



# WILLIAMSBURGH

HOUSING ASSOCIATION LTD

## PROCUREMENT POLICY

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## **1.0 INTRODUCTION**

### **1.1 Procurement Policy**

The purpose of this policy is to ensure that there is standing guidance in place in respect of the procurement activities of Williamsburgh Housing Association.

In order to conduct our business efficiently and effectively we must ensure that we have sound procurement systems and practices in place and that these are familiar to the staff involved and are adhered to.

Compliance with the procurement rules is compulsory for all staff, consultants employed and members connected with the Association. It is the responsibility of the Senior Management Team to ensure that their staff and any consultants employed by the Association are made aware of the existence and content of this policy.

The policy has been produced with reference to the Scottish Government's published regulations and guidance, in relation to procurement by public bodies

### **1.2 Equal Opportunities statement**

The Association will aim to ensure that in the implementation of this policy, no individual or group is treated unfairly or discriminated against on the grounds of race, colour, culture, ethnic or national origin, religion, gender, age, disability, sexual orientation, family circumstances or marital status.

### **1.3 Sustainability statement**

The Association will aim to ensure that the policy is sustainable and can be adapted to suit the changing environment in which we work, whilst remaining the key control document for the Association's procurement activities. This will be done by ongoing review of the policy in the context of the procurement environment and dialogue within the Senior Management Team in respect of its effectiveness and operation and the authorisation of any required amendments by Committee.

## **2.0 CONTEXT**

### **2.1 General**

The activity of providing new and improved housing, maintaining the Association's existing stock and other key activities undertaken by the Association, requires Williamsburgh HA to procure services, supply of goods and construction works. Such procurement activity can involve strategic, financial and ethical issues, as well as increasingly, legal and contractual compliance.

The Association's Procurement Policy is not intended to cover all aspects of the procurement process in exhaustive detail. On the contrary, its aim is to establish a framework of general principles to guide and inform our procurement practices and procedures.

The Association procures services, supply of goods and construction works, in order to further our overall aims and objectives as a housing provider and landlord. In pursuit of these aims and objectives, our Procurement Policy is intended to enable us to relate to the external providers in a manner, which satisfies our needs.

### **2.2 Aims of Procurement Policy**

To further the Association's aims and objectives in its relations with the organisations capable of providing us with services, supplying us with goods and undertaking construction works.

To ensure that the Association's management of the procurement process is carried out in a compliant, efficient and accountable manner.

To minimise risk to the Association resulting from the procurement process, not only in terms of compliance, but also in relation to delivering a predictable and successful outcome, which meets the identified procurement need.

To ensure that value for money, optimum performance and, where appropriate, wider benefits, are obtained through our procurement activity.

To enable the Association to take informed and beneficial decisions, in relation to its procurement options, strategies processes and activities.

### **2.3 General Principles**

The Association will have approved written policies and procedures covering all aspects of the procurement process, including:

- Selection of organisations capable of meeting the identified need
- Selection of suitable contractual, terms and conditions

- Means of confirming payments due and ensuring prompt payment
- Means of identifying the most appropriate Procurement Strategies
- Identification of Performance Standards and monitoring performance against such standards

The Association is committed to being a "best practice" client in relation to its procurement activity.

The Association will comply with statute, government guidance and codes of practice (insofar as these apply to our activities), including:

- [Procurement Reform \(Scotland\) Act 2014](#)
- [Public Contracts \(Scotland\) Regulations 2015](#)
- [Procurement \(Scotland\) Regulations 2016](#)
- [Construction \(Design and Management\) Regulations 2015](#)
- [Guidance under the Procurement Reform \(Scotland\) Act 2014](#)

The Association will keep abreast of all new developments in procurement legislation and will continuously review its own practices, in the light of new best practice recommendations.

The Association's procurement practices and procedures will comply with current Scottish Legislation.

The Association's procurement practices and procedures will be operated in a consistent, fair, transparent and accountable manner.

The Association regards open and fair competition as the cornerstone of good practice in procurement. In specific circumstances, however, the Association may select an alternative procurement route. The Association will make a detailed assessment of the most suitable procurement route. This assessment will also require an evaluation of available procurement options.

The assessment of alternative procurement strategies will involve reference to the following benchmarks and performance expectations.

- Value for money
- Quality
- Future maintenance
- Risk

The reasons for selection of a particular procurement strategy must be clearly demonstrated and recorded, as part of the decision making process.

Review and evaluation procedures for procurement strategies and activities must be established.

The Association will seek to provide Equal Opportunities in procurement. The Association will comply with established codes of practice and current legislation covering equal opportunities in procurement.

The Association is committed to making a positive contribution to the social and economic regeneration of Renfrewshire and the wider community of Scotland, in order to contribute to the Scottish Government's strategic objective to create a wealthier and fairer Scotland. The Association will seek to make such a contribution, in a proportionate manner, by way of its Development and Maintenance procurement activities (Refer Annex E – Community Benefits).

Where projects are subject to Scottish Government funding, the Association will comply with current More Homes Division Procurement Guidance.

#### 2.4 Responsibilities and Governance

Williamsburgh Housing Association's Management Committee has overall responsibility for ensuring that WHA is adequately resourced and effectively managed to meet its objectives and fulfil its obligations. In accordance with its remit, WHA's rules and the Standing Orders, the Management Committee has delegated authority to each Sub Committee, to ensure that these affairs are managed appropriately.

The remits of the Association's two Sub Committees set out those areas in which authority has been delegated to each Sub Committee. The remits also identify those areas where authority is reserved to the Management Committee. In the event of any doubt about the extent of the Sub Committee's responsibility, the matter should be referred to the Management Committee.

The remit is agreed annually by the Management Committee and should be read in conjunction with, this policy.

#### 2.5 Authority and Reporting

The Association's Management Committee will be responsible for all matters concerning the Association's procurement policies, practices and procedures associated with the Association's procurement activity, in all areas of operation.

