



# PROCUREMENT OF GOODS AND SERVICES POLICY

Iona Taylor

## Contents

1. Introduction.....	4
2. Procurement in Almond .....	4
3 Procurement Framework .....	5
4. Authority to incur expenditure.....	5
5. Financial Limits .....	6
6. Procurement Routes.....	6
7. Supply Chain .....	7
8. Contract Management .....	7
9. Equality, Diversity & Inclusion .....	7
10. Data Protection.....	8
11. Policy Review .....	8
12. Associated Policies & Guidance.....	8
13. Responsibilities Chart (EDIT APPROPRIATELY).....	8
Policy Assessment Checklist .....	10
Health & Safety Assessment.....	10
Equality Impact Assessment.....	10
Data Protection Impact Assessment .....	11

Policy	Procurement Policy							
Version reference	7.0							
Approved by	Board of Management							
Date of Approval	December 2024							
Review Period	3 years							
Review Due	December 2027							
Policy Review	Director of Asset Management							
Who this policy affects	Board	X	Customers	X	Contractors		Members of the Public	
Where this policy affects	General needs		X	Supported			Office / staff base	

## 1. Introduction

1.1 Almond Housing Association is a forward thinking, tenant focused housing association committed to providing high quality sustainable places to live, designed to meet the changing needs of the communities we serve throughout West Lothian. We manage approximately 2,500 properties across the region.

1.2 This policy sets out 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 consumable items to large development and planned maintenance contracts awarded following a full tendering process

1.3 In all our procurement activities will aim to achieve the 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, particularly when the contract being procured has a high degree of service delivery. . All our procurement will be sustainable and will balance price, quality and the positive impact on our community, whilst always being proportionate to the size of each individual procurement exercise.

1.4 To help achieve a sustainable procurement approach, AHA Ltd will maximise the community benefits secured through our procurement activities. However, we recognise that this must be proportionate to the value of the contracts being procured, and so will consider the inclusion of explicit community benefits clauses when purchases are over £20k for goods and services, and over £50k for works. We acknowledge that this may not be appropriate in all service contracts.

1.5 We will ensure that procurement processes are fair and comply with legal requirements including United Kingdom Government and Scottish Government legislation, particularly the Procurement Reform (Scotland) Act 2014 and The Procurement (Scotland) Regulations 2016.

1.6 The specific procurement approach adopted for individual procurement exercises will be based on the nature, scale and value of the contract being awarded. Where it is appropriate to consider tenders on a basis other than purely price, 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. Scoring criteria will be included in tender packs.

1.7 We will utilise Frameworks established by others where it is deemed appropriate to do so. In cases where contracts span multiple years we may look to establish our own frameworks to prevent the requirement to reprocure based on poor performance of contractor/supplier.

1.8 Almond Housing Association through our procurement process will only utilise contractors who offer the Real Living Wage as a minimum.

## 2. Procurement in Almond

2.1 The main goods and services that are likely to be procured by AHA Ltd are as follows:

- Small items of office supplies, or perishable (consumable) products.
- Printing, stationery, postage, photocopying, advertising & general publicity.
- Heating, lighting, power, telephone providers.
- Office accommodation, office furniture and equipment.
- IT hardware, software and 'back-up' services.

- Maintenance contracts related to office-based equipment or services, eg, IT and telephone equipment, fire and security alarms
- Professional services including internal and external auditors, solicitors, bankers, insurance brokers, consultants involved in Design Teams or employed to undertake or advise on specific projects.
- The full range of repair and planned maintenance services including landscape maintenance, and service contracts such as stair cleaning.
- New-build construction projects.

### 3 Procurement Framework

The following documents are used within the Procurement Process:

**3.1 Procurement Policy** Outlines how our Board of Management expect their governance responsibilities in terms of procurement to be delivered.

**3.2 Procurement Strategy** The strategy sets out how the policy will be implemented, how it will comply with regulation and how it will deliver the Associations vision.

**3.3 Scottish Governments Procurement Journey** provides one source of guidance and documentation for the Scottish public sector. It is continually updated to reflect changes in legislation, policy and facilitates best practise and consistency.

