

## Procurement Policy

<b>Policy Implementation Checklist:</b>	
Policy Guardian:	Director of Property Services (DPS)
Policy Author:	DPS
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Policy linkages:	<ul style="list-style-type: none"> <li>• Asset Management Strategy</li> <li>• Financial Regulations</li> <li>• Anti Bribery Policy</li> <li>• Repairs &amp; Maintenance Policy</li> <li>• Business Plan</li> <li>• Risk Registers</li> <li>• Procurement Strategy</li> </ul>

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## 1. Overview

This Procurement Policy establishes the guiding principles and policies that will regulate the procurement activities performed by employees of Linthouse Housing Association when procuring contracts for the supply of services, goods/materials, and/or the execution of works.

LHA's procurement activities follow a two-tier regime, regulated by the Public Contracts (Scotland) Regulations 2015, as amended by the 2021 Amendment Regulations, and the Procurement Reform (Scotland) Act 2014. The table below outlines the thresholds, highlighting Regime 1 (regulated by the Public Contracts (Scotland) Regulations 2015) and Regime 2 (regulated by the Procurement Reform (Scotland) Act 2014).

Procurement is a devolved power in Scotland, meaning the Scottish Government sets the regulations and frameworks within which LHA operates, separate from the rest of the UK. The Public Contracts (Scotland) Regulations 2015 govern procurement activities in Scotland, reflecting both Scottish policies and international obligations under the World Trade Organisation's (WTO) Government Procurement Agreement (GPA).

Threshold (Value of Contract)	Type of Contract	Relevant Regulation	Regime
Above £4,477,174 (exclusive of VAT)	Works	Public Contracts (Scotland) Regulations 2015 (as amended 2021)	Regime 1
Above £179,087 (exclusive of VAT)	Services/Supplies/Goods	Public Contracts (Scotland) Regulations 2015 (as amended 2021)	Regime 1
Above £552,950 (exclusive of VAT)	Light Touch Regime Services	Public Contracts (Scotland) Regulations 2015 (as amended 2021)	Regime 1
Between £2,000,000 and £4,477,174 (exclusive of VAT)	Works	Procurement Reform (Scotland) Act 2014	Regime 2
Between £50,000 and £179,087 (exclusive of VAT)	Services/Supplies/Goods	Procurement Reform (Scotland) Act 2014	Regime 2
Up to £2,000,000 (exclusive of VAT)	Works	Unregulated Procurement (Internal Procedures)	N/A
Up to £50,000 (exclusive of VAT)	Services/Supplies/Goods	Unregulated Procurement (Internal Procedures)	N/A

*\*Note: Regime 1 is aligned with UK-wide and WTO regulations that apply to public procurement in England, Wales, and Northern Ireland, ensuring compliance with broader UK obligations and only coming into effect in Scotland when these thresholds are matched or exceeded.*

In Scotland, public sector procurement must comply with UK and Scottish legislation, which are based on the principles of equal treatment, non-discrimination, mutual recognition, proportionality and transparency. This Policy aims to underpin adherence to these principles as well as supporting the delivery of value for money. Since the UK's exit from the EU, domestic legislation and international agreements have guided procurement, with the Public Contracts (Scotland) Amendment Regulations 2021 incorporating changes required by Brexit. For contracts over certain thresholds, advertising and award notices are now published through the UK Find a Tender Service (FTS) instead of the Official Journal of the European Union (OJEU).

## 2. Scope

The term 'Procurement' as used in this Policy refers to the process of acquiring works, supplies or services by all departments within the Association. This policy applies to all external spend or similar considerations through a contractual relationship committed by members of staff or individuals instructed to work in the interests of the Association.

The term 'Supplier' as used in this Policy refers to the provider of works, supplies or services to the Association including contractors, subcontractors, consultants, and service providers.

This policy is supported by additional documents, including, guidance and procedures, which are accessible to all staff via the company's internal IT platforms.