Depending on the nature of the procurement exercise being undertaken, the operation of and reporting on procurement activities, will be reported to the Association's governing body as follows:

Development activity– Management Committee

Maintenance activity (including Stage 3 or RSL adaptations and Estate Management Services) – Operations and Performance Committee

Housing Management activity (including legal services and advice) – Operations and Performance Committee

Community Regeneration- Operations and Performance Committee

IT and insurance activity – Finance, Audit and Corporate Services Committee

Office equipment, Association overheads and governance activity – Finance, Audit and Corporate Services Committee

The approval of the relevant Sub Committee will be required, as set out in the table in Annex C: Authority to procure.

Procurement valued at £50,000 or over must also be reported to the Finance Manager prior to commencing the procurement activity and prior to award. For any procurement valued at £50,000 or over, which is not included within the Association's budget, confirmation must be obtained from the Finance Manager that the activity can be accommodated within the Association's budget / Five Year Plans, before commencing with the procurement activity.

The Procurement Policy will be reviewed every 3 years, however, the Association's procurement activity will reflect current "best practice" at all times and the recommendations of published guidance will be adopted where this is appropriate.



### 3. SCOPE OF THIS DOCUMENT

This document sets out Williamsburgh HA's approach to procurement and provides guidance on the rules that apply to Williamsburgh HA staff who are involved in procurement activity. Adherence to the policies set out in this document is mandatory for core Williamsburgh HA staff, and to any consultants appointed to act on the Association's behalf.

The rules set out in this document are designed to ensure that procurement activity is:

- focussed on the delivery of Value for Money (VfM);
- conducted to high professional standards and to the relevant legal requirements; and
- overseen by appropriately trained and authorised staff, in order to minimise the risk of legal challenge to Williamsburgh HA and its employees.

## 4. DEFINITIONS

Procurement is the process of buying goods, services and works from external suppliers. The procurement process begins when a need to buy something is identified and will generally end after the contract is awarded. Contract management will be carried out throughout the duration of the contract. The role of contract manager is usually performed by the business area for whom the contract has been awarded. Information on contract management is available in the Procurement Journey.

## 5. KEY PRINCIPLES OF PROCUREMENT POLICY

### Procurement obligations and principals

All procurement activity must comply with principles of:

- transparency;
- equal treatment and non-discrimination;
- proportionality; and
- mutual recognition.

### Competition

Contracts must be awarded through genuine and effective competition unless there are exceptional reasons to the contrary (see section 11).

### Legal aspects

Contracts for the procurement of goods, services and works must be in writing and awarded by a Delegated Purchasing Officer (DPO) with relevant Delegated Purchasing Authority (DPA) (see section 6.1).

### Value for Money

Contracts should be awarded on the basis of VfM (see section 9).

### Ethical standards

DPOs must adhere to and apply the highest ethical standards in their procurement activity (see section 13).

### Buying sustainably

DPOs must consider sustainability in their procurement activity (see section 10).

## Delegation of procurement activity within Williamsburgh HA

Whilst it is acknowledged that generally within Public Bodies, the roles of budget holder/customer and DPO are kept separate, Williamsburgh HA, in common with most of the Registered Social Landlord sector, operates a system of delegated authority for procurement. As such, each Section of the organisation responsible for service delivery, will also undertake all aspects of procurement activity in relation to the aspects of service delivery for which that Section is responsible – refer section 6.3 below.

## **6. PROCUREMENT ROLES/RESPONSIBILITIES AND COMPLIANCE**

### 6.1 Delegated Purchasing Authority (DPA)

Is the authority to enter into a contract for goods, services and works. In doing so, to take responsibility for overseeing the process leading up to and including, the award of a contract and any subsequent changes to that contract.

DPA is:

- required for competition of contracts where an existing contract/framework agreement does not already exist. It is also required for undertaking a call-off (whether for Standard Services, or Competed Services) from any framework agreement that the Association is authorised to purchase from or for the modification of an existing contract,
- granted to permanent Williamsburgh HA staff members, authorised under the terms of their Job Descriptions or by specific written authority by a Section Head or Chief Executive. This will be based on the business need and training/experience of the staff concerned and the value of contracts (excluding VAT) that the individual will be authorised to award, as specified within Annex C – Authority to procure,
- intended to allow each Section of the Association the opportunity to manage their appropriate purchasing requirements within their local business area and
- personal to an individual only whilst they occupy their current position. DPA does not automatically transfer to their successor should they leave their current post nor does it transfer with them to another post. If DPA is to be withdrawn by the Association's Chief Executive or by a Section Head, for any reason, this will be confirmed in writing.

DPA is not:

- to be confused with financial/budgetary authority which is detailed in the Association's Financial Regulations
- the authority to approve a contract without following a genuine and effective competition - Non Competitive Action (NCA) (see section 11)
- Williamsburgh HA staff members with DPA are known as a Delegated Purchasing Officer (DPO).

## 6.2 Commitment of a contract

A contract is a legally binding agreement between the Williamsburgh HA and one or more suppliers, for the supply of specified goods, services or works. The contract sets out the details of what the Association is buying, from whom and the rights and obligations of the parties.

It is Williamsburgh HA policy that all contracts are awarded by a DPO with the appropriate level of authority – refer Annex C: Authority to Procure.

All Williamsburgh HA contracts must be in writing, all Association staff members, whether holding delegated authority for procurement, or not, must be aware that legally, contracts can be made by word of mouth, or implied by the action of the parties, therefore in discussions with suppliers it is essential that staff take care to ensure that a contract is not unintentionally created.

All contracts awarded by Williamsburgh HA should normally be subject to Scots Law.

## 6.3 Separation of duties

As noted at section 3.1 Delegation of procurement activity within Williamsburgh HA, each Section of the organisation responsible for service delivery, will also undertake all aspects of procurement activity in relation to the service delivery for which that Section is responsible. As such, those delivering procurement on behalf of the Association, must at all times be aware of the separate roles of the "Budget Holder" / Client; Procurement Compliance; and Service Delivery / Contract Management.

Within Williamsburgh HA, the Budget Holder/Client identifies the "need" and makes the business case to obtain any necessary approval to spend; and

the DPO is responsible for ensuring that the procurement process fully complies with procurement policy.

The Service Delivery / Contract Manager oversees and manages the service delivery of the contract, in accordance with the terms of the contract established.