**3.4 Procurement Report** As our expenditure is greater than £5 million, details of what has been procured must be published in an annual retrospective report.

**3.5 Financial Regulations** This document includes the levels of delegated authority from the Board to senior officers to undertake procurement related activities.

**3.6 Asset Management Strategy** This strategy sets out the planned, capital and development expenditure plans of the organisation which form the majority of the significant procurements carried out by Almond.

**3.7 Procurement Process** This sets out how procurement will be managed and is detailed in appendix 3

### 4. Authority to incur expenditure

4.1 Where the proposed expenditure is included in the approved annual budget, the Board of Management will delegate authority to incur expenditure to the appropriate employee or Sub-Committee, as detailed in the Financial Regulations and an extract is included in (*Appendix 1*).

4.2 Where the proposed expenditure is not included in the approved annual budget, either because it is on an item or group of items not considered when the budget was drawn up, or because the expenditure will result in an approved budget becoming overspent, the Board of Management will delegate authority to approve expenditure up to specified limits, in accordance with the Financial Regulation extract included (*Appendix 2*).

4.3 The Board will review the levels of delegated authority regularly to ensure that they remain relevant to current expenditure patterns, budgets and cost inflation, whilst ensuring that there are adequate financial controls for procurement at all levels.

## 5. Financial Limits

5.1 The current financial limits below which no quotations or tenders are required, and above which either written quotations or tenders are required, are detailed in the Standing Orders, and the Quotations & Tenders procedure.

5.2 In line with Scottish Government (SG) procurement legislation, we will adhere to SG's specification of a regulated contract, and in line with sector good practice will use thresholds of £50,000 for supplies/services and £2,000,000 for works. If the whole life value of a contract is above these values (excluding VAT), then we will advertise the opportunity in the Public Contracts Scotland (PCS) website.

5.3 In addition, for all opportunities with a value over £30,000 and where it is efficient to do so, we will also consider using the PCS website. The exception to this will be where a procurement framework (either internal or external) is an appropriate route.

## 6. Procurement Routes

### 6.1 Prices

For items under the current cost limit which do not require quotations or tenders, the authorised employee will, where appropriate and/or possible, seek to check at least two alternative prices either by accessing a current catalogue or price list, or by requesting details by e-mail.

### 6.2 Quotations

Quotations may be requested either verbally or in writing, including by email. The authorised employee will ensure that sufficient detail is provided to those invited to quote to enable accurate, comparable quotes to be received.

### 6.3 Tenders

Tenders will be issued and received as detailed in the Quotations & Tenders procedure.

Where the value of the contract sum is above the appropriate threshold, reports on tenders and recommendations will, dependent on their value, be presented to the Board of Management for information or approval.

Where goods or services are to be procured on a basis other than purely price, eg, price, quality and/or sustainability, appropriate criteria and ratios will be agreed by the appropriate senior officer before tenders are advertised.

We will adopt a common-sense approach to applying the price/quality ratio. For example, where a procured good is a commodity a greater emphasis will be placed on price, but where works are being procured that involve disruption in a tenant's house, a higher ratio for quality will be used.

### 6.4 Negotiation

Where it is proposed that contracts are procured through negotiation, there must be clear justification for doing so and the decision to enter into contracts based on negotiation must be approved by the Board.

### 6.5 Frameworks

We will consider utilising Frameworks either for competitive tender or direct call-off's as part of the contract strategy for each contract as appropriate. The Association will consider collaborative frameworks with other Associations where it is advantageous to do so.

### 6.6 Contract and Service Agreements

We will procure certain services through contracts or service agreements for periods of one year or longer, in accordance with current procedures. Examples are contracts for the provision of planned maintenance,

repairs and maintenance services, lift maintenance, landscape maintenance, or agreements for the servicing of office equipment, fire and security alarms, or CCTV systems.

The results of tendering exercises for service contracts or agreements will be recorded on the contracts register and presented to Board on an annual basis.

#### 6.7 Specialist Suppliers and Contractors

Where there is only one specialist supplier or contractor for a particular item or service, we will seek to negotiate the most advantageous price and terms prior to placing an order or signing an agreement. Details of the discussions held and the reasons for the final recommendation will be fully recorded and where required submitted to the Board of Management for approval using the Single Supplier form, should financial limits state that Board approval is required.

