

PARKHEAD HOUSING ASSOCIATION LTD

PROCUREMENT POLICY AND PROCEDURES

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1 Aims & Objectives

1. All works , services and supplies are procured to achieve best value for the Association
2. To protect in the procurement process the commercial interest and integrity of the Association
3. To follow the Scottish Model of Procurement in getting the best balance of cost, quality and sustainability
4. Ensure risk in the procurement process is appropriately managed
5. To ensure that future procurement is recognised in the annual budget process
6. To follow regulatory guidance and legislation throughout the procurement process
7. To be as open and transparent as commercial sensitivity allows throughout the procurement process
8. Maintain a contracts register for the Association
9. Publish and maintain a Procurement Strategy for the Association
10. To deliver sustainable procurement

2 Legal and Regulatory Framework

The policy and process takes account of :

- Procurement Reform (S) Act 2014
- Public Contracts (S) Regulations 2015
- Procurement (S) Regulations 2016
- Guidance under the Procurement Reform (S) Act 2014
- Housing (S) Act 2001

The policy and process takes account of Scottish Social Housing Charter outcome number 13:

- Social landlords manage all aspects of their business so that tenants receive services that provide continually improving value and this includes getting value out of contracts

Scottish Governments SPPN 11 / 2020 noted that much of Scotland's public procurement comes from European Directives but Brexit has not fundamentally or significantly changed procedure or process and a statutory instrument was laid before the Scottish Parliament making all necessary changes to legislation.

Public Contracts (S) Act 2015 sets out six procurement procedures (methods of advertising contracts and selecting contractors) for use in all regulated procurement. Being:

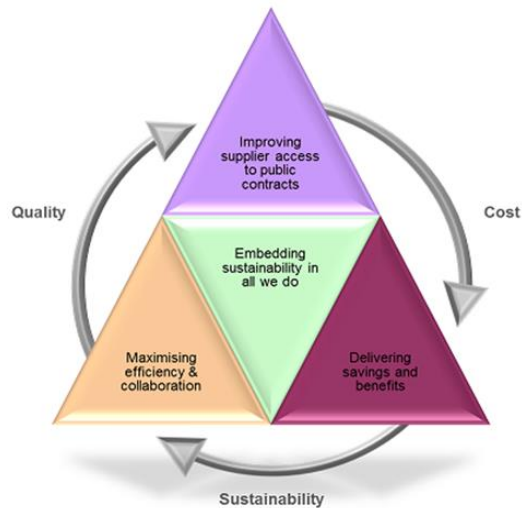
- Open
- Restricted
- Competitive dialogue
- Competitive procedure with negotiation
- Innovation partnership
- Negotiated procedure without prior publication

Public sector procurement identifies two categories, regulated and unregulated, and which category a procurement falls into is dependant upon being equal to or exceeding the threshold values.

3 Links to Equal Opportunities and Sustainability Policies

The Policy should be read in conjunction with both our Equal Opportunities and Sustainability policies

The policy is based upon the Scottish Model of Procurement ;



- Improving supplier access to public contracts,
- Delivering savings and benefits,
- Maximising efficiency and collaboration,

i.e. cost, quality and sustainability

The Sustainable Procurement Duty places sustainable and socially responsible purchasing at the heart of the process.

Parkhead HA are committed to providing fair and equal treatment for all our stakeholders and in the way we conduct business by positively promoting equal rights for all.

4 Policy Statement

1. Procurement is the process of acquiring supplies, services, and works. The process covers the whole life cycle from identification of needs through to the end of the contract.
2. In all cases the Association will be mindful of seeking to obtain best value for the Association within the existing legal, regulatory and best practice regimes relating to procurement.
3. The Association recognises that The Most Advantageous Tender (MEAT) criteria will apply in scoring tenders and selecting a contractor and that selection cannot be on lowest cost alone. A quality cost matrix will be utilised.
4. The Association is aware of its duty to deliver procurement that is sustainable and to produce and report on annual Procurement Strategy.
5. The Association may utilise the services of appropriately qualified consultants in relation to all regulated contracts.
6. On larger works contracts the Association will consider the use of Framework Agreements and Strategic Partnerships.
7. The Association recognised that all procurement communication were to be electronic post October 2018.
8. In relation to the Sustainable Procurement Duty the Association recognises and seeks to support Scottish Government National Outcomes to reduce the local and global environmental impact of our consumption and production and that we live in well designed sustainable places.
9. While the Association is accredited to the Glasgow Living Wage the Association recognises that it cannot use this criteria to score on the MEAT matrix. That said we would encourage any contractors to follow our example.
10. Whenever possible the Association will ensure maximum community benefits are obtained in the procurement process.

