

**Policy on:**

**Procurement**

**Compliant with Charter  
Outcomes and Standards:**

Yes

**Compliant with Equalities:**

Yes

**Compliant with Business Plan:**

Yes

**Compliant with Risk:**

Yes

**Equalities Impact Assessment  
Completed as part of Review**

Yes

**Date for Approval:**

**24<sup>th</sup> April 2024**

**Date for Review:**

**5 Years or legislation/ best practice change**

**Responsible Officers:**

**Asset Manager,  
Director of Corporate Services,  
Director of Housing**

This policy is available, on request, in different languages and in other formats such as large print, audio format and braille as required.



## **1. Introduction**

To fulfil our vision of Great Homes, Great People and Vibrant Communities, Shire Housing Association is committed to putting our customers at the heart of what we do and how we do it.

We have developed this policy to outline the principles that will be used by Shire to deliver procurement activities across the services that we provide for our tenants and stakeholders.

Our procurement vision is to achieve excellent procurement performance through sustainable procurement practices for the benefit of the organisation and our stakeholders.

## **2. Aims and Objectives**

This policy aims to recognise the Association's responsibility to conduct its procurement activities collaboratively and in an economically, environmentally, and socially responsible manner which also contribute to our organisational strategic objectives.

Our procurement process will be fair, open, honest, transparent, and nondiscriminatory.

Shire aims to:

- comply with all relevant legislative requirements.
- have a clear basis for using the procurement method selected for the award of each of the Association's contracts for works, supplies, and services.
- ensure procurement best practice is applied consistently across every aspect of the Association's service delivery, and in line with Strategy, Policy, and Procedure.
- evidence value for money when purchasing goods and services.
- ensure sustainability principles are embodied within all procurement activities.
- engage with suppliers to bring greater community benefits to the geographical area in which Association operates.
- ensure appropriate internal controls are in place covering authority levels, declaration of interests, audit processes and reporting to Governing bodies.
- ensure our procurement processes and activities are structured in a way which promotes access for small and medium sized businesses.
- ensure where relevant to link to the Association's green strategy objectives.
- ensure Association staff and Board members are up to date with current procurement and financial legislation.



- ensure all specifications for works, services, and supplies clearly detail the scope and standard of the requirement.

### 3. Legislation, Regulations, Guidance, Strategies and Policies

In formulating and implementing this Policy, Statutory Requirements, Performance Standards and Good Practice have been incorporated. Legislation relevant to this Policy includes:

- Public Contracts (Scotland) Regulations 2015
- Procurement Reform (Scotland) Act 2014
- SHR Regulatory Standards of Governance & Financial Management & Guidance Published 2012.
- Scottish Government Procurement Journey
- Scottish Government's Public Procurement Policy Handbook
- Scottish Procurement Policy Notes (SPPNs)
- Planning Advice Note 3/2010: Community Engagement, published by the Scottish Government

### 4. Roles and Responsibilities

Procurement practice

- 4.1 The Association will maintain a public register of contracts entered, following procurement exercises (under the Procurement Reform (Scotland) Act 2014 and / or 2015 Regulations) for any activity where the goods / supplies, services or works procured exceeds £50,000.
- 4.2 The Association will maintain a separate register of contracts privately where the procurement of goods / supplies, services or works are under £50,000.
- 4.3 When procuring any contract over Scottish Act thresholds (whether also over 2015 Regulation thresholds or not) the Association will comply with its Sustainable Procurement Duty (*see definition note 1*). That is, prior to procuring any such contract, the Association will consider how the process might be used to:
- Improve the social, environmental, and economic wellbeing of its area, reducing inequality.
  - Facilitate the involvement of small and medium sized enterprises (**SMEs**), third sector bodies or supported businesses (where at least 30% of the workforce are disabled or otherwise disadvantaged)
  - Promote innovation.



4.4 To comply with the Sustainable Procurement Duty, the Association will have regard to the statutory guidance issued by the Scottish Government.

