

PROCUREMENT POLICY

Policy Classification: Strategic

Status: Approved

Policy Lead:	Director of Property Assets
Date Approved:	November 2017
Last Review Date:	November 2017
Review Due Date:	November 2020
Review Period:	3 Years

REFERENCE PAGE

Policy Title:	Procurement Policy
Aim:	Ensure compliance with procurement legislation
Objective:	Strategic Objective 1 – The Eildon Group will ensure the highest standards of governance and partnership working are adhered to, including compliance with our regulatory framework
Strategy Reference:	Corporate Procurement Strategy
Customer Service Standards Reference:	N/A
Scope of Policy:	Procurement
Responsible Officer:	John Duncan, Director of Property Assets
Dates of Adoption / Review:	November 2017
Approval Source:	Board
Legal and Regulatory References:	Public Contracts (Scotland) Regulations 2015 (“ the Regulations ”) and the Procurement Reform (Scotland) Act 2014 (“ the Act ”)
Procedural References:	Procurement Guidance Pack 2017
Consultation Completed:	Internal
Risk Implications:	Level 1 - Control and Information Paper - This paper contributes to the overall control of the strategic risk on governance and is linked to the strategic objective(s) SO1 – Governance
Equalities Assessment:	As part of legislative compliance
Monitoring Arrangements / Requirements:	6 monthly reporting to EHA Board
Accessibility:	Centrally held EHA policy register

RELEVANCE TO SCOTTISH SOCIAL HOUSING CHARTER:

STANDARD	OUTCOME
GETTING GOOD VALUE FROM RENTS AND SERVICE CHARGES	
13 Value for money Social landlords manage all aspects of their businesses so that: <i>Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.</i>	This standard covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; and giving better value for money by increasing the quality of services with minimum extra costs to tenants, owners and other customers

1.0 POLICY STATEMENT

- 1.1 Eildon will procure services, supplies and works in accordance with current legislation and best practice, adopting the principles of equal opportunity, nondiscrimination, transparency and proportionality.
- 1.2 Eildon will operate procedures and systems that enable probity, quality and value for money through the procurement process to be demonstrated.
- 1.3 Eildon will monitor and review procurement arrangements to ensure continuing high standards and value for money are achieved.
- 1.4 This policy will cover all external procurement across the Eildon Group.
- 1.5 Eildon will work in collaboration with other organisations where this would enhance the procurement process, provide value for money and the benefits received by the partners.
- 1.6 Following the conclusion of the procurement process Eildon will require a contract to be in place prior to any payment being made for works, supplies or services.

2.0 DEFINITION

- 2.1 Procurement is defined as the process through which Eildon obtain supplies, services or works in relation to the delivery of affordable homes and associated support services.
- 2.2 In relation to public procurement and this paper the following definitions apply:
 - “Works” contracts relate to those where the outcome is a building or civil engineering project to fulfil an economic or technical function
 - “Supply” contracts are those that result in the purchase, lease, rental or hire purchase of products
 - “Service” contracts are those not covered by works or supply.
- 2.3 This policy will not be applicable to works, suppliers or services specified as general exclusions in current legislation

3.0 COMMITMENT

- 3.1 Eildon will:
 - 3.1.1 Undertake all procurement activity in a professional manner to meet the requirements of all relevant legislation and best practice.
 - 3.1.2 Establish robust Standing Orders and procedures for procurement which will set out delegated authority detailing the process of authorisation and certification of expenditure.

- 3.1.3 Ensure probity, cost effectiveness, quality and value for money in relation to individual projects and their role in delivering the Association's wider objectives.
- 3.1.4 Establish and maintain a buyer profile on the Public Contracts Website (PCW) established under the requirements of the Procurement Reform (Scotland) Act 2014; at the time of publication this is www.publiccontractsscotland.gov.uk (PCS).
- 3.1.5 Prepare and publish, on the PCW, an annual procurement strategy; the strategy to be approved by the Board in conjunction with the approval of the annual budget.
- 3.1.6 Prepare and publish, on the PCW, an annual procurement report at the end of each financial year; the report will detail the procurement activity for the year making reference to the published procurement strategy.
- 3.1.7 Prepare and publish guidance notes on how the Eildon Group will deliver their obligations in relation to:
 - Sustainable procurement duty
 - Community benefit requirements
- 3.1.8 Actively consider, where appropriate, options for joint working with similar organisations through establishing or joining framework agreements or other purchasing solutions.
- 3.1.9 Maintain a register of contracts.
- 3.1.10 Implement the electronic publication and receipt of all tenders by April 2016.
- 3.1.11 Prepare clear and concise briefs for projects that identify the specific project requirements, the identified procurement route and assessment criteria considering both the quality, cost and time elements.
- 3.1.12 Tender and advertise all regulated activity in accordance with the matrix set out in Appendix 1.
- 3.1.13 Provide training for all staff involved in the procurement process.
- 3.1.14 Ensure that the procurement policies and procedures are based on relevant information, knowledge of good practice and, where appropriate, benchmarking activities with other organisations and service providers.

4.0 POLICY REVIEW

This policy should be reviewed within three years unless required earlier due to changes in the law, regulation, best practice or requirements of the Association.

Appendix 1 – Procurement Thresholds and Timescales

Estimated Value ¹	Definition	Tender Process	Tender Activity	Minimum Advertising Requirements ⁴	Guide Timescales
£0 - £10,000	Works, Services and Supplies	Quotation – minimum of 1 quotations to be received	Ability to directly appoint a supplier following receipt of quotations in writing. Subject to ET Approval.	Direct approach to suppliers	1-2 weeks
£10,000 - £25,000	Works, Services and Supplies	Quotation – minimum of 3 quotations to be received	Ability to directly appoint a supplier following receipt of quotations in writing	Direct approach to suppliers	1-2 weeks
£25,000 - £50,000 ²	Services and Supplies	Quick Quote	Use of reduced questionnaire and simple price framework	On-line Quick Quote using the public contracts website	Minimum 2 weeks
£25,000 - £2,000,000 ²	Works	Quick Quote	Use of reduced questionnaire and simple price framework	On-line Quick Quote using the public contracts website	Minimum 4 weeks
£50,000 - £172,514 ³	Services and Supplies	Formal Tender Process	Use of standard questionnaire and price framework	To be advertised on the public contracts website	6-8 weeks
£2,000,000 - £4,332,012 ³	Works	Formal Tender Process	Use of standard questionnaire and price framework	To be advertised on the public contracts website	6-12 weeks

£172,514 and above	Services and Supplies	Formal Tender Process	Use of standard questionnaire and price framework	To be advertised on the public contracts website and in the OJEU ⁵	4-6 months
£4,332,012 and above	Works	Formal Tender Process	Use of standard questionnaire and price framework	To be advertised on the public contracts website and in the OJEU ⁵	4-6 months

1. Should the value of a contract be near the maximum in any range then, unless there is confidence in the market and prices, the tender will be undertaken in accordance with the requirements of the next process up.
2. Upper thresholds defined in the Procurement Reform (Scotland) Bill and may be amended by the Scottish Parliament from time to time. Where the thresholds are amended by the Scottish Parliament the published thresholds will apply to this policy.
3. Upper thresholds defined in the Public Contracts (Scotland) Bill and may be amended by the Scottish Parliament from time to time based on thresholds set by the European Union. Where the thresholds are amended by the EU, the published thresholds will apply to this policy.
4. The Public Contracts Website refers to the site established and maintained by the Scottish Ministers; currently this is www.publiccontractsscotland.gov.uk.
5. OJEU; Official Journal of the European Union