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PR01

Procurement

Policy

Last Review	March 2026
Next Review	January 2028
Lead Officer	Procurement Manager

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1. Introduction

The Procurement Policy sets out the general operating principles under which procurement activities are carried out in respect of purchasing goods, services and works within Trust. It applies to all colleagues involved in a purchasing and procurement process.

The **definition** of procurement is the overall process of acquiring goods, services and works from suppliers and third parties, and includes the whole procurement cycle from identification of a need through to delivery or the end of a contract term. The type of contract awarded may require one or more of the definitions below to fulfil the business need.

- **Goods** - Purchase orders or term contracts that result in the purchase, lease, rental or hire of tangible goods.
- **Services** - Purchase orders or term contracts that result in the provision of services provided by Contractors, Consultants and Advisers.
- **Works** - Purchase orders or term contracts for outcomes relating to building works and construction, or a civil engineering project to fulfil an economic or technical function.

Trust observes the Scottish Model of Procurement to meet with the regulatory and mandatory obligations and objectives set within legislative regulations and legal framework requirements.

This policy should be read in conjunction with the following Trust documents;

- Procurement Procedure (PR02)
- Contract and Supplier Management Policy (PR03)
- Contract and Supplier Management Procedure (PR04)
- Delegated Authority (FR06)
- Procurement Strategy
- Procurement Annual Report
- Supply Chain Code of Conduct

1.1. Aims & Objectives

The policy is designed to ensure that all procurement activity is focussed on the delivery of **value for money** by providing a cost effective and adequate supply of goods and services through efficient and effective use of resources.

The selection of a contractor, supplier or service provider, and the award of a contract should be accomplished in accordance with:

- The direction of procurement policy and associated procedures
- Legislative and legal framework requirements
- Funding requirements
- Fairness and transparency
- Sustainability

2. Legislation

Trust is subject to a framework of rules observed under the Scottish Model of Procurement and Section 15 of the Procurement Reform (Scotland) Act 2014. The objectives reflect regulatory obligations applied to Housing Associations. The minimum legislative requirements within this section are derived from the Scottish Procurement Policy Handbook outlining the rules and standards for the process for public procurement. The first stage of any potential procurement must be to establish whether procurement activity falls within the scope of the Scottish public sector procurement regulations.

The directives aim to ensure that purchases are made in a fair and transparent manner, and all regulated procurement activity must comply with the following legislative regulations and legal framework requirements:

- Procurement Reform Act (Scotland) Act 2014
- Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016Periodic Scottish Procurement Policy and Construction Policy Notes
- The Bribery Act 2010
- The Procurement Act 2023 (where applicable[1])

Procurement rules are governed by regulated **Spend Thresholds**. For the purposes of spend thresholds, the estimated value of a procurement must include all contractual considerations over the lifetime of the contract. This includes any contractual costs such as delivery, service, and maintenance and the value of potential options to renew or extend the contract. The estimated value is also subject to aggregation.

The **Procurement Reform (Scotland) Act 2014** applies to all contracts above the values indicated below. The method for calculating the estimated contract value of PRA Regulated procurements is **exclusive of VAT.**

Minimum Regulated (PRA) Procurement Thresholds:

- Goods £50,000 ex. VAT
- Services £50,000 ex. VAT
- Works £2,000,000 ex. VAT

The **Public Contracts (Scotland) Regulations 2015** apply to all contracts above the values indicated below. The method for calculating the estimated contract value of GPA Regulated procurements is **inclusive of VAT.**

Minimum Regulated (GPA) Procurement Thresholds:

- Goods £207,720 incl. VAT (indicative 20% ex. VAT £173,100)
- Services £207,720 incl. VAT (indicative 20% ex. VAT £173,100)
- Works £5,193,000 incl. VAT (indicative 20% ex. VAT £4,327,500)

[1] The **Procurement Act 2023** only applies to organisations in England, Wales and Northern Ireland. Trust is a devolved Scottish authority and continues to procure under Scottish procurement legislation. The Act may have implications to Trust for contract awards from non-Scottish frameworks. In such cases, dual-compliance may arise.

Aggregation rules are applied to procurements. Aggregation is determined by measuring whether an actual or anticipated spend for a commodity of the same type will reach a regulated threshold over a period of 48 months.

When the threshold is, or expected to, met or exceed a regulated threshold, a contracted agreement must be placed by means of competition by tender or call off from a collaborative framework agreement.

Each budget holder shall monitor their own aggregated spend for purchases out with existing contracts.

Trust Procurement Team is responsible for monitoring net aggregated spend retrospectively to determine whether a contracted agreement should be selected for current and future commodity contract requirements or for consolidation into a regulated contract.