4.5 In August 2023, relevant Scottish Government guidance for procurement includes:

- “Procurement Reform (Scotland) Act 2014: statutory guidance” – found at:  
[www.gov.scot/publications/procurement-reform-scotland-act-2014-statutory-guidance/statutory-guidance/](http://www.gov.scot/publications/procurement-reform-scotland-act-2014-statutory-guidance/statutory-guidance/)
- Scottish Procurement Policy Notes (SPPNs) – found at:  
<https://www.gov.scot/collections/scottish-procurement-policy-notes/policynotes-sppns/sppns/>
- Construction Policy Notes (CPNs) – found at:  
<https://www.gov.scot/collections/construction-policy-notes-cpns/>
- Other procurement policy guidance, notes, and link to “Procurement Journey” – Refer – [www.gov.scot/policies/public-sector-procurement/support-for-publichttp://www.gov.scot/policies/public-sector-procurement/supportfor-public-sector/sector/](http://www.gov.scot/policies/public-sector-procurement/support-for-publichttp://www.gov.scot/policies/public-sector-procurement/supportfor-public-sector/sector/)

4.6 The Procurement Reform (Scotland) Act 2014 requires the Association, unless a specific exemption set out in the legislation applies (for more information see “exemptions from procurement” below), to procure any contract over Scottish Act thresholds (but under 2015 Regulation thresholds) by a procedure which includes:

- Publication of a “contract notice” on the Public Contracts Scotland (**PCS**) website, advertising the contract opportunity to potential tenderers.
- Assessment of tenders received using only the exclusion criteria and other award criteria identified in the contract notice and any tender documents that follow – and based on a value for money / MEAT. (*most economically advantageous tender*) assessment rather than on price alone.
- Publication of an “award notice” on the PCS website, once a decision is made to award the contract.



4.7 When procuring a contract valued over 2015 Regulation thresholds (see appendix 1), then the Association will follow the more detailed procurement procedures provided in the 2015 Regulations, unless a specific exclusion set out in the legislation applies to the contract in question.

4.8 When procuring a contract of £4 million or more, the Association must consider whether to impose “community benefit requirements” as part of its procurement. Whilst community benefits below £4 million are not regulatory, the Association will commit to encourage this in all forms of procurement.

4.9 “Community benefit requirements” are contract provisions relating to training and recruitment, or sub-contracting opportunities available, or otherwise improving the economic, social, or environmental wellbeing of the Association’s area.

4.10 In the Association’s initial contract notice, the Association will either:

- Summarise the “community benefit requirements” to be included in the contract – or
- Give its reasons for not including any “community benefit requirements.”

4.11 To decide its approach to “community benefit requirements,” the Association will have regard to the statutory guidance issued by the Scottish Government.

4.12 The Single Procurement Document (Scotland) (**SPD**), which replaces previous forms of pre-qualification questionnaire, and is available from the Scottish Government Procurement Journey website, will be used by the Association:

- For all regulatory Procurement Activities

4.13 In all procurement exercises, regardless of contract value, invitations to quote or tender will always include the right for the Association to cancel the tender process at any time, or to not accept any or all tenders submitted.

4.14 The Association can consider the appointment of consultants, contractors and suppliers under framework agreements and may seek to access existing frameworks managed by others to avoid the lengthy set up process which might otherwise be involved.

4.15 The Association may take independent advice and / or legal advice regarding any individual procurement process to ensure compliance with the Scottish Act and 2015 Regulations, as appropriate.



#### 4.16 Exemptions from procurement legislation

In several situations, the legislation exempts a procurement from compliance with the Scottish Act and / or the 2015 Regulations. If the Association considers that one of its procurements may be exempt, they will take professional advice about whether an exemption applies before proceeding.

The following are examples – the Association will obtain professional advice before treating any specific procurement as exempt from the legislation:

Contract value is *over* Scottish Act threshold, but *under* 2015 Regulations threshold:

- Only one contractor can supply the goods / services or undertake the works.
- Where, for reasons of extreme urgency, a procurement exercise cannot be completed – if the reasons for urgency are attributable to the Association's actions, this exemption cannot be used.

