



Rural Stirling
HOUSING ASSOCIATION



Quality property
management services

Group Policy for the Sustainable Procurement of Goods, Services and Works

Rural Stirling Housing Association, Stirling Road, Doune, FK16 6AA Registered as a Scottish Charity No. SC037849	
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SECTION 1

1.0 Introduction

1.1 Purpose

- This policy describes how we will purchase, or “procure”, goods and services. The term ‘procurement’ as used in this policy, covers the process of purchasing the full range of goods and services we require, ranging from small items purchased from the petty cash float to large development and planned maintenance contracts awarded following a full tendering process.
- All procurement undertaken by us, will be in line with the principles of this Policy and the values, objectives and goals set out.
- All our employees are expected to comply with the terms of this Policy.

1.2 Objectives of the Procurement Policy

The objectives of this Policy are to:

- Ensure that we maximise value for money when procuring contracts;
- Ensure that we comply with all legal and regulatory requirements governing procurement and related best practice when procuring contracts;
- Ensure that there is a focus on Sustainable Procurement and that we comply with our Sustainable Procurement duty as promoted by the Scottish Government.
- Ensure that procurement accords with the requirements of our policy in respect of payments and benefits;
- Ensure that suppliers appointed are sufficiently competent, have sufficient resources and are committed to improving the service provided to customers;
- Promote equality and the economic prosperity of the communities in which we work;
- Protect the health and safety of our employees, suppliers’ employees, customers and members of the public;

- Maximise opportunities to jointly procure services on a collaborative basis with colleagues in other local registered social landlords and related organisations.

1.3 Scottish Government Guidance

The Scottish Government has developed comprehensive procurement guidance for public bodies to improve the quality and value delivered through procurement of public contracts in Scotland. We will encourage our staff involved with procurement to use this guidance to improve knowledge and skills in this area. The Procurement Journey guidance can be accessed on the Scottish Government website by following the link below:

<https://www.procurementjourney.scot>

1.4 Scottish Housing Regulator Regulatory Standards

This policy supports us in complying with aspects of the Scottish Housing Regulator Regulatory Standards of Governance and Financial Management:

Standard	Guidance
The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.	The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times. (Guidance 3.1)
The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose	The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit. (Guidance 4.3)

1.5 Equality & Diversity Statement

We will ensure that this policy is applied fairly and consistently. In implementing this policy, we will not directly or indirectly discriminate against any person or group of people because of their race, religion or belief, gender, disability, age, sexual orientation, or any other grounds. Our commitment to equality and fairness will apply irrespective of factors such as age, disability, gender reassignment, marital or civil partnership status,

pregnancy or maternity, race, religion or belief, sex, sexual orientation, or other personal attributes.

This policy and any other Rural Stirling Group (RSG) publication is available in other formats e.g., other languages, Braille, large print, audio.

SECTION 2

2.0 Aims of the Procurement Policy

2.1 This policy sets out how we will manage sustainable procurement and establishes an overall framework for the procurement process.

2.2 In all our procurement activities we will aim to achieve best 'value for money' in a sustainable manner by ensuring that, whenever appropriate, we assess quality, cost and sustainability. We recognise that the lowest cost will not necessarily be the best value in the longer term.

2.3 We recognise the importance of sustainable procurement, and our duty to demonstrate that we are procuring in a manner that reduces inequality and improves the economic, social and environmental well-being of the communities in which we operate.

2.4 We are committed to supporting and promoting equality, diversity and inclusion. This principle is embedded in our approach to procurement. Through our procurement processes we will ensure that we appoint partners and suppliers with a robust and compliant approach to equality, diversity and inclusion.

2.5 We have developed standard Terms and Conditions (T&C's) which comply with the General Data Protection Regulations (GDPR) to be used as part of every procurement which will include the requirement that all suppliers are compliant with the provisions of the Health & Safety at Work etc Act 1974 and the Equality Act 2010. We will ensure suppliers have a compliant Health & Safety Policy and Equality Policy in place prior to appointment.

2.6 All our procurement will be sustainable and be assessed on a balance of price, quality and the positive impact on our community, whilst always being proportionate to the size of each individual procurement exercise. We will work creatively and collaboratively with partners to support the local economy in the communities where we operate and exploit opportunities for joint procurement initiatives.