Following the UK exit from the EU on 1st January 2021, the UK is now a member of the World Trade Organisations (WTO) Government Procurement Agreement (GPA). The WTO's GPA is a voluntary trade agreement that governs public procurement.

Regulated procurement thresholds are updated on a bi-annual basis and are communicated through the Scottish Government. The Procurement team are responsible for updating the Trust procurement policy, procedure and guidance documents and issue communications to the business to ensure that regulatory standards are met.

Procurement regulations impose minimum procurement standards, and these must be applied to all regulated procurements. The key minimum requirements are:

Advertisement - Publish of a Contract Notice at Public Contracts Scotland (PCS) and to comply with the minimum timescales set out within the regulations for the procurement route type.

Competition - Requirements must be specified in a way that will not distort or restrict competition in the marketplace.

Evaluation Criteria - Contracts are awarded based on the most economically advantageous tender (MEAT). The criteria for the evaluation of a procurement opportunity to select suppliers or to evaluate tenders must be determined in advance. Criteria must be weighted (or sub-weighted) in accordance with its relevant importance, and it must be issued to potential contractors within the invitation to quote or invitation to tender document. Criteria must not be amended or added at evaluation stage.

Mandatory Standstill Period - For procurements at the upper GPA value threshold and above, a mandatory standstill period must be applied. This is a period between the notification of contract award decision and the commencement date of the contract, which is currently set at 10 days. The purpose of the standstill period is to allow unsuccessful tenderers to consider the feedback on their submissions, and to give them an opportunity to ask for further information or call for a review of the

decision. Standstill periods are generally included in all regulated PRA procurements but are not a mandatory requirement.

Contract Award Notifications - Notification of the outcome of a procurement procedure must be communicated to all participating tenderers by way of issuing a contract award letter to the winning tenderer and notification of tender outcome letter to unsuccessful bidders. Publication of a contract award notice must also be submitted at Public Contracts Scotland (PCS) to complete the tendering process, or following direct award from a framework, within 30 days of conclusion of a formal contract award. Feedback on the outcome decision is provided to all unsuccessful bidders on request.

Formal challenges and complaints may be brought by any contractor or potential contractor alleging any infringement of Trust's obligations to comply with procurement regulations, or any law provision which may be relevant to awarding a contract. The consequences of a successful challenge may, depending on the nature of the breach, result in financial damages and legal costs, and potential reputational damage to the organisation.

Any challenge raised and any correspondence from legal advisers challenging a Trust procurement process must be brought to the attention of the Procurement Manager and the Director of Finance & People.

Fair Work First - must be included in all regulated procurements. Fair Work First focuses on the positive working practices that can be delivered through a public contract, and can be used as a vehicle to provide meaningful social impact beyond the workplace, in communities and the wider economy. Trust is required to consider how to address fair work practices in public contracts.

Fair Work First encourages bidders tendering for a contract to adopt fair work practices within their organisations as part of their continuous improvement approach. It does not set a minimum standard but does provide scope for organisations to adopt criteria that is relevant and proportionate to the contract they have agreed to deliver.

Tenders must include a weighted question to support the Scottish Government's policy towards fair work practices by asking bidders to demonstrate their commitment to adopting fair work for workers, agency worker, or sub-contractor workers engaged in the delivery of the contract.

Advice should be sought from the Trust Procurement Team for incorporation of a proportionately suitable approach to include this within a regulated tender.

Community Benefits - are an opportunity to deliver additional economic, social, or environmental benefits to the organisation and within the community in which our customers live. Within procurement processes where a contract value is expected to exceed the legislative £4M threshold, identification of requirements that are robust, relevant, and proportionate will be considered, and judged upon through delivery of objective and measurable outcomes.

Trust has an additional policy requirement for incorporation of Community Benefits for contracts below the £4M threshold at section 7.10. Trust has a Community Benefits Statement which describes our approach and expectation to suppliers. This Statement should be appended to all tender opportunities and built into framework agreement call-offs for contracts with a total value exceeding £500,000. Advice should be sought from the Trust Procurement Team for incorporation of a proportionately suitable approach to include this within a regulated tender.

Sustainable Procurement - should be applied to all regulated procurements in a proportionate way. Consideration should be applied to how the contract or contractor can improve the economic, social, and environmental wellbeing within Trust's operating business areas.

Advice should be sought from the Trust Procurement Team for incorporation of a proportionately suitable approach to include this in a regulated tender.

3. Roles and Responsibilities

The Trust Procurement Team will provide expertise and input in accordance with this policy, procurement procedures and legislative procurement regulations.

The Procurement Manager will ensure the procurement policy and associated procedure documents are maintained and kept up to date with periodic changes to accommodate internal governance, and to include changes to statutory legislative requirements.

The Chief Executive Officer, Directors and Heads of Service will hold responsibility to ensure that all colleagues within their respective Directorates adhere to procurement policy and procedures.