## 3. Objectives & Implementation

### 3.1 Objectives:

The overarching procurement policy objectives are that all procurement within the Association must be based on value for money and delivery of the best service. The Scottish Model of Procurement promotes value for money as being an appropriate balance between cost or price, quality and sustainability.

It is therefore the policy of the Association to:

- Maintain the highest ethical standards in all aspects of LHA's procurement activities.
- Demonstrates value for money in contract commissioning through the use of efficient and effective procurement procedures.
- Promote and deliver sustainable outcomes and community benefits.
- Be fair, open, and transparent in all interactions with the supply chain.
- Ensure that all suppliers appointed by the Association are adequately qualified, have sufficient resources, and commit to improving the quality of service provided to customers and the communities in which LHA works.
- Protect the health and safety of employees, customers and members of the public.
- Promote innovation in the delivery of services to customers.
- Encourage collaborative procurement with other Registered Social Landlords (RSLs) and public bodies where it benefits LHA.
- Maintain alignment with LHA's internal policies.
- Ensure compliance with Statutory Legislation, Regulatory Frameworks and guidance, in the carrying out of any procurement activity, specifically:
  - Procurement Reform (Scotland) Act 2014
  - Public Contracts (Scotland) Regulations 2015 as amended by the Public Contracts (Scotland) Amendment Regulations 2021
  - Procurement (Scotland) Regulations 2016
  - Utilities Contracts (Scotland) Regulations 2016
  - Concession Contracts (Scotland) 2016
  - Case Law
  - Scottish Government Guidance (the "Procurement Journey").
  - Any relevant Scottish Procurement Construction Policy Note (CPN) and Scottish Procurement Policy Note (SPPN).
  - Alignment with the WTO GPA standards post-Brexit

The Association will comply with the requirements for Regulated Procurements as stipulated by applicable UK and Scottish Procurement Legislation. Contracts that fall below the threshold for Scottish Regulated Contracts will be acquired following the Association's Financial Regulations. This will ensure that the same general principles are adhered to in terms of proving probity and value for money, and it will be done in a manner that is proportionate to the nature of smaller contracts.

### 3.1.1 Overview of Procurement Procedures:

LHA's procurement procedures are governed by the Public Contracts (Scotland) Regulations 2015, which have been updated by the Public Contracts (Scotland) Amendment Regulations 2021 to align with the post-Brexit environment. Procurement procedures and processes are selected based on but not limited to: contract value; proportionality; timing; and complexity; as outlined in the table below:

Procurement Procedure	Description
Open Procedure	Open to all interested parties to submit tenders. Contracts must be awarded based on the Most Economically Advantageous Tender (MEAT) principle, balancing both price and quality.
Restricted Procedure	A two-stage process involving an initial expression of interest, followed by an invitation to tender for shortlisted bidders.
Competitive Dialogue and Competitive Negotiation	Used for complex or high-value contracts requiring dialogue with suppliers to develop a suitable solution. Often necessary when LHA's needs cannot be met by existing market solutions.
Dynamic Purchasing System (DPS)	A DPS is a flexible procurement tool used to purchase commonly used goods, services, or works. It allows for the inclusion of suppliers throughout the duration of the system, ensuring ongoing competition and flexibility. Suppliers can join a DPS at any time during its validity, making it an effective way to engage new providers and enhance competition. LHA will utilise DPS when suitable to streamline procurement processes, particularly for lower-value or repetitive purchases.
Framework Agreements	<p>Framework agreements allow LHA to procure goods, services, or works from pre-approved suppliers without conducting a full tender process each time. The use of frameworks simplifies procurement for common requirements, reduces administrative burden, and maintains compliance with Public Contracts (Scotland) Amendment Regulations 2021. Where a framework is utilised by LHA for a regulated procurement exercise an award notice will be advertised on the Public Contracts Scotland portal to demonstrate transparency.</p> <ul style="list-style-type: none"> <li>• <b>Direct Award:</b> Permitted under framework agreements when the terms are sufficiently clear, allowing LHA to award contracts directly to a supplier without further competition.</li> <li>• <b>Single-supplier Framework,</b> LHA can make a direct award to that supplier if the framework's terms and pricing are predefined.</li> <li>• <b>Multi-supplier Framework,</b> LHA may issue a direct award to one supplier if framework terms allow it and if the terms are clear. If the terms are not explicit enough, a mini-competition among framework suppliers is required to ensure best value.</li> </ul>

