

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 services	£50,000 Exclusive of VAT
Public Works Contract	£2,000,000 Exclusive of VAT
The Public Contracts (Scotland) Regulations 2015	
Supplies and Services	£213,447 Inclusive of VAT
Works, including subsidised work contracts	£5,336,927 Inclusive of VAT
Small lots, supplies and services.	£70,778 Inclusive of VAT
Thresholds were revised on 1 st January 2022	

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,

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 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.

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 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.

4. 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

5. 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 be advertised on the Scottish Procurement Portal, Public Contracts Scotland website (PCS) except in very exceptional circumstances. The Association is 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.