5. Outcomes and Targets

1. Obtain maximum value for money for the Association
2. Follow all regulatory and legislative requirements
3. Ensure procurement activity treats all contractors equally and without discrimination
4. Maximise community benefits for the wider Parkhead community

6 Responsibilities and Delegated Authority

1. The Governing Board will agree and set the procurement policy.
2. Day to day responsibility for procurement is delegated from the full Board to the Senior Management Team.
3. All procurement activity will be reported to the appropriate sub committee or full Board.
4. As required Directorate may opt to involve appropriately qualified consultants to assist with procurement exercises

7 Date of Review

This policy is due for review in 2026.

8 Procedures

Before proceeding : is a purchase essential and is there a budget ?

If yes:

Can you utilise an existing contract / framework agreement in accordance with its terms and conditions

If not:

What is anticipated total (not annual) spend excluding vat and consider against Regulated Procurements thresholds and Public Contract (S) Regulations thresholds ?

Procurement is the acquisition of goods, services or works. Regulated procurements are for the purpose of the Procurement Reform (S) Act 2014 any contracts in excess of £ 50 000 excluding VAT for goods and services and £ 2 million excluding VAT for works contracts.

Where PHA expects to have a significant procurement expenditure (being £ 5 million or more) in the next financial year must, before the start of that year prepare a Procurement Strategy setting out how we intend to carry out regulated procurements.

The following rules shall apply :

- 1. Services or supplies at or below £ 50 000. There is no publicly advertised tender formally required. Quick quotes should still be considered to obtain value for money. If not advertised on Public Contracts Scotland then a minimum of three quotes should still be sought if considered appropriate to demonstrate value for money.**
- 2. Services or supplies exceeding £ 50 000 should be advertised on Public Contracts Scotland.**
- 3. Works estimated at over £ 2 million should be advertised on Public Contracts Scotland and will automatically be diverted to Find a Tender Service (FTS) to be simultaneously advertised across the UK public contracts sector.**
- 4. Under the Scottish Procurement Regulations contracts can be directly awarded to Parkhead HA's wholly owned subsidiaries without the need for competition or advertisement.**

All contracts being tendered must be advised to the first available Board or subcommittee and the subsequent outcome reported at the next available meeting.

9. Documents that PHA will produce / update annually (where required):

A procurement strategy

This will, alongside the Procurement Policy, set out the Association's strategic approach to procurement within the prevailing regulatory environment.

S15 of the Procurement Reform (S) Act 2014 requires a procurement strategy must be produced and posted on the PHA website, reported to our Board, and an e mail sent to annualprocurementreport@gov.scot with the appropriate link where activity is anticipated to exceed £5 million.

The strategy document will reference the Association's best efforts to obtain both value for money and community benefits.

An analysis of spend by contractor / contracts register (report)

This will be produced after each year end in format as below and reported to Directorate to identify any "maverick" spend ie spend that should be under control via procurement activity

Contractor	£ Value	Spend category	Is it Regulated Procurement Y/N	If Y next Due Date
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And following s35 of Procurement Reform (S) Act 2014 any contracts entered into as a result of regulated procurements must be publicly posted on the internet as a contract register (report) thus:

Date of Award	Contractor	Contract	£ Value	Start Date	End Date	Extension options
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The report must be produced and published by the end of July following a March financial year end and will be posted on the PHA website, reported to our Board and an e mail sent to annualprocurementreport@gov.scot with the appropriate link.