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# blue triangle

## Procurement Policy

23 February 2023

### Our Mission Statement

*“To empower people to thrive.”*

#### Revision history

Rev No.	Rev. Date	Consultation Requirements	Lead Officer	Committee	Approved by COM	Review Due:
0	26 Sept 2019	New Policy	FS	COM	26 Sept 2019	
1	Feb 2023	Updated Policy	JL	FIA Approved 18/05/23	17 August 2023	Feb 2024

**Chairperson**

Signed:

Dated: 17<sup>th</sup> August 2023

**Chief Executive Officer**

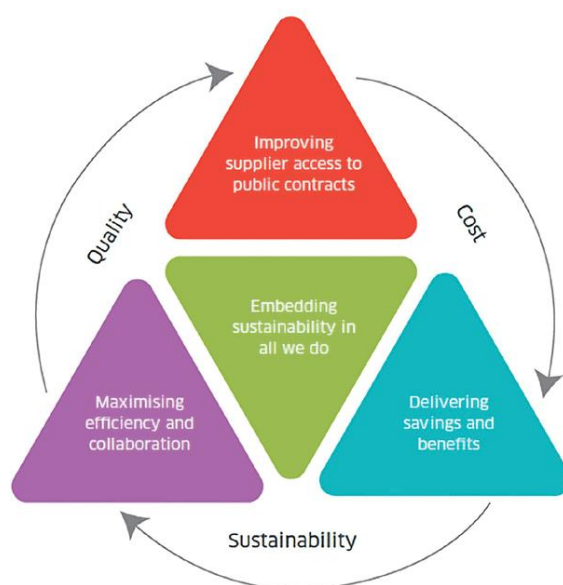
Signed:

Dated: 17<sup>th</sup> August 2023

This policy is designed to ensure that Blue Triangle 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.

The Procurement Policy operates alongside our Standing Orders, Scheme of Delegation, 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



### 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. Our Procurement processes are fit for purpose to ensure we meet the requirements set out by the Scottish Housing Regulator<sup>1</sup>, OSCR (Office of the Scottish Charity Regulator)<sup>2</sup>, and The Scottish Social Housing Charter requirement for value for money.

## 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

## Management of procurement activities

### ***Regulated procurements***

All regulated procurements equal to or above the thresholds as stated in this policy on [page 5](#) will be awarded through a Framework Agreement or advertised on the Public Contracts Scotland website.

Regulated contracts of higher values (as at Jan 2022) of over £177,897 excluding VAT (services) and £4,447,447 excluding VAT (works) and all notices must be published through [Find a Tender Service](#) (FTS) which replaced the requirement, as of January 2021, to advertise through the Official Journal of European Union (OJEU). These contracts will be advertised through the Public Sector Scotland portal.

### ***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.

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<sup>1</sup> **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, supported people and stakeholders. Its primary focus is the sustainable achievement of these priorities

<sup>2</sup> 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

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, Procurement Directives and with 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 profit 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.

### ***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.

### ***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 or 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.

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

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
- ▲ Director of Finance and Corporate Services
- ▲ Head of People, Service Delivery or Development

### Tender categories for un-regulated contracts

Small works for Works, Goods and Services (i.e., those below the thresholds stated) 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)	No 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

### 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.

### 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