

PROCUREMENT POLICY



Policy Approved
By Management Committee
25th April 2017
Review date: April 2020

1. INTRODUCTION

The Procurement Reform (Scotland) Act 2014 requires all Registered Social Landlords to develop a procurement policy which will set out how regulated procurements will be carried out in respect of procuring maintenance and service contracts.

Type of Contract	Threshold
Public Contract (other than a public works contract)	£50,000
Public Works Contract	£2,000,000
Supplies	£50,000
Services	£50,000

Public Procurement Legislation is regulated by the Scottish Government through the following legislation.

- The Procurement Reform Act 2014
- Public Contracts (Scotland) Regulations 2015
- Procurement (Scotland) Regulations 2016

2. 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 Procurement (Reform) Scotland 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. The value of the Association's contracts is considerably less than this and our procurement policy will reflect the size, scale and structure of our organisation.

3. 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 Service	< £50k excluding VAT for individual trades. Highest expenditure for any individual trade in 2015/16 was £34,767
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.

4. REACTIVE MAINTENANCE

The Association will maintain a framework of 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 2017 – 2018 are.

CONTRACTOR	EXPENDITURE 2015/16	ESTIMATED EXPENDITURE 2017/18

5. LOWER VALUE REGULATED CONTRACTS

All supplies and service contracts which are expected to have a contract value > £50,000 will be advertised on the Scottish Procurement Portal, Public Contracts Scotland website. The Association are registered as a buyer on the PCS website. This will be the route we use for the majority of major repairs/planned renewals. The procedure for this is outlined below.

- Contract advertisement placed on PCS website specifying nature of works and timescale for returning completed ESPD forms. The ESPD form provides detailed information relating to the capability of contractors to undertake works.
- After the closing date, the Association will use submitted ESPD forms to assess the bidder's capacity and capability to carry out the contract.
- The forms will be assessed and scored against a range of indicators and the 6 highest scoring contractors will be invited to tender (this will apply when more than 6 ESPD forms are received). If we receive < 6 forms, all contractors who meet the criteria will be invited to tender. The information we use to assess contractor capabilities is outlined at appendix (1).
- Contract documentation will be issued to contractors selected for inclusion on tender list which will include, letter of invitation; instruction to tenderers; work specification, conditions of contract and timeframe for completion of works.
- Tender opening will take place as soon as possible after tender submission date but not more than 7 days after.

- Tenders will be opened in the presence of 2 staff members (Director and Property Services Administrator or Housing Manager) and a minimum of 1 committee member.
- The witnessed tenders will be recorded in the Tender Register and signed by those present at tender opening. A tender report for contract award will be presented to the management committee for approval and ratification.

6. DELEGATED AUTHORITY TO INSTRUCT WORKS

Estimated Expenditure	Nature of Works/Services	Procurement Method	Authority To Instruct
< £1500	Reactive Maintenance	Framework of Maintenance Contractors	Property Services Administrator
Between £1500 - £5000	Reactive Maintenance	Minimum of 2 quotations should be obtained	Director
Over £5000	Reactive Maintenance/Disabled Adaptations	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 – £49,500	Planned Maintenance	Competitive tender with a minimum of 3 tenders received	Director
>£50,000	Planned Maintenance/Planned Renewals	Tender via Public Contracts Scotland	Director
>£50,000	Services	Tender via Public Contracts Scotland	Director/Finance

7. POLICY REVIEW

The Policy was approved by the Management Committee at the meeting held on 25th April 2017. The Policy will be reviewed in April 2020 or sooner if required by statutory, regulatory or best practice requirements.

APPENDIX (1)

ASSESSMENT OF ESPD FORMS

When we are required to carry out an assessment and evaluation about the ability of a contractor to undertake relevant works to the standard required by the Association, we will consider the following information when considering ESPD responses.

- Financial resources
- Experience and capacity
- Quality management procedures
- Management resources
- Use of sub- contractors
- Insurances: Public Liability and Professional Indemnity
- 3-year turnover figures
- Details of employees by trade
- Health and Safety Policy
- Equal opportunities policy and practices
- Educational and professional qualifications
- Membership of federation or trade associations