Non-Competitive Action (NCA)	<p>This is the Scottish Government’s internal process for:</p> <ul style="list-style-type: none"> <li>• Considering requests to dispense with competition and award a new contract directly to a specified supplier.</li> <li>• Modifying an existing contract where there is no clear, unequivocal clause to do so within the contract. This includes contract extensions.</li> </ul> <p>The NCA process is used in situations where it is impossible or impractical to undertake a competitive procurement process for supplies, services and works. This process should be used only where all existing contracts and available framework agreements have been exhausted.</p>
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### 3.1.3 Procurement Process:

This section sets out the process the Association will follow whilst carrying out procurement activity. All values detailed in the thresholds below are exclusive of VAT and relate to the total contract value over the whole period of the contract including any extension periods.

Threshold (Value of Contract-ex vat)	Requester	Procurement Process	Award Authority Level
Non-Regulated Below £30,000	Senior Leadership Team (Within Financial Regulation Limits)	The Senior Leadership Team has the discretion to decide whether competitive quotations are obtained, subject to agreed costs being reasonable in comparison to other providers, or when the SLT deem this to be an appropriate course of action and in the best interests of the Association e.g., health and safety reasons, relevant expertise/experience, continuity, speed of delivery etc.	Executive Team (ET) approval required before award.
Non-Regulated Between £30,000 to below £50,000	Senior Leadership Team (Within Financial Regulation Limits)	A minimum of 2 written quotations should be requested using electronic means where appropriate. Where a Central Purchasing Body (Dynamic Purchasing System/Framework Agreement) is used, the relevant provider's T&Cs will be applied to continue to be fully compliant with all relevant procurement laws stated within section 1 of this policy.	Management Committee approval is required before award.
Non-Regulated For works above £50,000 to below £2 million	Senior Leadership Team (Within Financial Regulation Limits)	The Association will use any of the methods outlined in section 3.2 of this policy it deems necessary and proportionate to deliver the objectives of this policy in line with Scottish procurement legislation and regulatory requirements.	Management Committee approval is required before award.

Threshold (Value of Contract-ex vat)	Requester	Procurement Process	Award Authority Level
Regulated Procurements  (Public supplies or services with a value of over £50,000 and Public works with a value of over £2 million).	Senior Leadership Team  (Within Financial Regulation Limits)	The Association will use any of the methods outlined in section 3.2 of this policy it deems necessary and proportionate to deliver the objectives of this policy in line with Scottish/UK and WTO procurement legislation and regulatory requirements.	Management Committee approval is required before award.

### 3.1.3 Roles And Responsibilities:

The key roles and responsibilities in relation to the procurement of contracts by the Association are outlined below:

Responsible Group/Person(s)	Requirements
<b>Management Committee</b>	Provide sponsorship and ensure appropriate governance and organisational arrangements are in place. Ensure sufficient skilled resources and recognition of the procurement function in wider organisational policies.
<b>Executive Management Team</b>	The procurement function will be led by the Director of the relevant department responsible for procurement of the contract, whose primary role includes but is not limited to: <ul style="list-style-type: none"> <li>ensuring adherence to this procurement policy, current legislation and best practice;</li> <li>measuring and reporting on procurement performance;</li> <li>assessing procurement competencies addressing training needs</li> </ul>
<b>Procuring Officer</b>	The term 'Procuring Officer' refers to any member of staff who is involved in the procurement of supplies, services or works. The key elements of the procuring officer's role include, but are not limited to: <ul style="list-style-type: none"> <li>managing the procurement of goods, works and services in full compliance with this policy and relevant legislation;</li> <li>identifying and engaging with other experts as required (e.g. consultants, end users, legal advisors, procurement lead other internal departments etc.);</li> <li>implementing the contract and supplier management processes effectively and efficiently.</li> </ul>

### 3.2 Conflict of Interest:

Conflicts of interest refer to any situation where staff involved in the procurement process have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence. LHA will take appropriate measures to effectively prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures to avoid any distortion of competition and to ensure equal treatment of all suppliers.