In so far as they are responsible for procurement on behalf of the Association, Williamsburgh HA staff must:

- not take account of any financial approvals connected with contracts that they have authority to procure;
- undertake all procurement activity separately and distinct from any business or budget planning functions and divorced from any service delivery or contract management roles or previous experience.

This separation of roles is necessary to protect the staff concerned from accusations of impropriety.

#### 6.4 Competition and advertising

It is Williamsburgh HA policy that goods, services and works must be awarded through genuine and effective competition unless there are convincing reasons to the contrary (see section 11). DPOs are responsible for identifying the most appropriate procurement process that is in accordance with recognised good practice and likely to offer the best VfM (see Annex D – The Procurement Process: Key Features). Procurement processes for each form of competition are outlined within the Procurement Journey and must be used, in a proportionate manner, for all procurements.

Before commencing a new competition, the availability of existing contracts and framework agreements awarded must be considered. New competitions should normally only be launched where the requirement cannot be met through an existing contract or framework agreement.

All purchases up to the value of £5,000 (excluding VAT that are not on an existing contract, may be progressed based on a single written quotation from a suitable supplier.

Purchases between the value of £5,000 and £10,000 (excluding VAT that are not on an existing contract, must have three written quotations from different suppliers before making a decision on the basis of VfM.

By exception and only where approved in advance by the Association's Senior Management Team and subject to a report to and endorsement by, the Association's Management Committee, purchases up to the value of £10,000 may be made:

in unforeseen circumstances, where following the procedures outlined within this policy would demonstrably result in delays that would disadvantage the Association and then, only in relation to approved expenditure, where any additional costs arising from such exceptional procurement can be contained within an approved budget from registered Supported Businesses or other third sector community focussed organisations (such as the Community

Payback Team in Renfrewshire), may be undertaken without competition, provided there is evidence that such purchases will be advantageous to the Association's wider objectives of supporting our communities – refer Section 11 Non Competitive Action (NCA).

All contracts with an anticipated value of less than £50,000, but which fall above £10,000 (excluding VAT) will require a DPO to use QuickQuote (an online competition process within PCS). QuickQuote must only be used where the DPO:

- ensures that there is no existing contract/framework agreement which could be accessed;
- satisfies themselves that using QuickQuote meets their obligations for adequate publicity, and

ensures that the procurement (or in the case of a call-off from a Framework, for competed services, a mini-competition) is for low value/risk goods, services or works. The Procurement Reform (Scotland) Act 2014 requires all public bodies who are conducting a Regulated procurement, to publicise their intention to seek offers (by means of a Contract Notice) and the award of a contract or framework agreement call-off (by means of an Award Notice) on Public Contract Scotland (PCS). The [PCS info centre](#) contains further information on how public bodies can meet their publication obligation.

This means that all regulated contracts for the supply of goods and services with an anticipated value of £50,000 and above (excluding VAT) and for contracts for works with an anticipated value of £2,000,000 and above (excluding VAT), must be advertised on the Public Contracts Scotland advertising portal (PCS). Recommended good practice is to undertake procurement falling below these values also via PCS and adopting the principles that apply to Regulated procurement, in a proportionate way. The value of the contract is the total amount, net of VAT, which the Association expects to pay over the full duration of the contract (including any options to extend).

## 6.5 Contract documentation

It is Williamsburgh HA policy that documentation covering the key stages of the procurement of goods, services and works, is retained within the project file and that the project file is kept up to date on the Association's server. The DPO member of staff is responsible for ensuring the completeness of the project file, in relation to the procurement activity for each contract and for ensuring that key documents are filed / saved timeously.

## 6.6 Contracts register and transparency

The Procurement Reform (Scotland) Act 2014 requires all public sector contracting organisations procuring at a value of £5m (or greater) per annum to keep and maintain a contracts register, and to provide an internet-based publicly viewable version of this, to include all regulated procurement which commenced on or after 18 April 2016. Although Wiliamsburgh HA only expects to procure in excess of £5m per annum in exceptional circumstances, the Association is committed to establishing a contracts register to cover all [regulated] procurement.

While the onus is on individual organisations to produce and publish their contracts registers, in order to provide support to the public sector, Public Contracts Scotland (PCS) provides functionality on the portal, to produce a contracts register that meets the requirements of the Act, therefore by following the Association's policy and using PCS, the contract register requirements will be met.

## 7. LEGAL FRAMEWORK

Public sector procurement in Scotland takes place within a framework of rules including:

- The Public Contracts (Scotland) Regulations 2012 (as amended);
- The Utilities Contracts (Scotland) Regulations 2012;
- The Procurement Reform (Scotland) Act 2014;
- The Public Contracts (Scotland) Regulations 2015 (for contracts commenced on or after 18 April 2016);
- The Procurement (Scotland) Regulations 2016 (for contracts commenced on or after 18 April 2016);
- The Concession Contracts (Scotland) Regulations 2016 (for contracts commenced on or after 18 April 2016);
- The Utilities Contracts (Scotland) Regulations 2016 (for contracts commenced on or after 18 April 2016); and
- Scottish caselaw.

Formal challenges and complaints may be brought against Williamsburgh HA alleging a breach of these rules. The consequences of a successful challenge may, depending on the nature of the breach, result in the Association being fined; the duration of a contract being shortened; award of damages against the Association; and reputational damage to the Association.

If the Association should receive notification of any challenges (or become aware of any potential challenges), appropriate legal advice must be sought immediately and any challenge received must be brought to the attention of the Association's Management Committee and any correspondence from legal advisors challenging the procurement process or contract award decision must be forwarded to the Association's Management Committee.

Staff must also be aware that any such challenge may constitute a "Relevant Event", as determined by the Scottish Housing Regulator, as such, on receipt of notice of any challenge, the Association's Senior Management Team must consider the terms of such challenge and determine whether the challenge merits consideration as a Relevant Event, requiring to be notified to the Scottish Housing Regulator.



**8. EXCLUSION GROUNDS, SELECTION AND AWARD CRITERIA**

Williamsburgh HA recognises the distinction between "Selection" and "Award" stages in the procurement process and the appropriate criteria applying at each stage. The Association also recognises that there are potential grounds where an economic operator must, or may, be excluded from the procurement process. The Association will operate its procurement in such respects, in accordance with guidance published by the Scottish Government, in ["The Procurement Journey"](#).