Delegated authority to award contracts is applied according to the Delegated Authority Policy FR06. Refer to section 6.

All Trust colleagues involved with purchasing and procurement activities will be responsible for:

- managing procurement activity within their respective business area,
- identifying their future requirements and current contract renewals,
- identifying and maintaining the budget for their procurement activity,
- liaising with the Trust Procurement Team for expertise and advice,
- liaising with the Trust Procurement Team for all regulated procurements,
- awarding a purchase order against an established live Trust contract within the appropriate level of delegated authority for purchase order and invoice authorisation within their assigned authority limit, and obtaining authority from a Director, CEO or Board with the appropriate level of delegated authority to award a new contract. (Delegated Authority Policy FR06)
- obtaining authority from the Procurement Manager in the first instance followed by the Executive Team to approve a request for a non-competitive action (NCA) for a regulated procurement.

- managing their respective contracts and to monitor the performance of and the relationship with their suppliers,
- committing resource and time to a tendering process led by the Trust Procurement Team on their behalf.

There are at least two defined and separated roles in a tender evaluation process. In the interests of impartiality both the commercial and technical elements of a bidder's proposal should be fairly evaluated by carrying out non-biased approach to the evaluation and scoring of a bid. A final combined review of evaluation is shared by group consensus:

- Commercial Pricing Evaluation (**Cost**) - This will be carried out by at least two suitably appointed project team members and one will include a representative from the Directorate of Finance & People.
- Technical Capability Evaluation (**Quality**) - This will be carried out by at least two appointed project team members with suitably qualified technical knowledge and experience of the subject matter.

In conjunction with **The Procurement Team, The Head of Finance and Finance Business Partners** will monitor the budget impact of all procurement activity, will identify budget overspend, and will seek remedial action by the budget holder when required.

Independent Internal Audit will be responsible for advising and confirming that Procurement Policy is consistently applied to all areas of the business, ideally every three years, and that any non-compliance is reported to the Board via the Audit and Performance Committee.

The Procurement Manager will manage the organisation's profile and control panel at Public Contracts Scotland, and will administer the buyer user list, list of supporting agents and statistical reporting on behalf of Trust.

The Procurement Team will escalate to the Executive Team all instances of irregular procurement activity, non-compliance, fraud, and risk to supply chain.

4. Code of Conduct for Employees

All procurement activity must be conducted ethically and be safeguarded from corruption or fraudulent activity. Everyone involved in the procurement process or participating in tendering of contracts must always act with integrity, impartiality, and confidentiality.

Reference to code of conduct is made within the following Trust policies and should be read in conjunction with this Procurement Policy:

- HR004 - Employee Code of Conduct
- FP25 - Anti-Fraud, Anti-Money Laundering and Anti-Bribery Policy
- CE014 – Entitlements, Payments and Benefits Policy

Involvement in procurement activity requires commitment to the following:

- a duty of care to undertake activities in a trustworthy manner whilst maintaining standards that colleagues, contractors and customers would adequately expect.
- a responsibility to ensure that procurement policy and procedure, financial controls and processes, and compliance with internal controls is adhered with to maintain and promote best practice, prevent fraud and to protect any individuals concerned against allegations of fraud.
- all actions taken must comply with The Bribery Act 2010.

No colleague shall participate in the selection, contract award or the administration of a live contract if a real or apparent conflict of interest is identified. An example of a conflict of interest is where an employee or their immediate family, or other closely connected person has a financial, commercial, or other interest in any contractor participating in a procurement tendering activity, or any connection to an appointed contractor. Conflicts of interest will be stated on a declaration form provided by the Trust Procurement Team. Mitigating or remedial action will be taken to preserve the integrity of all procurement activity.

Hospitality or inducement offered by a bidder or contractor in any attempt to influence a decision to award a contract or to obtain a purchase order is not permitted. Employees must report activity of this nature in line with FP25 - Anti-Fraud, Anti-Money Laundering and Anti-Bribery Policy. When a tendering activity is in progress, any potential bidder offering inducement to obtain a contract will be excluded from the tendering process under Section 58 of the Public Contracts (Scotland) Regulations 2015.

5. Cost Thresholds and Route to Market

Once a need has been identified, the next step is to determine the estimated value of the purchase, or if a contract, the estimated value of the entire duration of the available contract term to include any contract extension periods.

The total value calculation for regulated procurement values must include VAT, with effect from 1st January 2022. Non-regulated procurement values are calculated exclusive of VAT.

Procurement requirements must not be split into contracts of a lower value to avoid the need to tender or to conduct a regulated procurement exercise. Please refer to section 2 for rules applied to aggregation.

The total estimated cost of the purchase or contract term will determine the procurement process pathway and available route to market for the procurement activity. This will be based on the need to purchase goods, services, or works. Please refer to the cost threshold tables in section 6.

