**PROCUREMENT POLICY**



 **Policy Reviewed**

 **By Management Committee**

 **29th March 2022**

 **Review date: March 2025**

1. **INTRODUCTION**

The Procurement Reform (Scotland) Act 2014 (The 2014 Act) places duties on Registered Social Landlords when procuring goods, works and services above certain values. Depending on the nature and value of these contracts, the Association must comply with either the Procurement (Scotland) Regulations 2016 (The 2016 Regulations) or the Public Contracts (Scotland) Regulations 2015 (The 2015 Regulations) in addition to the 2014 Act. The table below sets out the relevant threshold values for each piece of legislation.

The policy is being reviewed in advance of the programmed review date in October 2023 due to the introduction of SPPN 8/2021 which introduced new procurement thresholds from 1st January 2022, following the UK’s exit from the EU.

|  |  |
| --- | --- |
| **Type of Contract** | **Threshold** |
| **Procurement Reform (Scotland) Act 2014**Public Contract: Goods and servicesPublic Works Contract | £50,000 Exclusive of VAT£2,000,000 Exclusive of VAT |
| **The Public Contracts (Scotland) Regulations 2015**Supplies and ServicesWorks, including subsidised work contractsSmall lots, supplies and services.Thresholds were revised on1st January 2022 | £213,447 Inclusive of VAT£5,336,927 Inclusive of VAT£70,778 Inclusive of VAT |

Where the Association is required to procure contracts with values over the thresholds set out in the above table, it will undertake a Regulated Procurement,

1. **POLICY OBJECTIVES**

The key aims and objectives of the policy are:

* To set clear guidelines for procuring maintenance works, services or supplies
* To demonstrate value for money in the award of contracts
* To ensure that the business needs of the Association are met

Procurement routes will be influenced and determined by the type and value of the contract. The 2014 Act requires that any public organisation which has an estimated total value of regulated procurement spend > £5 million (excluding VAT) in a financial year has to prepare and publish a procurement strategy and also publish annual procurement reports. The value of the Association’s regulated procurements is considerably less than this and our procurement policy will reflect the size, scale and structure of our organisation.

1. **PROCUREMENT ACTIVITIES**

The main goods and services that are procured by the Association are outlined in the table below.

|  |  |
| --- | --- |
| **PROCUREMENT ACTIVITY** | **ESTIMATED ANNUAL VALUE** |
| Office printing, stationery and postage  | £8,671 \* |
| Office furniture and equipment  | £5,000 \* |
| Office based maintenance contracts and ICT back up services | £18,579 \* |
| External Audit Services | £5,040 |
| Internal Audit Services | £4,000 |
| Legal Services | £8,000 \* |
| Finance Consultant fees | £14,250 \* |
| Professional fees (Architect, QS etc.) | £5 – 7k per annum |
| Reactive Maintenance and Void Repair Service | **<** £50k excluding VAT for individual trades. Highest expenditure for any individual trade in 2019/20 was £32,819 |
| Planned Maintenance/Planned Renewals | Dependent on nature of works. Some will be < £50k and some will be >£50k |

* These costs can vary from year to year and will peak in years where renewals are planned or when solicitor and financial consultant carry out specialist work.
1. **REACTIVE MAINTENANCE**

The Association will maintain a Register of approved contractors who will deliver a first class and cost-effective reactive maintenance service and whose performance will be measured against KPIs including average response times for emergency and non- emergency repairs, quality control issues and cost of providing service. A contractor performance report will be prepared annually and presented to committee in Quarter 1.

Contractors will be invited to apply for inclusion in our framework on an annual basis and a copy of the application is appended to the policy. Contractors for 2020 – 2021 are.

|  |  |
| --- | --- |
| **CONTRACTOR** | **EXPENDITURE****2019/2020** |
| D.G Joiners | £32,819 |
| W. Paterson Plumber | £13,533 |
| Top Mark Security Systems | £9,255 |
| City Building Glasgow | £34,415 (Gas maintenance contract) |
| Digiview Glasgow | £336 |
| ASAP | £6,600 |
| Burns Environmental Services | £661 |
| Ian Luke Builders | £2533 |
| A&A Decorators | £5182 |
| Averton Landscapes | £6288 |
| Glasgow All Trades | £1185 |
| Magnus Electrical | £3650 |
| Mitchell Drainage | £248 |
| CAS Contract Cleaning | £108 |
| KW Building & Joinery | £2700 |

1. **REGULATED PROCUREMENTS**

All service contracts which are expected to have a contract value > £213,477 (or in the case of works contracts a value of > £5,336,937) will advertised on the Scottish Procurement Portal, Public Contracts Scotland website (PCS) except in very exceptional circumstances. The Association are registered as a buyer on the PCS website.

The Association will conduct Regulated Procurements and manage any contracts entered into in accordance with the relevant legislation.

In carrying out Regulated Procurements, the Association shall comply with the sustainable procurement duty which requires the Association to consider if the procurement process and contract in question can be used to promote innovation and improve the social, environmental and economic wellbeing of the area in which the Association operates. In addition, where the value of any regulated procurement is > £5,336,937 the Association will consider whether or not to impose community benefit requirements.

The Association shall keep a register of all regulated procurements containing all of the information required by the 2014 Act. The information contained in the Register shall be made publicly available except where exceptions apply. For example, where publishing certain information would prejudice the commercial interests of any person.

When conducting regulated procurements, the Association shall:

* Treat relevant economic operators equally and without discrimination.
* Act in a transparent and proportionate manner.
* The Association will also apply the above principles for lower value procurements.

**6. DELEGATED AUTHORITY TO INSTRUCT WORKS**

|  |  |  |  |
| --- | --- | --- | --- |
| Estimated Expenditure | Nature of Works/Services | Procurement Method | Authority To Instruct |
| < £3000 | Reactive Maintenance  |  Register of approved Maintenance Contractors  | Property Services Administrator |
| Between £3000 - £6000 | Reactive Maintenance | Register of approved Maintenance Contractors | Director |
| Over £6000 | Reactive Maintenance | Will be awarded on a competitive basis with a minimum of 2 written quotations received | Director |
| Between £1500 - £5000 | Disabled Adaptations | Competitive quotations invited a start of new financial year with subsequent adaptations in same year awarded to successful contractor | Director |
| £10,000 – £884,720 | Planned Maintenance/planned renewals | Competitive tender/quotations with a minimum of 3 tenders /quotations received | Director |
| >£70,778 | Services | Tender via Public Contracts Scotland, SPA, Scotland Excel | Director/Finance  |

**7. POLICY REVIEW**

The Policy was approved by the Management Committee at the meeting held on 29th March 2022. The Policy will be reviewed in March 2025 or sooner if required by statutory, regulatory or best practice requirements.