



**Ferguslie Park**  
Housing Association

## PROCUREMENT POLICY

Commencement: **February 2021**  
Refresh Date: **January 2024**

## **1.0 POLICY PURPOSE**

- 1.1 The purpose of this Procurement Policy is to provide a clear guidance on the way in which Ferguslie Park Housing Association (FPHA) shall undertake and manage the procurement of services, supplies and works from external providers.
- 1.2 This policy is intended to ensure that procurement exercises completed by FPHA will meet current legislation and best practice including adopting the principles of equal opportunity, nondiscrimination, transparency and proportionality.
- 1.3 The policy will operate procedures and systems that enable probity, quality and value for money through the procurement process to be demonstrated.
- 1.4 FPHA will monitor and review procurement arrangements to ensure continuing high standards and value for money are achieved.
- 1.5 FPHA 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 Most notably, FPHA will work with the iFlair network and other relevant national Frameworks where there is benefit to the Association.

## **2.0 POLICY DEFINITION**

- 2.1 Procurement is defined as the process through which FPHA 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 FPHA is a 'contracting authority' for the purposes of the public procurement regulations. The Regulations specify legal procedures which FPHA must follow when buying supplies services and works over certain estimated contract values.
- 2.4 Where a contracting authority has an anticipated annual spend of more than £5m on contracts regulated by the Act (regulated contracts), it is obliged to prepare and publish a procurement strategy. FPHA do not require to meet this threshold and therefore are not required to have a procurement strategy.

### 3.0 POLICY COMMITMENTS

3.1 By adhering to the following commitment FPHA intend to remain compliant in procurement and continually aim to introduce good practices.

- Undertake all procurement activity in a professional manner to meet the requirements of all relevant legislation and best practice;
- Establish robust Standing Orders and procedures for procurement which will set out delegated authority detailing the process of authorisation and certification of expenditure;
- Ensure probity, cost effectiveness, quality and value for money in relation to individual projects and their role in delivering the Association's wider objectives;
- 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](http://www.publiccontractsscotland.gov.uk) (PCS);
- Prepare and report to the Board an annual procurement report that details the procurement activity undertaken in the previous financial year;
- Prepare and publish guidance notes on how the FPHA Group will deliver their obligations in relation to
  - Sustainable procurement; and
  - Community benefit requirements
- Actively consider, where appropriate, options for joint working with similar organisations through establishing or joining framework agreements or other purchasing solutions;
- Maintain a register of contracts that will be monitored for spend on a monthly basis and reported to the Board on a regular basis;
- Implement the electronic publication and receipt of all tenders using PCS;
- 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;
- Tender and advertise all regulated activity in accordance with the matrix set out in Appendix 1;

- Provide training for all staff involved in the procurement process;
- 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;
- Following the conclusion of the procurement process FPHA will require a contract to be in place prior to any payment being made for works, supplies or services where this is realistically achievable;

3.2 There are a number of key drivers influencing and shaping procurement for organisations like FPHA. These are in the main legislative but must also be driven by FPHA's need to remain viable and provide services which are affordable and cost effective to our customers.

3.3 To meet these standards FPHA will ensure that all staff with purchasing responsibilities understand their responsibility in applying the key principles of public procurement. This is in the delivery of value for money, appropriate quality and service to meet business needs and appropriate governance.

#### **4.0 EUROPEAN UNION WITHDRAWAL**

This policy recognises that there may be changes impacted by the UK's withdraw from the European Union. At the point of writing, the known changes are as follows:

- Any contract notices which were previously required to be advertised via the publish notices the Official Journal of the European Union (via their TED) system will now be advertised on UK e-notification service called Find a Tender Service (FTS) in addition to PCS, and;
- The use of the ESPD for regulated tenders will continue however the ESPD (Scotland) will be renamed the Single Procurement Document (SPD)

#### **4.0 POLICY REVIEW**

4.1 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

Estimated Value <sup>1</sup>	Definition	Tender Process	Tender Activity	Minimum Advertising Requirements <sup>3</sup>	Guide Timescales
£0 - £999	Works, Services and Supplies	Work may be authorised within individual officer limits and contractor may be directly engaged without any form of public procurement exercise.	Ability to directly appoint a supplier.  Record on Contract Register	Direct approach to suppliers	1-2 weeks
£1,000 - £9,999	Works, Services and Supplies	Quotation – minimum of 1 quotation to be received – with a direct appointment allowed subject to this being a one-off commission or purchase.  Where the commission may be envisaged as being an ongoing service, supply or work then 3 quotes should be obtained	Ability to directly appoint a supplier following receipt of a quotation in writing.  Both routes subject to CEO; HoO or FCSM approval depending on thresholds for approval  Record any appointment on Contract Register	Quick Quote to be used for 3 quotes where feasible and realistic	1-4 weeks
£10,000 – 24,999	Works, Services and Supplies	Minimum of 3 competitive quotations to be invited using standardised documentation and processes (for example, a specification and return date to be sent to all contractors being asked to provide costs.	Board approval for tender and acceptance.  Record any appointment on Contract Register	On-line Quick Quote using the public contracts website	1-4 weeks

Appendix 1 – Procurement Thresholds

		In most instances ITT document incorporating price/quality ratio and tender questionnaire document should be issued via Quick Quote though circumstances may dictate direct electronic communication. However this is an exception and the same rules on minimum quotations etc apply			
£25,000 - £49,999 <sup>2</sup>	Services, Supplies and Works	Quick Quote using ITT document incorporating price/quality ratio and tender questionnaire document	Board approval for tender and acceptance.  Record any appointment on Contract Register	On-line Quick Quote using the public contracts website	Minimum 2 weeks
£50,000 - £2,000,000 <sup>2</sup>	Works	Quick Quote using ITT document incorporating price/quality ratio and tender questionnaire document as a minimum.	Board approval for tender and acceptance.  Record any appointment on Contract Register	On-line Quick Quote using the public contracts website	Minimum 4 weeks
£50,000 - £189,330	Services and Supplies	Formal Tender Process	Board approval for tender and acceptance.  Use of SPD and ITT document incorporating price /quality ratio.  Record any appointment on Contract Register	To be advertised on the public contracts website	4-8 weeks
£2,000,000 - £4,733,252	Works	Formal Tender Process	Board approval for tender and acceptance.	To be advertised on the public contracts website	6-12 weeks

Appendix 1 – Procurement Thresholds

			<p>Use of SPD and ITT document incorporating price /quality ratio.</p> <p>Record any appointment on Contract Register</p>		
£181,302 and above	Services and Supplies	Formal Tender Process	<p>Board approval for tender and acceptance.</p> <p>Use of SPD, standard questionnaire and price framework</p> <p>Record any appointment on Contract Register</p>	To be advertised on the public contracts website and in the Find a Tender Service (FTS) <sup>4</sup>	12-26 weeks
£4,733,252 and above	Works	Formal Tender Process	<p>Board approval for tender and acceptance.</p> <p>Use of standard questionnaire, SPD and price framework</p> <p>Record any appointment on Contract Register</p>	To be advertised on the public contracts website and in the Find a Tender Service (FTS) <sup>4</sup>	12-26 weeks

## Appendix 1 – Procurement Thresholds

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. The Public Contracts Website refers to the site established and maintained by the Scottish Ministers; currently this is [www.publiccontractsscotland.gov.uk](http://www.publiccontractsscotland.gov.uk).
4. FTS, Find Tender Service FTS is new and replaces the role of Tenders Electronic Daily, the Official Journal of the EU (OJEU/TED)