When determining an available route to market, seek guidance or advice from Trust Procurement Team when assistance is needed for an unregulated process pathway.

You must engage with the Trust Procurement Team for support to undertake a regulated tendering exercise.

Typical routes to market:

- 2 or 3 verbal or written quotations from selected capable suppliers
- Request for Proposal or Quotation using Quick Quote at PCS
- Open Tender using Public Contracts Scotland
- Restricted Tender using Public Contracts Scotland
- Direct Award from a Framework Agreement
- Mini Tender using a Framework Agreement
- Collaborative Partnership Tendering (Joint HA's or other bodies)
- Use of the Negotiated Procedure without Prior Publication

Other regulated routes to market include the use of a Competitive Dialogue and Innovation Partnership approach and these must be conducted by the Trust Procurement Team.

If none of the routes to market are achievable through the process pathway in the tables below, either because the requirements can only be met by a sole supplier, or are exempt from a competitive process, or could not be planned for genuine reasons outlined in procurement regulations, a request for Non-Competitive Action (NCA) should be raised. Please refer to section 7.9 for further information regarding standard policy requirements when considering a non-competitive route to market.

5.1. Goods & Services[1]

Estimated Value[2]	Regulation	Process Pathway	Responsibility
Up to £5,000	Unregulated	Obtain a minimum of 2 quotations to demonstrate value for money	Requisitioner
£5,001 to £24,999	Unregulated	Obtain a minimum of 3 quotations, or use Quick Quote at PCS, or use a Framework Agreement	Requisitioner with advice from Procurement Team
£25,000 to £49,999	Unregulated	A minimum of 3 tender proposals should be obtained using Quick Quote at PCS or use PCS to tender, or use a Framework Agreement	Requisitioner with advice from Procurement Team
£50,000 to £207,720	Regulated (PRA)[3]	Formal advertisement of tender for contract opportunity at Public Contracts Scotland or use a Framework Agreement	Project Lead & Trust Procurement Team
£207,720 and above	Regulated (GPA)[3]	Formal advertisement of tender for contract opportunity at Public Contracts Scotland or use a Framework Agreement	Project Lead & Trust Procurement Team

[1] *Aggregation rules apply to the estimated value and this may alter the total value of your procurement, along with the subsequent process pathway applied. Please see section 2 for further information or seek further advice from the Trust Procurement Team*

[2] *The estimated value is the total value of goods and services for a one-time purchase, or the total value of goods and services under a contract term agreement and regulated total values shall include VAT from 1st January 2022. Non-regulated purchases are calculated exclusive of VAT.*

[3] *PRA is the threshold legislated under the Procurement Reform (Scotland) Act 2014. GPA is the threshold legislated under the Procurement (Scotland) Regulations 2015 and formerly known as OJEU. Regulated threshold values are generally reviewed every 2 years. The directive date currently applied in this policy is 1st January 2024.*

5.2. Works & Construction[1]

Estimated Value[2]	Regulation	Process Pathway	Responsibility
Up to £5,000	Unregulated	Obtain a minimum of 2 quotations to demonstrate value for money	Requisitioner
£5,001 to £49,999	Unregulated	Obtain a minimum of 3 quotations, or use Quick Quote at PCS, or use a Framework Agreement	Requisitioner with advice from Procurement Team
£50,000 to £300,000	Unregulated	A minimum of 3 tender proposals should be obtained using Quick Quote at PCS or use PCS to tender, or use a Framework Agreement	Project Lead & Trust Procurement Team
£300,000 to £2M	Unregulated	Formal advertisement of tender for contract opportunity at Public Contracts Scotland or use a Framework Agreement	Project Lead & Trust Procurement Team
£2M +	Regulated (GPA)[3]	Formal advertisement of tender for contract opportunity at Public Contracts Scotland or use a Framework Agreement	Project Lead & Trust Procurement Team

[1] *Aggregation rules apply to the estimated value and this may alter the total value of your procurement, along with the subsequent process pathway applied. Please see section 2 under legislation for further information or seek further advice from the Trust Procurement Team*

[2] *The estimated value is the total value of goods and services for a one time purchase, or the total value of goods and services under a contract term agreement and regulated total values shall include VAT from 1st January 2022. Non-regulated purchases are calculated exclusive of VAT.*

[3] *GPA is the threshold legislated under the Procurement (Scotland) Regulations 2015 and formerly known as OJEU. Regulated threshold values are generally reviewed every 2 years. The directive date currently applied in this policy is 1st January 2024.*

6. Delegated Authority

An action to issue a purchase order or to enter into a contracted agreement must be undertaken in accordance with the delegated purchasing authority levels assigned for

the contract value and with the approval of the budget holder, as prescribed within FR06 Delegated Authority.