In particular, the Association will always make a clear distinction, between Selection Criteria (used to determine the suitability of bidders to perform the contract) and Award Criteria (used to determine which bidder is best placed to deliver and which should be awarded, the contract), irrespective of whether the procurement process is Single Stage (Open Procedure) or Two Stage (Restricted Procedure).

**9. VALUE FOR MONEY (VfM)**

VfM is defined as the optimum combination of whole life costs and quality (or fitness for purpose) to meet the customer's requirements. Depending on the nature of the contract, whole life cost may include implementation costs, ongoing operating costs and end-of-life disposal.

The Scottish Model of Procurement promotes VfM as being an appropriate balance between cost or price, quality and sustainability. In addition, a procurement strategy sets a framework in which a contracting authority will work to ensure that its procurement activities deliver value for money, how it plans to meet its procurement obligations and how these targets are subsequently met. In delivering VfM, cost or price, quality and sustainability are all factors which should be taken into account, when establishing contract award criteria.

It is Williamsburgh HA policy that contracts must be awarded on the basis of VfM. In general terms, low risk / high value contracts will be assessed on a higher weighted price score, while high risk / lower value contracts should be assessed based on a higher weighted quality score.

Typical Contract Award Criteria weightings (Source Audit Scotland)

Type of project	Indicative price weighting	Indicative quality weighting
Feasibility Studies / Option Appraisal	10 - 20	80 - 90
Innovative Projects	15 - 30	70 - 85
Complex projects	20 - 40	60 - 80
Straightforward Projects	40 - 70	30 - 60
Repeat Projects	70 - 90	10 - 30

Note: Price + Quality must always equal 100

## 10. BUYING SUSTAINABLY

The Williamsburgh HA is committed to buying goods, services and works in a sustainable manner.

This is done in a way that:

- achieves value for money on a whole life cost basis; and
- delivers benefits not only for the organisation but for society, the economy and the environment.

Williamsburgh HA will derive the greatest benefits through ensuring that sustainability is embedded and proportionately applied to all its procurement decisions and activities. At the heart of this process will be a sustainability test.

The Procurement Reform (Scotland) Act 2014 builds on the work achieved so far in the reform of public procurement in Scotland. It establishes laws about sustainable public procurement to maximise the social, environmental and economic benefits through effective and efficient procurement activity.

The [sustainable procurement duty](#) encompasses these elements.

Smart use of procurement can play a key role in promoting jobs and growth, encouraging innovation, boosting training and apprenticeship opportunities and helping small and medium enterprises (SME's), micro businesses, third sector organisations and supported businesses, to compete effectively for contracts.

## 11. NON COMPETITIVE ACTION (NCA)

It is Williamsburgh HA policy that goods, services and works must be bought by genuine and effective competition. Non Competitive Action (NCA) can only be adopted in exceptional circumstances. It is strictly limited to situations where competition is deemed to be inappropriate and where supported by a Management Committee endorsement, based on consideration of a written report, setting out the reasons why competition is not appropriate.

For NCA procurements up to £10,000 (excluding VAT), approval must be obtained in advance from the Association's Senior Management Team and be subject of a report to and endorsement by, the Association's Management Committee. All requests to proceed with NCA for procurements over £10,000 must be approved in advance by the Association's Management Committee.

In all cases the guiding principles are that NCA approval is by someone other than the DPO who will undertake the procurement to ensure adequate separation of duties. The NCA justification and approval must be formally recorded.

## **12. CONTRACT MANAGEMENT**

A Williamsburgh HA contract / project manager should always be appointed to manage any contract for goods, services or works. Contract management guidance is provided in the Procurement Journey. Regular reporting on contract management and performance should be provided to the appropriate Sub Committee of the Association, for all regulated procurement and for all Development works contracts.

## **13. ETHICAL STANDARDS**

It is Williamsburgh HA policy that staff must preserve the highest standards of honesty, integrity, impartiality and objectivity in all dealings with suppliers and potential suppliers.

Detailed guidance on most ethical issues which relate to purchasing, is contained in the Association's Code of Conduct for Staff (Sections A. Honesty and Integrity and B. Openness and Accountability are particularly relevant for DPOs and all other staff involved in procurement, (including line managers), must read and familiarise themselves with this guidance.

## **14. FRAUD RESPONSE PROCEDURES: EXTERNAL FRAUD**

Williamsburgh HA's policy on the detection, reporting and handling of fraud is in the Association's Policy on the Register of Fraud\* and will be in accordance with the Fraud Procedures (Section 3), which includes reporting it without delay. All cases of external fraud should also be reported to Police Scotland.

## ANNEX A: RELATED AREAS OF INTEREST

The Scottish Procurement Policy Handbook also provides policy on:

- Working with suppliers
- Health and Safety
- Innovation
- Management Information
- Gateway Reviews

Further information can be found on the Scottish Procurement website.

## ANNEX B: GLOSSARY

**Competition:** contracts must be awarded through genuine and effective competition, unless there are convincing reasons to the contrary.

**Contract:** is a legally binding agreement between Williamsburgh HA and one or more suppliers for the supply of specified goods, services or works. The contract sets out the details of what Williamsburgh HA is buying and being delivered with and the rights and obligations of both of the parties.

**Contracts register:** register of all Williamsburgh HA regulated contracts.

**Delegated Purchasing Authority (DPA):** is the authority to enter into a contract for goods, services and works and oversee the process leading up to and including the award of a contract and any subsequent changes.

**Delegated Purchasing Officer (DPO):** a permanent Williamsburgh HA staff member with Delegated Purchasing Authority.

**Framework agreement:** is an agreement between with one or more suppliers for the supply of specified goods, services or works over a period of time. The Framework Agreement most likely to be used by Williamsburgh HA is the I-Flair Property Maintenance Framework Agreement 2020 – 24, although the Association is permitted able to use other framework agreements that it can legitimately access, as and when appropriate. Each framework agreement has agreed terms and conditions, defined pricing structure and, if appropriate, quality requirements. The main difference between a framework agreement and a contract is that a framework does not state the quantity of the goods, services or works, or when they will be bought. Individual contracts specifying the quantity and timescale are awarded under the terms of the framework agreement, typically on a “Most Economically Advantageous Tender” (MEAT) basis. Framework agreements typically permit call-offs without re-opening competition (Direct Call-off) and also call-offs by competed services (Mini Competition).