Contract value is *over* Scottish Act threshold, or *over* the 2015 Regulations threshold:

- A contract between the Association and any subsidiary – if that subsidiary is “controlled” by the Association.
- Acquisition of land – particularly where the Association proposes a land acquisition where development is also to occur as part of the transaction.
- Bank services or loans.

#### 4.17 Service Delivery

- For smaller sums of expenditure i.e. individual repairs, the procurement will form part of a larger contractual agreement and there will be delegated authority to different grades of staff. This will ensure that the urgent needs of the service take priority but within an agreed procurement framework.
- In addition, for key supplies, services and works there will be agreed and pre-approved lists of contractors.  
The Approved Contractor's/ Supplier's List will normally be used for jobs up to a value £20k and will allow the Association to quickly source goods / supplies, services, and works without having to go through repeat prequalification assessments.



- For work more than £20k the steps set out in the “procurement practice maps” will be conducted (Appendix 2).
- Where appointments are made out with the general framework of the Procurement Policy these decisions will be subject to prior approval by the appropriate delegated authority and reported to the next meeting of the Management Board for ratification. All such decisions will be informed by knowledge of prevailing market conditions and pricing to ensure that the Association can demonstrate its commitment to Value for Money. The Association may, regarding specific procurement decisions, take legal advice to further inform the decision taken and procedures followed.

#### 4.18 Decision Making

- Where the Association makes a particular procurement decision, whether through negotiation, competitive tendering, partnering etc., a robust and transparent explanation, subject to commercial confidences will be made available to all tenderers. Unsuccessful contractors will receive an explanation and feedback on the selection process.
- The Association intends use of electronic tendering procedures and increasing use of website-based advertising for contracts. The Scottish Act and 2015 Regulations will make the use of electronic tendering procedures mandatory in due course and the Association intends to ensure it can comply when the mandate comes into force.

## 5. Equality and Diversity

This Policy complies fully with Shire Housing Association’s Equality and Diversity Policy. Shire Housing Association will be proactive in valuing and promoting diversity, fairness, social justice, and equality of opportunity by adopting and promoting fair policies and procedures.

We are committed to providing fair and equal treatment for all our stakeholders including customers and will not discriminate against anyone on the grounds of age; disability; gender reassignment; being married or in a civil partnership; being pregnant or on maternity leave; race; religion and belief; sex; and sexual orientation.

We conduct Equality Impact Assessments when we review our policies. We check policies and associated procedures regularly to ensure accessibility for all. We take appropriate



action to address inequalities likely to result or resulting from the implementation of the policy and procedures.

## **6. Feedback and Complaints**

Shire Housing Association strives to always provide an excellent customer service and welcomes feedback and comments from our customers. We will seek feedback via our website, e-mail, in writing and verbally to learn from service users' experiences, using them to shape and develop our service.

We operate a Complaints Policy that is open and transparent, should any customer or service user feel the need to make a complaint against an individual or the organisation, the complaints policy and procedure will be implemented. All complaints will be recorded and dealt with under Complaints Policy and Procedures, which meet the requirements of the Scottish Public Services Ombudsman.

## **7. Performance Monitoring and Review**

In addition to the annual submission to the Scottish Housing Regulator, The Association will review cumulative spend with suppliers to ensure it complies with regulatory parameters. An annual procurement report will be made to the Board of all activity incurred across a delivery year period.

This policy will be reviewed every 5 years or earlier if deemed necessary due to legislative, best practice or other changes.





## Appendix 1 – Thresholds

The tables below list contract value thresholds to be applied by the Association when considering whether procurement of a contract must follow the Scottish Act and / or the 2015 Regulations.