The delegated authority as prescribed within FR06 Delegated Authority is as follows;

Award of contracts Within board approved budgets (i.e. annual budget, 30-year plan for multi-year contracts and individual budgets for new-build development / redevelopment budgets). And in accordance with **PR01 Procurement Policy**	**Annual contract value (inclusive of VAT);** Up to £50k - Head of Service Up to £200k - Directors Up to £1m - CEO Over £1m - Board
Mid-contract price reviews In accordance with original contract terms Outwith original contract terms	Director or Head of Service responsible for the budget line Original contract award approver
Award of non-regulated works contracts Award of contracts for single, specific works via Quick Quotes or obtaining quotes directly, under the regulated procurement threshold and in accordance with **PR01 Procurement Policy**	Assets and Sustainability Director, Head of Assets, Asset Managers and Asset Officers up to PO/invoice approval limits within ***Appendix 1 of FR06 Delegated Authority***

Should there be any discrepancy between the delegated authority prescribed in this policy and FR06 Delegated Authority, FR06 Delegated Authority (as approved by the Board) will take precedence.

7. Standard Policy for Tendering & Contracting

In addition to the minimum legislative policy requirements for tendering noted in section 2, the following standard policy requirements form the minimum governance to be applied when conducting procurements for Trust.

7.1. Agreements Formed (Unregulated Value Contracts)

Where a term contractual agreement is formed, seek advice from Trust Procurement Team and forward contract agreement documents for storage in the Trust central procurement contracts library.

7.2. Procurement Activity for New Regulated Contracts

Early engagement with the Trust Procurement Team will ensure that all projects can be identified and logged with a procurement project reference. The Trust procurement team will provide support to help manage regulated procurements through the most effective and compliant route to market with a documented audit trail to meet with legislative requirements.

7.3. Specification of Requirement

Creation of a specification document for goods, services and works will clearly detail the project scope and minimum defined standards for the desired outcome of the purchase need. This should also define all operational requirements expected from the contractor, identify the risks and issues, and will include the minimum legislative, accreditation or other associated standards required for the product, service or works being procured. Key Performance Indicators (KPIs) within minimum levels of acceptable performance should be detailed to monitor performance throughout delivery of the contract

A specification of requirement is mandatory for all regulated procurements and is recommended for all procurements with a contract value of £25k or more, and where a potential supplier will need more detail to understand the role or need to be fulfilled to meet with the terms of the contract.

7.4. Contract Strategy

All procurements with a value of £25,000 or more for Goods and Services and £50,000 or more for Works Contracts will require a contract strategy document to provide a general overview of requirements and the delivery need for the business, the spend and benefits levels, the options for procurement route to the market, and the strategy to manage a successful contract.

A contract strategy document is mandatory for all regulated procurements.

7.5. Tender Evaluation & Selection Criteria

The evaluation criteria and the scoring mechanism under which tenders will be evaluated shall be clearly defined at tendering stage. The evaluation of tenders must be robust to provide a full justification and audit trail for the resulting award decision.

The criteria will be based on a percentage split between Quality and Cost. The ratio applied will be determined by the scope and type of purchase and market force driving the need or demand.

Sub-weighted criteria are usually applied to the percentage of the Quality ratio to further evaluate a clearly defined technical output.

Advice should be sought from Trust Procurement Team for guidance to determine the most effective evaluation ratio for your need.

7.6. Public Contracts Scotland (PCS)

PCS is Scotland's national advertising portal which provides suppliers with free access to contract opportunities. All regulated procurements require that contract notices be advertised and published at PCS for tender activities. The Trust Procurement Team will administer all published notices for regulated procurements at the PCS Web Portal.

Quick Quote is the function available at PCS for obtaining quotations for unregulated procurements and for running a mini-tender via a Framework Agreement. Selected suppliers in the market can be allocated to a Quick Quote procurement.

For call off contracts awarded from Framework Agreements, PCS will be used to publish all formal contract award notices.

7.7. Single Procurement Document (SPD)

The SPD (Scotland) document is a standard questionnaire that allows buyers to identify suitably qualified and experienced bidders. It contains questions on both exclusion and selection criteria.

Bidders will use their SPD response to indicate whether their organisation meets the requirements of the procurement exercise and it is a self-declaration form. Bidders do not need to provide any evidence upfront unless there are clear reasons for doing so.

The SPD is mandatory for all procurements that are tendered over the upper regulated GPA value threshold for Goods and Services and all regulated Works Contracts.

It is recommended that the SPD is used as a form of best practice for regulated procurement values above £50,000.

The SPD can be used as part of either a single stage or multi-stage procurement procedure. It includes mandatory pass/fail criteria as well as options for weighted and scored technical questions.

