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Blue Triangle (Glasgow) Housing Association Ltd

Procurement Policy

GOV 017 REV 1

26 September 2019

Our Mission Statement

“Blue Triangle exists to support, accommodate and assist vulnerable people achieve better lives.”

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Revision history

Rev No.	Rev. Date	Consultation Requirements (See Section 3 – Consultation)	Lead Officer	Committee	Approved by COM
0	26 Sept 2019	New Policy	FS	COM	26 Sept 2019
1	26 Sept 2022		FS	COM	

Chairman

Signed:



Dated: 26 September 2019

Chief Executive Officer

Signed:



Dated: 26 September 2019

Section 1 Introduction

1.1 Rationale for the policy

Procurement is the process by which Blue Triangle obtains assets, products and services. This policy is designed to ensure that we comply with the relevant legislation, regulations and guidance which regulate our procurement activities. This will ensure that we obtain value for money in procurement, quality of product and services and also demonstrating transparency and accountability in the use of public funds.

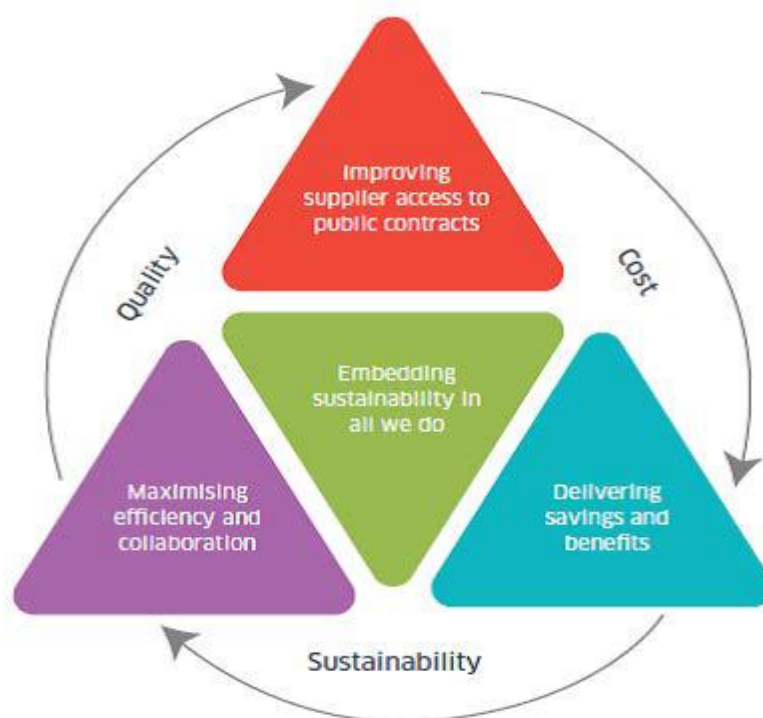
1.2 Risk assessment statement

This policy relates to a medium area of risk as it is a substantial part of how we demonstrate value for money, openness, accountability and fairness when utilising our resources and charitable funds.

1.3 Policy context

The Procurement Policy operates alongside our Standing Orders, Scheme of Delegated Authorities, Authority to Spend policy and Financial Regulations, to create a robust system of internal control. The policy applies equally to the procurement of works, goods and services, the appointment of contractors and consultants and the purchase of office supplies. In our procurement activities we will ensure that we facilitate the involvement of small and medium sized enterprises, third sector bodies and supported businesses in line with our values and also supporting businesses in the communities in which our projects are located and in line with the Scottish model of Procurement (Scottish Government).

The Scottish Model of Procurement



Section 2 Legal and Regulatory standards

2.1 Legal Framework

As we are a Registered Social Landlord, we are governed by public law for the purposes of procurement. The Public Procurement Public Contract Scotland Regulation (currently 2015) defines the complete legal framework that Blue Triangle is required to comply with regarding procurement including which contracts are excluded from the legislation. EU directives relating to procurement was transposed into both UK legislation and Scottish legislation. The Public Procurement (Scotland) Regulations 2016 also apply.

Procurement legislative requirements (as per the Procurement Reform (Scotland) Act (currently) 2014 distinguish between regulated and unregulated contracts.

The threshold for regulated contracts is:

- Greater or equal to £50,000 for goods and services
- Greater or equal to £2,000,000 for works contracts

In calculating the threshold spend is either calculated over the life of the contract or three years total spend on an area, exclusive of VAT.

If Blue Triangle spends over £5 million (excluding VAT) in total regulated procurement costs per annum it is required under the legislation to prepare and publish a procurement strategy.

2.2 The Scottish Housing Regulator Requirements – The standards of Governance and Financial Management

Regulatory standard 4

The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose

Regulatory standard 2

The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. Its primary focus is the sustainable achievement of these priorities

2.2

The governing body recognises it is accountable to its tenants, and has a wider accountability to the tax payer as a recipient of public funds, and actively manages its accountabilities.