Scottish Act (Procurement Reform Act (Scotland) 2014

Public Contract for:	Threshold (net of VAT):
Anything other than Works (i.e. Supplies or Services)	<b>£50,000</b>
For Works	<b>£2,000,000</b>
A major contract (must consider community benefit requirements)	<b>£4,000,000</b>

### 2015 Regulations

(Thresholds valid 1 January 2022)

Public Contract for:	Threshold (inclusive of VAT):
Supplies or Services	<b>£213,477</b>
Small lots – Supplies or Services	<b>£70,778</b>
Works	<b>£5,336,937</b>
Small lots – Works	<b>£884,720</b>
“Light regime” services – e.g. social services, legal services	<b>£663,540</b>

Appendix 2 – Procurement Practice Maps



• Procurement of Goods/ Supplies/ Services

- **Description:** areas such as but not exclusive too: Purchase of goods such as office supplies, consultancy services such as procurement, legal, compliance, and partnership services.

Procurement of Goods/ Supplies/ Services				
Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Up to 15K	From 15K to 25K	From 25K to 50K	From 50K to 2015 Threshold	In excess of 2015 Regs
✓	✓	✓	✓	✓
Written Specification	Create Client Brief	Create Client Brief & Tender Process	Strategic Brief considering Sustainable procurement Duty etc.	Strategic Brief considering Sustainable procurement Duty etc.
✓	✓	✓	✓	✓
Written Quote	3 Quotes Minimum	3 Tender Invites Minimum	Project Brief	Project Brief
✓	✓	✓	✓	✓
Approval from Appropriate Delegated Authority	Approval from Appropriate Delegated Authority	Formal Opening Process	Formal Tender Exercise via PCS Website	Procurement in Accordance with 2015 Regulations
	✓	✓	✓	✓
		Approval from Appropriate Delegated Authority	Approval from Appropriate Delegated Authority - Including Board sign off	Report to Board for Approval
			✓	✓
			Contract Award Notice	Contract Award Notice with Standstill

And ...

• Procurement of Works



- **Description:** (areas such as, but not exclusive too: construction, demolition, Roofing, Highways, External and Internal wall insulation, electrical work, plumbing work, plastering, Joinery, floor, and wall covering, painting, and glazing,)

Procurement of Works				
Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Up to 25K	From 25K to 100K	From 100K to 2m	From 2m to 2015 Threshold	In excess of 2015 Regs
∨		∨	∨	∨
Written Specification	Create Client Brief & Formal Tender Process	Create Client Brief & Formal Tender Process	Strategic Brief considering Sustainable procurement Duty etc.	Strategic Brief considering Sustainable procurement Duty etc.
∨	∨	∨	∨	∨
Written Quote	3 Tender Invites Minimum	3 Tender Invites Minimum	Project Brief	Project Brief
∨	∨	∨	∨	∨
Approval from Appropriate Delegated Authority	Formal Opening Process	Formal Opening Process	Formal Tender Exercise via PCS Website	Procurement in Accordance with 2015 Regulations
	Approval from Appropriate Delegated Authority	Approval from Appropriate Delegated Authority - Including Board sign off	Approval from Appropriate Delegated Authority - Including Board sign off	Report to Board for Approval
		∨	∨	∨
		Contract Award Notice	Contract Award Notice	Contract Award Notice with Standstill

### Appendix 3 – Delegated Authority Levels



- See SHA Standing Orders – Revised January 2024 for authority breakdown table.

### **Definition Note 1:**

#### **Scottish Sustainable Procurement Duty:**

*“The Procurement Reform (Scotland) Act 2014 places a duty on a contracting authority before they buy anything, to consider how they can, through their procurements, improve social, environmental and economic wellbeing in Scotland, with a particular focus on reducing inequality e.g. through appropriate use of sustainable procurement tools and relevant and proportionate contract requirements”.*

### **Definition Note 2:**

#### **Scottish Procurement Reform Act 2014 (Scottish Act)**

*“The Procurement Reform (Scotland) Act 2014 is a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice. The Act focuses on a small number of general duties on contracting authorities regarding their procurement activities and some specific measures aimed at promoting good, transparent and consistent practice in procurement processes. The sustainable procurement duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality. The Act also requires certain authorities to produce procurement strategies and annual reports. The Act applies consistent rules to public contracts and gives the Scottish Government the discretion to make changes”*