7.8. Contract Terms & Conditions

Trust terms and conditions will apply to all purchases for goods and services tendered. If a prospective supplier is unwilling to accept all or part of these terms, advice must be obtained from Trust Procurement Team. Where mutual agreement cannot be obtained between Trust and a prospective supplier, Trust Procurement Team may seek advice from legal advisors to support a successful contract award.

For purchases and contracts called off from a Framework Agreement, the terms and conditions of the Framework will be applied and adhered to by Trust and the appointed Framework supplier(s).

For works contracts, the most appropriate industry regulation terms and conditions will be considered and applied for the type and term of contract under which an agreement

shall be formed. Consultants will be appointed to develop contract terms and conditions where necessary due to project risk, value and complexity

7.9. Non-Competitive Action (NCA)

It is recognised that there may be circumstances where it is not appropriate to undertake a competitive regulated procurement process.

NCA might apply when:

- it can be clearly demonstrated that only one supplier is capable for meeting the requirement, e.g. genuine and justified supplementary requirements to an existing contract, the supplier is the only one to have unique, technical, or intellectual capability to meet the requirement.
- when statutory exemption from a competitive process applies under certain circumstances, and usually relates to purchases where the principle requirements is to acquire goods, services or works purely in connection with research or development.
- unplanned or unforeseeable requirements as a matter of urgency to secure goods, services or works in an emergency such as a flood, fire, supplier failure, pandemic, etc, in which the nature of the requirement prevents a competitive process being carried out.

Advice should be sought from Trust Procurement Team as guidance for determining if this the most appropriate method for route to market.

Completion of a NCA request form will be required for submission to the Procurement Manager to authorise an appropriate exemption clause within the applied procurement regulations. Submission of the NCA to the Executive Team is required for formal authorisation to award a contract using a non-competitive action process.

7.10. Community Benefits – Contracts Under the Legislative £4M Value

When conducting tendering exercises, Trust will seek to secure community benefits where this is relevant, reasonable, and proportionate to the contract type and value. Benefit requirements must not disadvantage non-local contractors, and discrimination should be avoided in the wording of any requirements. Guidance can be obtained under Section 24 of The Procurement Reform (Scotland) Act 2014

When a contract is awarded against a collaborative Framework Agreement, Trust will seek to secure and monitor delivery of the listed benefits afforded by the Framework terms and conditions where this is proportionate and reasonable, and within the scope of the total contract value awarded by Trust to an appointed supplier.

Trust has a Community Benefits Statement which describes our approach and expectation to suppliers. This Statement should be appended to all tender opportunities and built into framework agreement call-offs for contracts with a total value exceeding £500,000.

Community Benefit activities should be proposed by the supplier as part of the procurement exercise and agreed by all parties during contract implementation and mobilisation. Delivery of the activities should be monitored by the contract management team and discussed at performance review meetings to ensure completion.

7.11. Use of External Procurement Consultants

The requirement for use of external procurement consultants will be determined by Trust Procurement Team in conjunction with Directors. In the first instance, engagement should be sought with the Procurement Manager to explore the capacity and capability of internal resource to undertake procurement activity for your project. Where additional resource is needed and when external technical knowledge and expertise is required, we may seek to engage with an external provider to undertake procurement activity on behalf of Trust. Consultant input will be limited to activities out with the expertise of the Procurement and tender project team.

8. Risk Management

It is essential that risks associated with procurement and supply chain are properly assessed and managed, and that highlighted risks to the business are monitored within the corporate risk register.

A procurement risk register will be set in place and will be monitored and managed by the Trust Procurement Team to ensure that all identified supply chain risks are documented in a risk profile.

High value, high risk contracts will be the primary focus of attention with particularly detailed consideration of alternative strategies to manage risk. This will be important when changing providers to include consideration of both initial and ongoing costs, as well as maintaining a high level of supply and service.

Management of any identified risk will involve a documented process in place to monitor, manage and mitigate risk, and for this to be reviewed at regular intervals throughout the period of risk.

Supplier risk profiling shall be performed by the Procurement Team and recorded for key suppliers, flagging any adverse changes to contract managers. Supplier risk profiling shall be delivered via monitoring reports from CreditSafe.

9. Supply Chain Code of Conduct

Trust is committed to carrying out procurement activities in a social, environmental, and economically responsible manner, and to enter into agreements and contracts with suppliers that share and adhere to its strategic vision.

To demonstrate a shared commitment to responsible supply chain, current and potential suppliers will be asked to acknowledge their compliance with principles of

Trust's Supply Chain Code of Conduct with respect to their organisation and their respective supply chain.