When considering a call-off from a framework agreement that the Association is permitted to use, careful consideration will be given to the appropriate method of calling-off works, goods or services, from said framework agreement, in accordance with the framework terms.

**Non Competitive Action (NCA):** is an approval process which permits a contract without competition to be awarded.

**Procurement:** means the process leading to the award of a public contract or framework agreement or establishment of a dynamic purchasing system for the acquisition of works, supplies or services from an economic operator.

**Procurement Journey:** a toolkit providing practical guidance on procurement procedures.

**Public Contracts Scotland (PCS):** the national advertising portal used to advertise all Scottish Public Bodies' goods, services or works contract opportunities.

**[Scottish Procurement Policy Notes \(SPPN\)](#):** guidance issued by Scottish Procurement providing updates on legal and procurement policy developments.

**Sustainability:** a process whereby the public bodies in Scotland meet their needs for goods, services and works, in a way that achieves VfM on a whole life basis and generates benefits not only to Williamsburgh HA, but also to society, the economy and the environment.

**Value for Money (VfM):** the optimum combination of whole life costs and quality to meet the customer's requirement.

## ANNEX C: AUTHORITY TO PROCURE

Authorisation to procure is closely linked to the Association's expenditure commitments and will be carried out in accordance with the following table. This list is not exhaustive, therefore it is intended that items of expenditure be categorised under appropriate headings as set out in the annual budget.

While the table below describes the delegated authority limits, it is a requirement that in relation to budgetary and procurement activities, the procedures followed will be as contained within the Financial Regulations.

<b>Capital Expenditure on Development</b>	<b>Approval of Commitment</b>	<b>Authority to Procure</b>	<b>Budget Holder</b>
Development Programme - Main Construction works	Board	Development Manager	Development Manager
Development Programme – consultant services < £50k related to a scheme approved by Development sub Committee	Development Manager	Development Manager	Development Manager
Development Programme – consultant services > £50k	Board	Development Manager	Development Manager
Pre-construction scheme costs < £5k related to a scheme approved by Development sub Committee	Development Manager/Officer	Development Manager	Development Manager
Pre-construction scheme costs > £5k related to a scheme approved by Development sub Committee	Development Manager / Chief Executive	Development Manager	Development Manager
Enabling works < £20k related to a scheme approved by Development sub Committee	Development Manager	Development Manager	Development Manager
Enabling works > £20k related to a scheme approved by Development sub Committee	Board	Development Manager	Development Manager
<b>Expenditure on Housing Management activities</b>	<b>Approval of Commitment</b>	<b>Authority to Procure</b>	<b>Budget</b>
Legal Services and advice (on a retainer basis)	Board	Head of Housing	Head of Housing

<b>Expenditure on Maintenance activities</b>	<b>Approval of Commitment</b>	<b>Authority to Procure</b>	<b>Budget Holder</b>
Stage 3 or RSL Adaptations (typically procured for a term eg 3 years)	Head of Property Services	Head of Property Services/ Maintenance Officer	Head of Property Services
Partnering Agreements	Operations and Performance Sub Committee	Head of Property Services	Head of Property Services
Tendered Maintenance (including framework call-offs - Small projects – Ref Maintenance Manual)	Head of Property Services	Head of Property Services/ Maintenance Officer	Head of Property Services
Tendered Maintenance (including framework call-offs - Large projects – ref Maintenance Manual)	Operations and Performance Sub Committee	Head of Property Services/ Maintenance Officer	Head of Property Services
Reactive Maintenance (typically procured for a term eg 3 years)	Operations and Performance Sub Committee	Head of Property Services	Head of Property Services
Cyclical maintenance (typically procured for a term eg 3 years)	Operations and Performance Sub Committee	Head of Property Services/ Maintenance Officer	Head of Property Services
Estate Management services eg close cleaning / bulk uplifts etc (typically procured for a term eg 3 years)	Head of Housing/Development Manager	Head of Housing/ Development Manager	Head of Housing/ Development Manager
<b>Community Regeneration Activities</b>	<b>Approval of Commitment</b>	<b>Authority to Procure</b>	<b>Budget Holder</b>
Community Regeneration support services < £50k	Chief Executive / Nominated Project Manager	Community Regeneration Co-ordinator / Nominated Project Manager	Development Manager
Community Regeneration support services > £50k	Operations and Performance Sub Committee	Development Manager	Development Manager
<b>Office Equipment &amp; Association Overheads</b>	<b>Approval of Commitment</b>	<b>Authority to Procure</b>	<b>Budget Holder</b>
Furniture and Fittings Office Equipment Overhead Expenditure (typically procured on a "one-off" basis)	Up to £750 Admin Assistant Up to £1,000 Admin/Finance Officer Up to £7,500 Head of Finance and Corporate Services Up to £10,000 Chief Executive > £10,000 Board	As approval of commitment	Head of Finance and Corporate Services
Printing, publication, WHA App etc (typically procured for a term eg 3 years)	Up to £750 Admin Assistant Up to £1,000 Admin/Finance Officer Up to £7,500 Head of Finance and Corporate Services Up to £10,000 Chief Executive > £10,000 Board	As approval of commitment	Head of Finance and Corporate Services

IT systems, equipment and peripherals.	Up to £2,500 IT Officer Up to £7,500 Head of Finance and Corporate Services > £7,500 Finance, Audit & Corporate Services Sub Committee	Head of Finance and Corporate Services / I.T. Officer	Head of Finance and Corporate Services
IT Support Services (eg Web site designer / WHA App)	Up to £2,500 IT Officer Up to £7,500 Head of Finance and Corporate Services > £7,500 Finance, Audit & Corporate Services Sub Committee	As approval of commitment	Head of Finance and Corporate Services
<b>Insurance Requirements</b>	<b>Approval of Commitment</b>	<b>Authority to Procure</b>	<b>Budget Holder</b>
Insurance Cover Arrangements	Finance, Audit & Corporate Services Sub Committee	Head of Finance and Corporate Services	Head of Finance and Corporate Services