Significant performance failures

The Scottish Housing Regulator (SHR) has a duty to consider issues raised with them about "significant performance failures". A significant performance failure is defined by the SHR as something that the landlord does or fails to do that puts the interests of tenants at risk, and which the landlord has not resolved. That is something that is a systemic problem that does, or could, affect all of a landlord's tenants. Examples of a significant performance failure could be if social landlords are not:

- delivering the outcomes and standards in the Scottish Social Housing Charter over a period of time; or
- achieving the regulatory standards on governance or financial management

2.3 OSCR (Office of the Scottish Charity Regulator)

Charity trustees' duties are set out in The Charities and Trustee Investment Act (Scotland) 2005. OSCR sets out in their guidance "Guidance and Good Practice for charity trustees, June 2016" what charity trustees must consider, so that they meet legal requirements and ensure that their charities are well run. There are specific duties around:

- acting in the interests of the charity and its purposes
- acting with due care and diligence
- reporting to OSCR
- financial records and management
- providing information to the public

2.4 The Scottish Social Housing Charter and Indicators

Getting Good value from rents and service charges

13: Value for Money

Social Landlords manage all aspects of their businesses so that:

- tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay

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 etc

There are no relevant Charter Indicators

2.5 Care Inspectorate

Health and Social Care Standards

4. I have confidence in the organisation providing my support

I benefit from a culture of continuous improvement, with the organisation having robust transparent quality assurance processes

Section 3 Policy content

3.1 Principles governing procurement

- to ensure that Blue Triangle obtains the best quality and value for money in all its procurement activities

- to manage procurement and purchasing activities in a transparent way, ensuring the highest standards of accountability and probity
- to ensure Blue Triangle complies at all times with its legal obligations and regulatory requirements
- to support the effective and efficient delivery of Blue Triangle's services and the management of its overall business
- to ensure equal treatment of all suppliers
- to ensure that all suppliers appointed to Blue Triangle are sufficiently competent, have sufficient resources and are committed to improving their services

3.2 Management of procurement activities

3.2.1 Regulated procurements

All regulated procurements equal to or above the thresholds as stated in this policy under section 2.1 will be awarded through a Framework Agreement or advertised on the Public Contracts Scotland website.

Regulated contracts of higher values (as at Jan 2018) of over £181,302 excluding VAT (services) and £4,551,413 excluding VAT (works) also require a European Journal advert. These contracts will be advertised through the Public Sector Scotland portal. A two stage process using a standard pre-qualifications questionnaire to build a shortlist will normally be required because the OJEU (Official Journal of the European Union) advertised notice is likely to generate a larger number of responses.

3.2.1.(i) Framework Agreements for regulated procurement

Framework Agreements are generally used for purchases where there is a repeat need but exact quantities or timings are unknown. A Framework Agreement is, therefore, a general term for an agreement between a supplier or suppliers and a contracting authority like Blue Triangle. The Framework Agreement sets out the terms and conditions under which Blue Triangle can access services or goods. The Framework Agreements does not bind Blue Triangle to purchase goods, services or works. Blue Triangle will only use the framework if it represents good value for money.

Frameworks are a way to minimise costs to Blue Triangle of having to undertake full tendering exercises. Public Procurement framework agreements (such as Scotland Excel) aim to comply with all legislative requirements including Scottish legislation, EU Procurement Directives and with EU contracting thresholds. The frameworks take full account of value for money, community benefits and environmental issues and the requirements for openness and transparency in the appointment process.

Frameworks can involve a single supplier or multi suppliers.

Blue Triangle will use either frameworks established by Procurement Scotland, Scottish Government or Scotland Excel (a not for procurement organisation established originally for Scottish local authorities) or the Public Contracts Scotland portal. Scotland Excel provide a range of regional specific frameworks whereas Procurement Scotland operate national procurement frameworks.

3.2.1 (ii) Community benefits

If we are procuring a regulated contract worth more than £100,000 we will consider whether to include a requirement to provide a community benefit for our client group to enable them to sustain independent living. We will include this in the contract notice.

3.2.1.(iii) Circumstances where a regulated contract can be awarded without competition

There are certain circumstances where a contract can be awarded without competition and which are defined in the Public Procurement (Scotland) Regulations 2016, Part 3, no 6 which are:

- a. there are no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to a contract notice
- b. where the works, supplies or services can be supplied only by a particular economic operator because competition is absent for technical reasons, the aim of the procurement is the creation of acquisition of a unique work of art or performance, the requirement to protect exclusive rights such as intellectual property rights

Grounds a) and b) can only be done where there is no reasonable alternative or substitute and the absence of competition is not the result of an artificial narrowing down of the parameters of procurement.