Tendering activities will require potential suppliers to provide information with respect to their compliance and will include, where legally required and acceptable on a proportionate basis, evidence to support the following minimum responsibilities:

- A commitment to undertaking due diligence of their supply chain to minimise risks and impacts that may affect Trust and its commitment to its employees and customers.
- Compliance with applicable laws, regulations and standards
- Due regard to our customers
- Support wider public benefit and social value
- A commitment to health and safety, a safe working environment for employees, and compliance with supported legislation.
- Adoption of Scottish Government Fair Work First principles, including payment of at least the Real Living Wage where relevant and proportionate to do so.
- Adherence to laws regarding human trafficking and modern slavery.
- Due regard to positive equality, diversity & inclusion practices.
- A zero-tolerance approach to all forms of harassment including Sexual Harassment
- Honest and transparent communication.
- Maximising community benefits for customers and communities.
- A commitment to net zero by 2045.
- Honesty and integrity.
- Appropriate levels of cyber security.
- Robust Business Continuity Planning.
- Due regard to Data Protection laws and practices.
- Not be involved with acts of anti-competition practices.
- Whistleblowing provisions.
- Prompt payment expectations throughout the supply chain.

The Supply Chain Code of Conduct document is available from the Trust Procurement Team and will be incorporated into all contracts at regulated level and above.

10. Procurement Strategy

The Procurement Manager is responsible for preparing and publishing the Procurement Strategy. The strategy sets out the framework for the delivery of the strategic aims and objectives of the Trust Procurement Team, along with detailed plans of the key strategic priorities for up to three years.

The Procurement Strategy will be reviewed periodically to ensure that it meets with the strategic focus of its procurement activities and continues to underpin Trust's corporate strategy, the *Time is Now*. It sets the context in which the Trust Procurement Team will work to deliver value for money whilst directly contributing to the achievement of its broader aims and objectives.

Strategies will promote early and ongoing engagement with suppliers, as well as consider contract management plans and wider public interest, to widen the scope of Trust's procurement activity.

Trust colleagues involved in procurement activity will be empowered to own and manage their own low-value, low risk procurement activities within the parameters of the Trust Procurement framework and with the support of the central procurement team as required.

11. Annual Procurement Report

Where Trust's total value of regulated procurements reaches £5M or more within a financial year, it is required to complete an annual report and publish online a summary of the procurement activity carried out in the previous financial year.

Within five months of the end of each financial year, the Procurement Manager will prepare a report in line with statutory guidance. Subject to approval by the Executive Team, the report will be published on the Trust website, and a copy will be submitted to the Scottish Ministers to support their reporting on regulated procurement.

The report will include:

- a summary of the regulated procurements that have been completed during the year covered by the report,
- a review of whether those completed complied with Trust's procurement strategy,
- a progress update of Trust's procurement strategy
- the extent that any regulated procurements do not comply, along with a statement of how we intend to ensure that future regulated procurements do comply,
- any community benefit requirements imposed as part of a regulated procurement were fulfilled,
- any steps taken to facilitate the involvement of supported businesses in regulated procurements,
- the regulated procurements Trust expects to commence in the next two financial years.

12. Contracts Register

The Trust Procurement Team owns and directly manages one central contract register on behalf of each Directorate. This monitors and manages all known contracts and agreements above and below the regulated procurement threshold.

Trust publishes an extract of the corporate contracts register on the Trust website. This will, as a minimum, detail the register of all regulated contracts to include the contract title, contract term, start date and expiry date of each contract, available extension terms, the estimated total contract value over the term, and the named supplier to which each contract relates.

Award of all regulated contracts are published as award notices on the Public Contracts Scotland website and collated into a central register.

13. Outcomes & Standards

13.1. Scottish Social Housing Charter Outcomes & Standards

- 13, 14 & 15

13.2. Regulatory Standards of Governance & Financial Management

- 3

14. Data Protection

We will comply with the provisions of the Data Protection Act 2018, which gives individuals the right to see and receive a copy of any personal information that is held about them by the Association and to have any inaccuracies corrected.

15. Anti-Bribery

The Association is committed to the highest standards of ethical conduct and integrity in all its activities and, to ensure compliance with the Bribery Act 2010, it has introduced an Anti-Bribery policy and procedures. These must be adhered to by all employees, Board Members and associated persons or organisations acting for or on behalf of Trust when undertaking any actions referred to in this policy.

16. Statement Equality, Diversity & Inclusion (EDI)

As leaders of EDI, the Association aims to promote equality and diversity and operate equal opportunities policies which inform all aspects of its business. It will ensure that it adheres to the Equality Act 2010 by being committed to equal and fair treatment for all and opposed to any form of unlawful discrimination. As such, in considering this policy, no one will be treated differently or less favourably than others because of any of the protected characteristics as listed in the Equality Act 2010:

- disability;
- sex;
- gender reassignment;
- pregnancy and maternity;
- race;
- sexual orientation;
- religion or belief;
- marriage and civil partnership;
- age;

or because of any other condition or characteristic which could place someone at a disadvantage were it to be taken into account, unless this can be objectively justified in terms of the legislation.