2.7 To help achieve a sustainable procurement approach, we will:

- Endeavour to involve SME's in our procurement activities by encouraging them to apply for our Framework contracts and supporting them, upon request, through the administrative process.
- Encourage contractors and suppliers to pay the Living Wage;

- Promote compliance with the Health & Safety at Work etc Act 1974;
- Consider and maximise the community benefits that we secure through all of our procurement activities;
- Pay contractors in a timeous manner and ensure prompt payment of invoices (within 30 days).
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- Consider the climate impact of the services and works being procured and encouraging where possible contractors and suppliers to embed climate impact into how they operate.

2.8 We will ensure that our procurement processes are fair and comply with legal requirements including United Kingdom procurement rules and Scottish Government legislation, particularly the changes required by the Procurement Reform (Scotland) Act 2014.

2.9 The specific procurement approach adopted will be based on the nature, scale and value of the contract being awarded. Where tenders are being considered on the basis of price, quality and sustainability, a scoring matrix will be developed. The factors scored will vary depending on the nature of the goods or service being procured, with the weighting of the different factors considered and determined in advance. The scoring criteria will be included with tender packs.

2.10 We will, when it is considered appropriate to do so, obtain specific specialist procurement and or legal advice with respect to more complex procurement processes to mitigate potential risk.

2.11 In exceptional circumstances, and where this approach is approved by the Board, we may consider a contract through direct negotiation with a single contractor or supplier, for example, where the works, goods or services are highly specialised and there are limited contractors/suppliers available. In such circumstances we will obtain specialist procurement and or legal advice as described in 2.10 above to ensure that we do not expose our organisation to any reputational or regulatory compliance risk.

2.12 In making procurement decisions we will promote the procurement of products created from sustainable, renewable, or recycled resources and those requiring minimal transportation. We will seek to contribute to maintaining and improving the environment, both by purchasing recycled or 'environmentally friendly', fair and ethically traded goods whenever possible and/or by supporting suppliers or contractors whose values and production processes are environmentally positive and contribute to combating the Climate Emergency.

SECTION 3 Ethical and Social Governance (ESG)

- 3.1** Ethical and Social Governance (ESG) or responsibility in sustainable procurement is essentially about how, as part of overall value for money and affordability considerations, we take account of the ethical, social, environmental and equality impacts of our activity. Through ESG we will aim to maximise the positive outcomes and minimise the negative impacts of our activities.
- 3.2** We will develop our approach to ESG which will be proportionate to our size and scale and relevant to the value and type of procurement. To have the greatest impact, we will consider such issues at the outset of procurement activities and build assessment criteria into our procurement processes where appropriate.

SECTION 4 What do we procure?

The main goods and services that we procure are as follows:

- Small items of office supplies or other consumable products;
- All office printing, stationery, postage and other materials;
- Office furniture and equipment;
- ICT equipment and 'back-up' services;
- Maintenance contracts related to office-based equipment or services, e.g. ICT equipment, fire and security alarm systems;
- Professional services including internal auditors, external auditors, solicitors, bankers, insurance brokers, architects, design consultants, and management consultants employed on specific projects;
- Contractors covering the full range of trades and professions in relation to the newbuild development, major planned investment, reactive, planned and cyclical maintenance of our properties.
- Private Finance

SECTION 5 How we will procure.

5.1 Authority to incur expenditure

5.1.1 Where the proposed expenditure is already included in the approved annual budget, the Board will delegate the authority to incur expenditure to the appropriate member of staff, as detailed in our Scheme of Delegation and summarised in the procurement tender approvals summary **Appendix 1**.

- Works and Services with a value less than £10,000

Competitive tendering procedures are not required for purchases less than £10,000.00 in value, whether goods, contract or consultancy work but employees should use their own experience and professional judgement as to whether they are receiving value for money before proceeding with the order. If, however, several suitable suppliers for the service required are known, then, to avoid accusations of favouritism or unfairness, an email to each as a price check would be considered to be good practice. A specific deadline need not be set and failure of a supplier to provide a price would not invalidate the process.