6.8 We will seek to develop and maintain mutually beneficial customer/supplier relationships, particularly with those local contractors and suppliers with which we wish to develop medium- to long-term arrangements for the benefit of AHA Ltd and the communities in which we operate.

### 7. Supply Chain

7.1 The Procurement (Scotland) Regulations 2016 set out a variety of situations in which AHA Ltd. must exclude a potential member of its supply chain.

These situations include:

- conviction of an offence,
- bribery, corruption or theft,
- failure to comply with payment of tax or another statutory duty,
- misconduct or collusion to distort competition,
- lack of a necessary license,
- non-membership of a regulatory body required to perform the contract,
- insolvency or appointment of a receiver, or
- deficient performance in another regulated procurement.

7.2 It is noted that further guidance may be published by the Scottish Government, which may include additional assessment of potential suppliers relating to recruitment, remuneration (including payment of a real living wage) and other terms and conditions, as well as trades union recognition.

7.3 We acknowledge our duty to pay its contractors in a timeous manner.

### 8. Contract Management

8.1 The contract management process is set out in the procurement strategy. An individual contract strategy will be developed for all purchases over £20,000 (for supplies and services) and £50,000 (for works). This process will be used to ensure that the needs of AHA Ltd., in areas such as value for money, contractor performance and realising the anticipated community benefits, are met in the most efficient manner.

8.2 The relevant Head of Section will sign off each contract strategy before any tender exercise.

### 9. Equality, Diversity & Inclusion

9.1 Almond aims to ensure that equality, fairness, dignity and respect are central to the way we work and how we treat our customers. We support diversity and uphold equal opportunities in all areas of our work as an employer and service provider.

9.2 Almond will not discriminate against tenants, staff, visitors, suppliers or others based on their age, sex, sexual orientation, race, disability, religion or belief, marital status, pregnancy and maternity or gender reassignment (collectively referred to as ‘protected characteristics’ in the Equality Act 2010).

## 10. Data Protection

10.1 Our policies and procedures foster an approach of ‘data protection by design and by default’. What this means in practice is that:

- Policies and procedures consider data protection issues, ie how to protect the data subject served by the policy or procedure;
- New systems, services, products and business practices involving personal data are designed and implemented to ensure personal data is protected by default;
- That the Data protection principles and safeguarding of individuals’ rights (such as data minimisation, pseudo anonymisation, and purpose limitation) are clear in the policy or procedure;
- And that if the policy or procedure aims to provide service to vulnerable groups (e.g. children) that the personal data is treated with extra protection.

What this requires users of this policy to do is:

- Make sure that staff understand why data protection is important for the implementation of this policy, for instance via training or by reading the data protection policies;
- If we are undertaking a review of the policy, change to process or change to system, that we must consider doing a Data Protection Impact assessment, if the change is likely to result in a high risk to individuals.
- It is also good practice to do a DPIA for any other major project which requires the processing of personal data.

We will consult our data protection officer, if there is doubt over these requirements.

## 11. Policy Review

11.1 This policy will be reviewed every 3 years or as required due to legislative or regulatory change. The review will be completed by the Director or Asset Management and circulated to the Board of Management for approval.

## 12. Associated Policies & Guidance

12.1 This Policy takes account of the following documents:

- Rules of Almond Housing Association
- Equality & Diversity Policy
- Openness & Confidentiality Policy
- Scottish Federation of Housing Association’s Code of Conduct for Governing Body Members
- Scottish Housing Regulatory Standards of Governance & Financial Management
- Quotations and Tendering procedure
- Asset Management Strategy
- Procurement Strategy
- Contract Management Policy
- Financial Regulations

## 13. Responsibilities Chart

13.1 The chart below illustrates the responsibilities of all staff in relation to this policy.



	Board	CEO	Director of Asset Management	Directors	All Staff
To Implement the policy		✓	✓	✓	✓
Ensure Almond HA staff have an understanding of Policy				✓	
Policy Review			✓		
Ensure Policy Reviewed	✓				
Ensure Equality & Diversity guidance is adhered to					✓
Ensure Regulatory returns are provided	✓	✓	✓		