- c. Where for reasons of extreme urgency brought about by events which are unforeseen, the contracting authority considers that it must proceed to award a contract without delay
- d. Where it is for new works, services or both, consisting of similar works or services to that which the supplier was awarded the original contract for, they relate to the project for which the original contract was awarded and where no more than 3 years has elapsed since the original contract has been signed

Blue Triangle will use procurement waivers covering the above four grounds and which are signed off by any of the two of the following:

- Chief Executive Officer
- Finance Director
- Operations Director

3.2.2 Tender categories for un-regulated contracts

Small works for Works, Goods and Services (ie those below the thresholds stated in 2.1) are not regulated and can be awarded on the basis of price only or price and quality as determined at the initiation of the procurement. In most cases where the contract value exceeds £10,000 the Quick Quote facility will be used on the Public Contracts Scotland portal. Where the association does not use a Framework agreement, we use the following procurement rules:

Contract Value (inc VAT)	No of Quotes	Method of attainment	Notes
<£2,000	1 quote in writing	By invite	Approved by Manager
£2,000 - £9,999	2 quotes requested and received in writing	By invite	Approved by Manager & Finance Director
£10,000 - £49,999	Competitive tender	Quick Quote or advertised in SFHA Newsletter or other means or invite to up to 3 reliable contractors	Approved by Manager and Finance Director

Contract value (inc VAT) works only	Nos of Quotes	Method of attainment	Notes
£50,000 - £2,000,000	Use same process as Regulated contracts	Use framework or advertise through PCS portal. In addition use SFHA website and other sources of tendering opportunities to maximise awareness	Use of appropriate tender documentation required

3.2.3 Procurement strategy

As part of budget preparations, an assessment will be made as to categories of spend over the next year based on expenditure incurred in the previous financial year and review the overall planned programme of procurement.

3.2.4 Contracts Register

As a contracting authority we must keep and maintain a register of contracts we have entered into because of regulated procurement. The register will contain:

- The date of the award
- The subject matter/contract name
- The name of the contractor
- The estimated value
- The contract start date
- The contract end date
- Any extension to the contract

Section 4 Consultation

Section 54 of the Housing (Scotland) Act 2001 stipulates a requirement of RSL's to consult their tenants on policies and procedures which significantly affect their tenants. BTHA has no tenants but considers this a right which should be given to its service users. The occupancy agreement that we use, therefore, includes a clause which indicates our commitment to consult with our service users.

The Regulatory standards also stipulate that providers should have robust consultation processes in place in order to comply. This means that if there are proposals or policies which could significantly impact on service users such as those in relation to housing management, repairs and maintenance or more strategic changes that we endeavour to notify service users of this and listen to any concerns. The main vehicle for this will be our service users' forum. We also operate a policy on consulting with staff and taking feedback on board.

Service users and staff will not be consulted on all policies – an assessment will be made at policy review as to what level of consultation (if any) will take place.

Section 5 Monitoring and review/link with KPI's

Policies will be reviewed on a three yearly cycle by the Committee of Management according to a policy programme provided on an annual basis at the start of the financial year. All policy reviews will take into account our equality impact assessment toolkit requirements. Committees will report on performance to committee of management at the end of the year. We use a small number of key performance indicators (KPIs) which monitor critical success factors. Our policy monitoring framework tracks any policies which impact on KPIs. Other policies may have indicators which are monitored at departmental level.

This policy and its implementation will be reviewed by the Committee of Management

Section 6 Publishing and availability of policy

This policy is available in electronic format or hardcopy to all staff, service users, Committee members and other customers, as appropriate.

Section 7 Accessibility

We are committed to promoting accessible services that address the needs of individual service users and employees, as appropriate. For example, our policies can be provided in other formats such as in larger print or in audio-format.

Section 8 Other Relevant policies and procedures

The Association has a wide range of policies covering corporate services (covers the entire association) and operational services (covers only specific operational areas).

It is important that this policy is not viewed in isolation but consideration is given to the wider context in which it operates. This policy framework helps to minimise incidents of

possible wrongdoing as clear systems are in place for staff and Board members to follow.

Section 9 Complaints

We follow the Model Complaints Handling System that has been developed by the Scottish Public Services Ombudsman (SPSO). This is a comprehensive procedure that allows for complaints to be dealt with in either one of two stages.

Complaints must be dealt with in line with set timescales so that complaints are dealt with quickly.

If still dissatisfied after Stage 2 has been completed, a dissatisfied customer can take their complaint to the SPSO.

Any service user wishing to complain should ask for a copy of our complaints procedure. A service user, alongside their right to complain to the SPSO, can also complain to the Care Inspectorate, the Local Authority or other commissioner of the service, and they may have the right to complain to the Scottish Housing Regulator. To take their complaint further, a service user generally needs to go through our internal complaints procedure in the first instance.

Section 10 Impact Assessments

Equality and Privacy Impact Assessments are required when developing or amending or reviewing policies. This is to ensure that the impact of any policy is understood in terms of EO and data protection requirements