For items, having a total value of between £5,000 and £10,000 (excluding VAT) potential suppliers should be asked to quote in writing or by telephone. In the case of telephone quotations, relevant details should be noted and retained on file and written confirmation should be sent to the prospective supplier.

- Works and Services with a value between £10,000 & £50,000

For items having a total value between £10,000 and £50,000 (excluding VAT), three suitably qualified suppliers should be asked to provide an email quotation, a call off from a Framework or a mini competition amongst Framework suppliers/Contractors or the Public Contract Scotland (PCS) Quick Quote facility can be utilised.

- Supplies and Services with a value between £50,000 and the UK Procurement Cap

For consultancy services or goods required which have a value between £50,000 and the current UK Procurement Cap, call offs from Frameworks and/or the single or 2 stage procurement process on PCS should be followed.

- Works with a value between £50,000 & £500,000

Works with a total value between £50,000 and £500,000 (excluding VAT), are considered relatively low risk and either a Framework call off or PCS Quick Quote should be utilised.

- Works with a value between £500,000 and £2,000,000

Works with a value between £500,000 and £2,000,000 (excluding VAT), should be advertised on PCS or ITT's issued to Contractors on an existing Framework.

- Works with a value above £2,000,000

Works with a value above £2,000,000 should be advertised on PCS or ITT's issued to Contractors on an existing Framework.

5.1.2 Where the proposed expenditure is not included in the approved annual budget because: (i) it was not considered when the budget was drawn up; (ii) could not reasonably have been foreseen; or, (iii) the expenditure will result in an approved budget becoming overspent, the Board will delegate authority to approve expenditure up to specified limits, as detailed in **Appendix 2**.

5.1.3 The Board will regularly review the levels of delegated authority and ensure that there are adequate financial controls for procurement at all levels. In so doing, the Board will ensure that levels of delegation remain relevant to current expenditure patterns, budgets and cost inflation and appropriate for effective governance.

5.2 Financial Thresholds

5.2.1 The current financial thresholds below which no quotations or tenders are required, and above, which either written quotations or tenders are required, are detailed in the summary table in **Appendix 1**. Where there is no competition required, one written/emailed quotation is the minimum and appropriate evidence of this should be retained.

5.2.2 For the purposes of the Regulations RSLs are defined as Other Public Sector Contracting Authorities. The UK left the EU in 2021. However, all UK public sector procurement continues to be based on the EU directives which are incorporated into UK Legislation by the Public Contracts Regulations 2015. The thresholds will be updated annually in line with those in the most recent Scottish Procurement Policy Note (SPPN).

5.2.3 All procurement above these thresholds must be published in the Find a Tender Service (FTS) and UK procurement rules followed. The opportunity must also be advertised on Public Contracts Scotland (PCS) website.

5.2.4 The Procurement Reform (Scotland) Act also requires regulated procurement opportunities to be advertised on Public Contracts Scotland (PCS) website when their estimated value is equal to or greater than the following thresholds:

- **£50,000** for supplies/services; and
- **£2,000,000** for works.

5.2.5 Additionally, in line with procurement transparency we will follow sector good practice and will consider using the Public Contracts Scotland (PCS) website, where it is efficient to do so, for all contracts with a contract value below £50,000.

5.2.6 These thresholds are laid out in **Appendix 1**, and the Board will review these financial limits annually to ensure that they remain appropriate for effective governance.

5.2.7 All other financial limits specified in this Policy shall be subject to review from time to time. All our employees will be notified promptly of any change to the relevant values.

5.3 Community Benefits

5.3.1 Community Benefit clauses can be used to build a range of economic, social or environmental conditions into the delivery of contracts. Community Benefits can provide added value and contribute to the achievement of outcomes which benefit local communities and deliver wider social benefit.

5.3.2 We will lead by example by employing trainees, offering apprenticeships and providing work placements and we therefore expect that our contractors will provide this kind of community benefit when they work with us. Projects and initiatives that stimulate the local economy will assist in the strengthening of our communities and their long-term sustainability.

5.3.3 We will comply with the legal duty for explicit Community Benefit clauses required on all contracts above £4m that commenced on or after 1 June 2016.