Trust will make reasonable adjustments for disabled people where necessary and possible to do so and will use Happy to Translate tools and procedures to help overcome a language barrier.

17. Policy Review

This policy will be reviewed on a two-yearly basis, aligned with Scottish Government's review of Procurement Thresholds (next review expected 1st January 2028). The purpose of the review is to assess the policy's effectiveness and adhering to current legislation and good practice and identify any changes which may be required.

18. Document References

In all of the Association's official documents, where references are made to specific job titles, roles, groups or committees, such references shall be deemed to include any changes or amendments to these job titles, roles, groups or committees resulting from any restructuring or organisational changes made within the Association (or, where this policy also applies to another member of the Trust group, made within that group member) between policy reviews.

19. Appendix – Glossary of Terms

Term	Definition
GPA	Government Procurement Agreement. The Agreement on Government Procurement (GPA) is a plurilateral agreement under the auspices of the World Trade Organization (WTO) which regulates the procurement of goods and services by the public authorities of the parties to the agreement, based on the principles of openness, transparency, and non-discrimination. Where referred to the Upper GPA threshold limit, this was formerly known as the OJEU Level under EU Procurement rules before United Kingdom exited from the European Union.
Collaborative Partnership Tendering	Where Trust seeks to work with other Housing Associations or bodies to seek joint contracting opportunities where shared interests benefit collaborative partnership.
Competitive Dialogue	A public sector procurement tendering procedure whereby you enter dialogue with suppliers until you find a solution that meets the needs of your organisation. It is ideal for complex and high-risk solutions where there are gaps in your requirements, outcomes, contract, or commercials.
Direct Award	A term usually referring to the awarding of a contract called off from a Framework Agreement to a Single Supplier or Rank 1 Supplier.
Innovation Partnership	A public sector procurement tendering procedure and must only be used where there is a need for the development of an innovative product or service, and the subsequent purchase of these cannot be met by solutions already available on the market. Use of this type of procedure must be justified.
MEAT	Most Economically Advantageous Tender. The criterion enables the organisation to take account of criteria that reflect qualitative, technical, and sustainable aspects of the tender submission as well as price when reaching an award decision. Any criteria used must be linked to the subject-matter of the contract in question. The Regulations state that award criteria shall be considered to be linked to the subject matter of the contract where they relate to the works, supplies, or services to be provided under that contract in any respect and at any stage of their life cycle, including factors involved in: the specific process of production, provision or trading of those works, supplies, or services; or a specific process for another stage of their lifecycle, even where those factors do not form part of their material substance.
Mini-Tender	A term usually referring to the receiving of proposals from a selection of suppliers appointed to a Framework Agreement where direct award

	is not possible or where further competition is sought between all suppliers within a specific Lot or agreement.
NCA	Non-Competitive Action - See 'Negotiated Procedure without Prior Publication'
Negotiated Procedure without Prior Publication	A route to market with exceptions where a call for competition is not possible, e.g., no bids, no suitable bids, or exceptions where the supplies or services can only be provided by a particular supplier for technical reasons, IPR, unique artistic, extreme emergency. This is referred to as NCA within Trust (Non-Competitive Action)
Open Tender	Open Tendering is the main tendering procedure applied and allows any bidder to obtain access to the contract opportunity to supply the goods, services or works required and offers an equal opportunity to any organisation to submit a tender proposal. It also promotes the creation of opportunities for SME, new or emerging suppliers to bid for work.
PRA	Procurement Reform (Scotland) Act 2014 applies to Scottish public regulated procurements commencing from 18th April 2016. The Procurement Reform (Scotland) Act 2014 provides= a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice. The Act focuses on a small number of general duties on contracting authorities regarding their procurement activities and some specific measures aimed at promoting good, transparent, and consistent practice in procurement processes and works alongside the provisions laid under the Procurement (Scotland) Regulations 2016.
Project Lead	For regulated procurements, the person leading the project team responsible for undertaking the procurement project through from conception to delivery.
Regulated Tender	When the value of the purchase or estimated total value of a contract awarded exceeds the cost thresholds as indicated within procurement regulations for public sector bodies.
Requisitioner	The person with the specific need to purchase.
Restricted Tender	Restricted tendering is a two-stage procurement process that only allows suppliers to submit a tender by invitation once an initial first stage selection process has been met. This method is particularly appropriate for specialist or complex contracts, or contracts where there are on a few suitable companies that may be able to fulfil the capabilities of the contract.
Unregulated Tender	When the value of the purchase or estimated total value of a contract awarded is below the cost thresholds as indicated within procurement regulations for public sector bodies.
WTO	World Trade Organisation (see GPA for context relating to procurement)