## Policy Assessment Checklist

### Health & Safety Assessment

Does this policy have the potential to affect:

	Yes	No
Lone Working	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety and/or wellbeing of customers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety and/or wellbeing of staff	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### Equality Impact Assessment

Does this policy have the potential to affect:

	Yes	No
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage and Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy and Maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sex	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>

*If you have answered 'Yes' to any of these points, please complete a full Equality Impact Assessment. If you have answered 'No', you need take no further action in completing an Equality Impact Assessment.*

## Data Protection Impact Assessment

Carrying out a Data Protection Impact Assessment [DPIA] will be useful to any project – large or small – that:

- Involves personal or sensitive data about individuals
- May affect our customers' reasonable expectations relating to privacy
- Involves information that may be used to identify or target individuals

A Data Protection Impact Assessment [DPIA] must be completed if the policy involves one or more of the following (please tick each that apply to this policy):

Evaluation or scoring	<input type="checkbox"/>
Automated decision-making with significant effects;	<input type="checkbox"/>
<i>Systematic monitoring</i>	<input type="checkbox"/>
<i>Processing of sensitive data or data of a highly personal nature</i>	<input type="checkbox"/>
<i>Processing on a large scale</i>	<input type="checkbox"/>
<i>Processing of data concerning vulnerable data subjects</i>	<input type="checkbox"/>
<i>Innovative technological or organisational solutions</i>	<input type="checkbox"/>
<i>Processing that involves preventing data subjects from exercising a right or using a service or contract</i>	<input type="checkbox"/>
<i>Use systematic and extensive profiling or automated decision-making to make significant decisions about people</i>	<input type="checkbox"/>
<i>Process special-category data or criminal-offence data on a large scale</i>	<input type="checkbox"/>
<i>Systematically monitor a publicly accessible place on a large scale</i>	<input type="checkbox"/>
<i>Use of new technologies involving significant innovation</i>	<input type="checkbox"/>
<i>Use profiling, automated decision-making or special category data to help Make decisions on someone's access to a service, opportunity or benefit</i>	<input type="checkbox"/>
<i>Carry out profiling on a large scale</i>	<input type="checkbox"/>
<i>Process biometric or genetic data</i>	<input type="checkbox"/>
<i>Combine, compare or match data from multiple sources</i>	<input type="checkbox"/>
<i>Process personal data without providing a privacy notice directly to the individual</i>	<input type="checkbox"/>
<i>Process personal data in a way that involves tracking individuals' online or offline location or behaviour</i>	<input type="checkbox"/>
<i>Process children's personal data for profiling or automated decision-making or for marketing purposes, or offer online services directly to them</i>	<input type="checkbox"/>
<i>Process personal data that could result in a risk of physical harm in the event of a security breach</i>	<input type="checkbox"/>
<i>There is a change to the nature, scope, context or purposes of our processing</i>	<input type="checkbox"/>

If a DPIA is not carried out, please summarise the reasons below

None of the above apply. Application for membership is by choice and consent, and there will be no automated scoring or profiling of applicants. Membership form will ask for basic personal information, and will does not ask for special category data.

### Appendix 1 Budgeted Spend Approval Levels

Value (exc VAT)	Primary procurement methods	Secondary procurement methods	Approval
< £1,000	Suppliers' schedule of rates / price lists	N/A	Manager
£1,000-£5,000	Framework provider	Invitations to submit quotations	Manager
£5,000-£20,000	Framework provider	Invitations to submit quotations	Manager
£10,000-£50,000	Framework provider	Public Contracts Scotland	Director
>£50,000	Framework provider	Public Contracts Scotland	Chief Executive

#### Appendix 2 Unbudgeted Spend Approval Levels

Value (exc VAT)	Primary procurement methods	Secondary procurement methods	Approval
<£50,000	Framework provider	Invitations to submit quotations	Chief Executive
>£50,000	Framework provider	Invitations to submit quotations	Board (or Chair, under delegated authority)

**Note:** In an emergency situation a direct procurement may be necessary. This will be approved by the Chair in conjunction with the Chief Executive.

Appendix 3