5.3.4 Additionally, we will also consider Community Benefits for all procurement when purchases are over £50k for goods and services, and over £100k for works. We recognise that Community Benefits must be proportionate to the value of the contracts being procured and that a one size fits all approach is not possible.

5.3.5 We will develop a specific policy statement and in-house guidance on Community Benefits and will deliver training to support staff on securing maximum Community Benefits from procurement activity. The guidance will provide examples of Community Benefits clauses (Community Benefits which can potentially be included as contractual clauses include, but are not limited to: targeted recruitment and training; small business and social enterprise development; support for community initiatives; and community engagement) for consideration during the design and development of tendering documentation and methods of monitoring and evaluation to ensure a consistent approach is embedded across the organisation.

5.4 Contracts Register

5.4.1 We will keep and maintain a Contracts Register recording contracts that have been awarded as a result of regulated procurement. As a minimum the Register will be made available on the website and include the following:

- Contract name;
- Date of award;

- Name of contractor;
- Type of contract;
- Estimated value of the contract;
- Start date; and
- End date and details of any extension.

5.5 Annual Procurement Strategy

- 5.5.1 Where the value of procurement contracts in any one financial year is anticipated to be £5m or above the Scottish Government require RSLs to publish an Annual Procurement Strategy and an Annual Procurement Report.
- 5.5.2 The Annual Procurement Strategy must, as a minimum be made publicly available on our website. Our procurement activity will contribute to the organisation's corporate plans and objectives and deliver VfM. The strategy must also set out how procurement activity will comply with the Act in terms of our sustainable procurement duty.

5.6 Annual Procurement Report

- 5.6.1 Where an annual Procurement Strategy is required, the Association will also publish a report outlining what it has procured in the previous 12 months. This report will be produced as soon as possible after the end of the financial year and must be published on our website. The report should include details on regulated procurements conducted during the financial year; if the procurement strategy has been followed; and, if not, how it will be followed in future years; a summary of community benefits; steps taken to procure from supported businesses; and likely procurement requirements in the next two years.
- 5.6.2 The Scottish Government actively encourage all RSLs to publish an Annual Procurement Strategy and Annual Procurement Report irrespective of the value of procurement contracts. We will continue to monitor our procurement activity in line with proportionality and best practice recommendations and will work towards this best practice approach.

5.7 Procurement Procedures

- 5.7.1 Procurement activity will be carried out in line with procedures as detailed within the Procurement Procedures.
- 5.7.2 All RSG employees will be expected to use the Procedure Guide appropriately. Further guidance and assistance is also available on the Scottish Government

5.8 Procurement Timescales

- 5.8.1 When undertaking procurement exercises consideration should be given to the likely timescales associated with the various procurement routes to ensure that these are appropriate with project programmes and target dates.

5.9 Electronic Communication

- 5.9.1 We will comply with the requirement for electronic communication relating to contract processes and will provide electronic access to tenderers for all procurement documents.

SECTION 6 Related Documents

- 6.1 This policy should be read in conjunction with the following policies and procedures:
- Procedures for the Sustainable Procurement of Goods Services and Works;
 - Financial Regulations;
 - Standing Orders and Schedule of Delegation. The Schedule of Delegation includes the levels of delegated authority that the Board gives to officers to undertake procurement;
 - Asset Management Strategy. This strategy will influence what requires to be procured, when it is to be procured, and identify opportunities for collaboration with other RSLs;
 - Risk Management Policy; and
 - Entitlements, Payments and Benefits Policy.

SECTION 7 Monitoring and Reviewing

- 7.1 The Chief Executive Officer is responsible for ensuring that all Board Members and members of staff involved in the procurement process follow this policy, and the supporting procedures. Training will be given to ensure that Board members are aware of our obligations and legislative requirements and that staff involved in procurement activity are equipped with the knowledge and information they require. The Chief Executive Officer is responsible for ensuring that staff implement this policy and the relevant procedures, when procuring goods and services.
- 7.2 This policy will be reviewed every three years and the appendices reviewed as necessary and revised if required.

- 7.3 As part of monitoring and reviewing progress, it is our aspiration to consider the introduction of a Procurement Capability Assessment in future years. This assessment will move us towards procurement best practice.

Accompanying Appendices:

Appendix 1 and 2 Procurement Thresholds