#### ANNEX D: THE PROCUREMENT PROCESS – KEY FEATURES

Having identified the need to procure (ie the requirement cannot be met in another way), determine if the need (or requirement) is for:

- Supply of goods
- Supply of services
- Construction works

To help categorise the requirement, the following should be borne in mind:

Relevant advice received in relation to the I-Flair Property Maintenance Framework 2020 - 24 was: *“The underlying point of these rules is to try and prevent subversion of OJEU by having contracting authorities characterise (i.e. pretend) above threshold supplies or services are below threshold works and thereby get round the rules.”*

When categorising activities, consideration should be given to the “predominant value” for the activities involved. For example, if replacing windows, the supply value of the windows is likely to exceed to value of labour, so this is likely to be categorised as a “Supply” contract. The advice provided to I-Flair in this context was: *“If you (I-Flair) are supplying the bathrooms / kitchens and the framework provider is doing the installing, that should be counted as works” and also “If the framework provider [contractor] is supplying the kitchen / bathroom and installing it then the whole of that supply / installation is valued as a supply contract.”*



If using the PCS procurement portal, careful consideration must be given to selecting the appropriate CPV codes to describe what is being procured. The first two digits of each CPV code determine whether that code relates to an activity classed as Supply, Services or Works (ie all codes commencing with 40..... relate to "works" and all codes commencing with 50..... relate to "services").

The next step is to assess the anticipated value of what is to be procured and based on this, to determine the approach to be taken:

**Supply of goods and services (refer to the [Procurement Journey](#))**

Lower value	Upper value	Process	Documents	Route
£5k	£10k	3 Quotes	Specification and price only	Route 1
£10k	£50k	PCS Quick Quotes	Specification and price only	Route 1
£50k	£213,477	Regulated	PCS (including Contract notice), SPD and quality / price. A framework contract may be utilised.	Route 2
£213,477	unlimited	Regulated	PCS, SPD and quality/ price. A framework contract may be utilised.	Route 3

**Construction works (refer to the Scottish Government's [Construction Procurement Manual](#))**

Lower value	Upper value	Process	Documents
£5k	£10k	3 Quotes	Specification and price only
£10k	£50k	PCS Quick Quotes	Specification and price only
£50k	£600k	PCS Quick Quotes. A framework contract may be utilised.	PQQ, Specification and price
£600k	£1.5m	PCS with PQQ. A framework contract may be utilised.	PCS Contract Notice, PQQ and quality / price
£1.5m	£2.0m	PCS with SPD. A framework contract may be utilised.	PCS, SPD and quality / price
£2.0m	£4,104,394	Regulated. A framework contract may be utilised.	PCS, SPD and quality / price
£4,104,394	unlimited	Regulated. A framework contract may be utilised.	PCS, SPD and quality / price

Having determined the approach to be taken, based on the nature of the procurement and the anticipated value of what is to be procured, the next task is to determine the procurement process.

For Route 1 procurements (for goods / services procurements of relatively low value, low risk and a non repetitive nature), as well as for procurement of construction works of up to £600k, those organisations which are capable to meeting the requirement are selected and invited to bid. The basis on which such organisations are selected should be documented and recorded. The decision should be based on knowledge or experience, in relation to the capabilities of each organisation, or based on evidence provided.

The approach should be to establish a list of those organisations capable of meeting the requirement without any particular assessment of quality (ie it is akin to a pass / fail assessment). This process of identifying organisations capable of meeting the requirement is the "Selection" stage of the procurement process.

The "Award" stage is based on the assessment of bids received. Note, bids can be subject to a specified quality assessment as part of a quality / price award process, but the process to be followed must be clearly described to bidders and the quality assessment can only be "forward looking". This is because relevant experience or capacity are only permitted to be considered at "Selection", not "Award" stage.

For Route 2 and Route 3 procurements, as well as for procurement of Construction works above £600k value, a decision requires to be taken whether to adopt an Open procedure or a Restricted procedure. Both Open and Restricted process involve separate Selection and Award criteria. In all such cases, Prior Information Notices, Contract Notices and Contract Award Notices (available by default via the PCS website) should be used.

Selection criteria are used to establish those organisations capable of meeting the requirement. For all Route 2 and Route 3 processes, this assessment must be based on an assessment of Single Procurement Document (Scotland) (SPD (Scotland)) submissions received.

Award criteria are used to establish, from those organisations capable of meeting the requirement, which organisation has provided the Most Economically Advantageous Tender (MEAT) – ie who represents the best value option, based on a combination of quality and price.

Although the steps to be followed for Open and Restricted procedures are broadly the same, the approach to be taken does vary.

### **Open Procedure**

All bids received are considered.

Only complete / competent bids are assessed.

It should be noted that for submissions at both Selection and Award stages, the bids received should, in the first instance be assessed for completeness and competence. Under normal circumstances, incomplete or incompetent submissions should be rejected and the basis of this decision should be recorded and used as the basis for providing feedback, at the end of the stage / process.

If however, the rejection of such bids is likely to adversely impact on the Association (ie the number of competent submissions is low), it is permitted to approach all such tenderers to specify the incomplete or incompetent aspect(s) of their tender and invite them to supply or correct the relevant information, to enable their tender to be assessed. A consistent response date should be set for the supply of such information and the assessment of tenders should not proceed until after that date.

The initial assessment (Selection) is based on the SPD submissions received, in order to determine from those submissions received, which organisations are capable of meeting the requirement. It must be recognised that the ESPD is intended to assess capability and relevant experience. As such, it is a “backward looking” document.

This stage does not involve any assessment of quality in relation to delivery of the requirement or price.

The outcome of the Selection stage can either be that all organisations who had demonstrated that they are capable of delivering the requirement move forward to the Award stage or, a limited number of organisations (based on highest ranking) are taken through to Award stage. For the latter option, the criteria to be applied to arrive at this reduced number of organisations must have been described within the Contract Notice. It is relevant to note that within the SPD there is limited scope for undertaking a qualitative assessment (limited to Section 4C, typically sections 4C.1 to 4C.4 only).

The Award Stage quality submissions and prices of organisations which do not progress to the Award stage must not be opened / viewed / considered.

