

The SHR has recently published the Association's Engagement Plan for 2022/23. This confirms our Regulatory Status as **Compliant**.

A copy of the Engagement Plan is available at:

<https://www.housingregulator.gov.scot/landlord-performance/landlords/clydesdale-housing-association-ltd/engagement-plan-from-31-march-2022-to-31-march-2023>

**Recommendation:** That the Management Committee consider this report and determine whether or not the actions of the Association have been satisfactory in relation to Notifiable Events.



**CLYDESDALE HOUSING ASSOCIATION LIMITED**

**Report To:** Management Committee

**Date:** 29 June 2022

**Report From:** Chief Executive

**Subject:** New Policy - Environmental Policy

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**Report has implications in following compliance areas:**

- |                                   |                        |
|-----------------------------------|------------------------|
| ✓ Equalities & Human Rights       | ✓ Financial Management |
| ✓ Governance Standards            | ✓ Legal Obligations    |
| ✓ Policy                          | ✓ Risk Management      |
| ✓ Scottish Social Housing Charter | ✓ Strategic Planning   |
| ✓ Tenant & Resident Safety        |                        |
- 

An environmental policy commits an organisation to reducing its carbon output.

Guidance issued by Business Energy Scotland<sup>1</sup> recommends that an environmental policy should be a straightforward document that states the organisation's carbon reduction intentions and provides a framework from which progress can be measured and demonstrated to stakeholders.

The attached environmental policy represents CHA's first formal commitment to reducing its carbon footprint. It provides details of:

- Specific areas for action
- CHA's commitments on environmental performance
- A summary of the next steps to be taken over 2022/23 on CHA's carbon reduction journey:
  1. Establish baseline information on our current carbon footprint, use of energy and water;
  2. Identify specific areas for improvement, e.g., recycling or reducing waste;
  3. Review policies and approaches on business travel;
  4. Establish a staff working group spanning every department.

**Recommendation: That the Management Committee consider this report and the attached Environmental Policy, make any amendments and then approve the Policy in its final form.**

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<sup>1</sup>

<https://www.gotostage.com/channel/02864ac778534759ad1ec8339f0e12b5/recording/a05118cbbbf7428da5792dae3e0e97eb/watch?source=CHANNEL>

# Clydesdale Housing Association

## Environmental Policy

### Introduction

Clydesdale Housing Association (CHA) is committed to improving its contribution to Scotland achieving its climate change goals and delivering the Environment Strategy<sup>2</sup>.

As a registered social landlord, our biggest contribution to minimising our carbon footprint will be through investing in the energy efficiency of the homes we provide for rent and the advice we provide to our customers. We will also look to the use of our offices, our actions as an organisation and as individual people to support carbon reduction and promote environmental responsibility.

Our starting point must be to establish what our current footprint looks like. Compliance with the latest environmental legislation will be our minimum.

Our vision is *quality homes and excellent services for all – now and in the future*. Our approach to environmental matters should underpin this vision and enable us to fulfil it responsibly.

### What will we do

When we have established our baseline position and set our targets, we will continuously improve until all targets are met, and review them to take account of changing national and international goals. Our most significant environmental impacts come from the energy consumed in the homes we provide and the activity involved in the delivering services to our customers.

Investment in improving the energy efficiency of our homes and the energy advice we provide to our customers will make the most positive contribution to reducing our carbon footprint.

We will also work with our suppliers to ensure that fabric investment contracts are delivered in an environmentally responsible way that minimises carbon and waste impact.

How we manage our activities will reflect the lessons we have learned from remote working during COVID restrictions and our review of the blended working arrangements we are currently piloting. Environmental activity will complement staff wellbeing and organisational efficiency.

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<sup>2</sup> <https://www.gov.scot/publications/environment-strategy-scotland-vision-outcomes/pages/1/>

We will deliver a learning programme to all staff and governing body members so that we are all clear about our priorities, what change is required and the impact each of us has on the environment.

We will share our commitments and learning with our customers, shareholding members, and the wider social housing sector, and we will set high expectations of our suppliers, contractors and partner organisations.

We will set annual targets for key areas, and review progress every six months, reporting to the Management Committee. The policy will be reviewed annually in line with our business plan.

We will communicate clearly and regularly with key stakeholders, stating our objectives and how we will achieve them.

### **Specific areas for action:**

- Energy efficiency of the homes we provide for rent
- Travel
- Recycling
- Minimising waste
- Efficient use of water and energy
- Using materials from sustainable sources
- Sustainable and environmentally responsible supply chain

### **Our Commitments**

We will:

- Comply with environmental legislation and approved codes of practice
- Continually monitor and improve our environmental performance
- Reduce emissions, pollution and waste
- Reduce our use of raw materials, energy and supplies
- Raise awareness of environmental matters and encourage staff and governing body members to play an active part in addressing them
- Support our customers to use our homes and services in an environmentally sensitive way
- Work with other local organisations to maximise our collective efforts
- Communicate our environmental objectives to our people and key stakeholders

This policy should be read in conjunction with our Travel and Subsistence Policy, all staff wellbeing policies and procurement guidance.

## **Next Steps**

To deliver this policy we will produce an implementation plan. The first elements will be:

5. Establish baseline information on our current carbon footprint, use of energy and water.
6. Identify specific areas for improvement, e.g., recycling or reducing waste.
7. Review policies and approaches on business travel.
8. Establish a staff working group spanning every department.