At Award stage, the assessment of quality and price should be undertaken separately (by different individuals). It is important to note that the quality assessment at Award Stage, should be forward looking only – ie considering what the organisation will provide, in delivering the requirement, if successful.

Typically, the quality assessment would be undertaken first and only after this assessment is completed, would price submissions be opened.

Establishing the MEAT and the ranking order of organisation which have progressed to Award stage, is then undertaken by combining the quality and price scores of the submissions that have advanced to Award stage, in

accordance with the Quality / Price scoring criteria described in the Contract Notice.

Those organisations which have been unsuccessful, either at Selection or Award stage, must be notified that they have been unsuccessful. The notification should include:

For organisations excluded at Selection stage:

- Names of economic operators not excluded
- Criteria used to exclude the unsuccessful party
- Scoring against relevant criteria

For organisations excluded at Award stage:

- Name of successful party
- Award criteria
- Scoring of unsuccessful and successful parties

### **Restricted Procedure**

With the restricted procedure, the Selection and Award stages are distinct and take place at separate stages in the process.

At each stage of this process, only complete / competent bids are assessed.

It should be noted that for submissions at both Selection and Award stages, the bids received should, in the first instance be assessed for completeness and competence. Under normal circumstances, incomplete or incompetent submissions should be rejected and the basis of this decision should be recorded and used as the basis for providing feedback, at the end of the stage / process.

If however, the rejection of such bids is likely to adversely impact on the Association (ie the number of competent submissions is low), it is permitted to approach all such tenderers to specify the incomplete or incompetent aspect(s) of their tender and invite them to supply or correct the relevant information, to enable their tender to be assessed. A consistent response date should be set for the supply of such information and the assessment of tenders should not proceed until after that date.

Initially, suppliers are invited to express interest and to submit a completed Scottish Procurement Document (SPD) by a specified deadline. The Selection stage is then undertaken by assessing all SPD submissions received by that deadline.

The purpose of the Selection stage is to determine which organisations are capable of meeting the requirement and (typically), of all organisations deemed to be capable, which of these are best placed to deliver the requirement.

Only the best placed organisations are taken through to the next stage of the process and issued with an Invitation to Tender (ITT). The number of organisations to be invited to tender and the basis on which this assessment will be made, should be described within the Contract Notice (typically within a "Tender Support Document"). It is relevant to note that within the SPD there is little scope for undertaking a qualitative assessment (limited to Section 4C, typical sections 4C.1 to 4C.4 only)

Those organisations which have been unsuccessful at Selection stage must be notified that they have been unsuccessful. The notification should include:

- Names of economic operators not excluded
- Criteria used to exclude the unsuccessful party
- Scoring against relevant criteria

Only on completion of the Selection stage, are invitations to tender issued to the restricted list of organisations which are deemed to be best placed to deliver the requirement. Tender documents, comprising both quality questions and pricing documents are then issued to those organisations invited to tender and a deadline date is set for tender submissions to be made. It is important to note that the quality assessment at Award Stage, should be forward looking only – ie asking about what the organisation will do in delivering the requirement, if successful. The basis on which the quality submissions will be assessed and the system to be used for arriving at a combined quality / price score at Award Stage, should be described in the initial Contract Notice (typically within the Tender Support Document).

Under normal circumstances, the quality assessment would be undertaken first and only after this assessment is completed, would price submissions be opened.

Establishing the MEAT and the ranking order of organisations which have progressed to Award stage and which have submitted competent tender submissions, is then undertaken by combining the quality and price scores of the submissions that have advanced to Award stage, in accordance with the Quality / Price scoring criteria described in the Contract Notice.

Those organisations which have been unsuccessful at Award stage must be notified that they have been unsuccessful. The notification should include:

- Name of successful party

- Award criteria
- Scoring of unsuccessful and successful parties

Unsuccessful organisations can request further information regarding their grounds for exclusion of lack of success within 30 days and such requests must be responded to within a further 30 days. The further information provided should be as follows:

To an unsuccessful applicant (Selection stage)

- Summary of reasons for exclusion

To an unsuccessful tenderer (Award stage)

- Summary of reasons why tender was unsuccessful
- Characteristics and advantages of successful tender

To the successful tenderer (Award stage)

- Any possible improvements to tender

A "Standstill" period should be observed between the notification of the award (to successful and unsuccessful organisations) and the formal acceptance of the tender / bid / offer. The Standstill period should be a minimum of 10 calendar days.

## ANNEX E: COMMUNITY BENEFITS

Community benefits clauses are contractual requirements which deliver social, economic and environmental benefits in addition to the primary objectives of the contract. Williamsburgh HA's Development and Maintenance contracts will be utilised, where appropriate and proportionate, to deliver the social, economic and environmental aspirations and objectives of the Association through promoting apprenticeships, graduates and new entrant employment, training opportunities and community capacity building activities.

Williamsburgh HA takes its social responsibility very seriously and is committed to delivering Community Benefits through its Development and maintenance procurement activity. The Association's Contractors and their supply chain will be required to support the Association's aspirations and requirements relating to skills development, training and employment initiatives and other opportunities which connect to social economic and environmental considerations.

Williamsburgh HA intends to require our Development and Maintenance contractors to deliver a proportional number of "community benefits points" relative to the contract values of individual contracts awarded, subject to the thresholds outlined in the table below. The Association has no requirement to deliver community benefits for contracts of less than £100,000 in value, although any opportunities to deliver such benefit on contacts with a value falling below £100,000 can be pursued, as and when appropriate.

**COMMUNITY BENEFIT POINTS MATRIX**

Contract Value	Duration			
	Not exceeding Twenty-Six Calendar Weeks	Twenty-Seven to Fifty-Two Calendar Weeks	Fifty-Three to One Hundred and Four Calendar Weeks	One Hundred and Five to Two Hundred and Eight Calendar Weeks
£100,000 - £249,999	10	20	25	30
£250,000 - £499,999	20	25	30	40
£500,000 - £999,999	30	40	45	50
£1million and over	40	50	60	70



## COMMUNITY BENEFIT POINTS WEIGHTING TABLE

CATEGORY	REF	COMMUNITY BENEFIT OUTCOMES	DESCRIPTION	COMMUNITY BENEFIT POINTS
<b>A</b> (There is no restriction placed on the maximum number of points available from this Section)	1	<b>Modern Apprenticeship</b>	Create a new directly employed Apprenticeship Position, registered with a sector skills body, for a person that will be directly engaged in delivering work under this framework.	<b>20</b>
	2	<b>Apprenticeship to qualified skilled tradesperson transition</b>	Provide new or continued employment to a person that has completed a modern apprenticeship within the last twelve months and is transitioning to become a skilled tradesperson. Full time direct employment must be offered for a minimum of twelve months and the person will be directly engaged in delivering work under this framework.	<b>10</b>
	3	<b>Graduate</b>	Provide Full time direct employment, for a minimum period of six months, through a position for a University or College Graduate that will be directly engaged in delivering work under this framework.	<b>15</b>
	4	<b>Job (Unemployed)</b>	Provide Employment to a new entrant (full time direct employment offered for a minimum of six months) for a person that will be directly engaged in delivering work under this framework.	<b>15</b>
	5	<b>Job (Unemployed)</b>	Provide Employment to a new entrant who has been unemployed for twelve months or longer (full time direct employment offered for a minimum of six months) for a person that will be directly engaged in delivering work under this framework.	<b>20</b>
<b>B</b> (A maximum of 10 points is available from this Section)	1	<b>Work Experience Placement</b>	Directly provide, through delivering work under this framework, a minimum four week structured period of work experience, not less than twenty-five hours per week, for a school leaver, student or trainee	<b>2.5</b>
	2	<b>Work Experience Placement</b>	Directly provide, through delivering work under this framework, a minimum eight week structured period of work experience, not less than twenty-five hours per week, for a school leaver, student or trainee	<b>5</b>
<b>C</b> (A maximum of 10 points is available from this Section)	1	<b>Education Support Initiative</b>	Visit and deliver via this framework a Half day Industry Awareness Day or Workshop provided to a minimum of twenty high school pupils or college students. Secondary schools and college's located in East Renfrewshire, Inverclyde and Renfrewshire are listed later in this Annex A.	<b>5</b>
	2	<b>Education Support Initiative</b>	Visit and deliver via this framework a Half day Structured Career Event provided to a minimum of twenty high school pupils or college students. Secondary schools and college's located in East Renfrewshire, Inverclyde and Renfrewshire are listed later in this Annex A	<b>5</b>
	3	<b>Education Support Initiative</b>	Visit and deliver to school pupils or college students via this framework, an Education Mentoring or Enterprise Programme. Secondary schools and college's located in East Renfrewshire, Inverclyde and Renfrewshire are listed later in this Annex A.	<b>5</b>

<b>D</b> (A maximum of 5 points is available from this Section)	<b>1</b>	<b>Supply Chain Development</b>	Undertake via this framework Business Mentoring with SME's endorsed by an employment and community capacity building organisation.	<b>5</b>
	<b>2</b>	<b>Supply Chain Development</b>	Provide via this framework Business Mentoring for Social Enterprises, Supported Businesses and Third Sector Organisations, endorsed by an employment and community capacity building organisation.	<b>5</b>
	<b>3</b>	<b>Supply Chain Development</b>	Undertake via this framework Mentoring Third Sector Organisations, endorsed by an employment and community capacity building organisation.	<b>5</b>
<b>E</b> (A maximum of 10 points is available from this Section)	<b>1</b>	<b>S/NVQ Training</b>	Deliver S/NVQ's or equivalent for Existing Employees engaged in delivering work under this framework	<b>2.5</b>
	<b>2</b>	<b>S/NVQ Training</b>	Deliver S/NVQ's or equivalent for New Entrants engaged in delivering work under this framework	<b>5</b>
	<b>3</b>	<b>Trainee Position</b>	Provide structured training places to a new entrant engaged in delivering work under this framework leading to CITB or equivalent recognised qualifications.	<b>10</b>

<b>F</b> (A maximum of 10 points is available from this Section)	<b>1</b>	<b>Community capacity building activity</b>	Meet all costs associated (up to a maximum value of £1,000) with delivering one full day or two half day community capacity building training events, in any given 6 month period, to meet a need identified by an agreed community project.*	<b>2.5</b>
	<b>2</b>	<b>Community capacity building activity</b>	Meet all costs associated (up to a maximum value of £3,000) with delivering one full day or six half day community capacity building training events, in any given 6 month period, to meet a need identified by an agreed community project.*	<b>7.5</b>

**\* Beneficiary organisations to be submitted to and agreed by the Williamsburgh HA and community capacity building activities to be delivered by suitably qualified and experienced consultants. Information on community organisations located within Renfrewshire can be provided.**

<b>G</b> (A maximum of 15 points is available from this Section)	<b>1</b>	<b>Community volunteering activity</b>	Deliver one half day community service volunteering in any given 6 month period, providing a minimum six person team with the necessary skills and expertise, in support of an agreed community project.*	<b>2.5</b>
	<b>2</b>	<b>Community volunteering activity</b>	Deliver one full day or two half day community service volunteering in any given 6 month period, providing a minimum six person team with the necessary skills and expertise, in support of an agreed community project.*	<b>5</b>
	<b>3</b>	<b>Community volunteering activity</b>	Deliver a structured programme of community service volunteering, consisting on a minimum of six half day sessions in any given 6 month period, providing a minimum six person team with the necessary skills and expertise, in support of an agreed community project.*	<b>15</b>

**\* Beneficiary organisations to be submitted to and agreed by the Williamsburgh HA and community capacity building activities to be delivered by suitably qualified and experienced consultants. Information on community organisations located within Renfrewshire can be provided.**

<p><b>H</b> (A maximum of 10 points is available from this Section)</p>	<p>1</p>	<p><b>Planted area re-furbishment / renewal</b></p>	<p>Support the refurbishment / renewal of an existing planted area, for which the contracting authority is responsible, by providing up to sixteen hrs of labour and associated overhead costs free of charge and providing all plants and associated materials at cost</p>	<p><b>2.5</b></p>
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***Note: the costs of watering, hand weeding, litter picking etc. for such areas for the remainder of the growing season, will be met by Williamsburgh HA, at agreed rates***