### 3.3 Sustainable Procurement:

This Policy recognises the Association's obligations under the Sustainable Procurement Duty as outlined in the Procurement Reform (Scotland) Act 2014. LHA will embed the principles of sustainability into its procurement activities. This will ensure that balanced consideration of social, ethical, environmental and economic impacts is undertaken throughout the procurement process whilst fostering innovation within procurement practices.

### 3.4 Data Protection:

The Association 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.

#### 3.1 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 and associated persons or organisations acting for or on behalf of LHA when undertaking any actions referred to in this policy.

### 3.5 Statement of Equality, Diversity & Inclusion (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;



## 4 Monitoring & Reporting

### 4.1 Procurement Strategy & Annual Report:

In compliance with the Procurement Reform (Scotland) Act 2014, the Association will prepare and publish a procurement strategy and review this on an annual basis. The procurement strategy will set out how LHA intends to ensure that its procurement activities achieve value for money and contribute to the success of its broader aims and objectives, in line with Scotland's National Outcomes.

The Association will also prepare and submit an Annual Report to the Scottish Government where regulated procurement spend exceeds £5 million, which will report on compliance with these factors aligned with Section 18 of the Procurement Reform (Scotland) Act 2014. This will be published as soon as practicable after the end of each financial year in accordance with Scottish Government requirements. Where our regulated procurement spend is less than £5 million within the financial year the association will follow the same principles of completing and returning an annual procurement report to demonstrate good practice.

Organisations	Requirements
<b>Annual procurement spend over £5 million</b>	<ul style="list-style-type: none"> <li>Prepare and publish a Procurement Strategy outlining procurement approaches and practices.</li> </ul>
	<ul style="list-style-type: none"> <li>Submit an Annual Procurement Report to the Scottish Government detailing procurement activities, including current and future regulated exercises, spend within the financial year, and performance.</li> </ul>
<b>Annual procurement spend under £5 million</b>	<ul style="list-style-type: none"> <li>Prepare an Annual Procurement Report summarising procurement activities and strategies (encouraged, but not mandatory).</li> </ul>
	<ul style="list-style-type: none"> <li>Voluntarily submit this report to the Scottish Government to promote transparency and accountability (encouraged, but not mandatory).</li> </ul>

### 4.2 Contracts Register:

The table below highlights the additional responsibility of the Association by maintaining a publicly accessible Contracts Register alongside the Annual Procurement Report & Procurement Strategy. The Association will advertise this register on the website for the general public to view.

Additional Requirement	Details to include but not limited to:
Maintain a Contracts Register (Publicly Accessible)	Contract start/end dates
	Contractor details
	Contract values
	Renewal and extension provisions

## 5 Policy Review

This policy will be reviewed on a three-yearly basis. The purpose of the review is to assess the policy's effectiveness and adherence to current legislation and good practice and identify any changes which may be required.

## 6 Equalities Impact Assessment

<b>Title of Policy</b>	<b>Procurement Policy</b>
What is the purpose of this policy?	To align LHA's procurement activities with the current reality and statutory requirements of being a public body
Protected characteristic groups affected by this policy:	All
Who is the target audience of this policy?	General public, internal, businesses, local & national government
List any existing documentation used to complete this assessment:	NA
Has any consultation taken place with protected characteristics groups identified?	No
What is the likely impact?	None
Have you, or will you, put the policy into practice? Who is responsible for the delivery of the policy?	DPS
How does this policy fit into LHA's wider or related policy initiatives?	Deliver Value for Money and demonstrate transparency in procurement activities
Do you have a set budget for this work?	Annual budgets to deliver all proposed procurement activities.

## 7 Version Control

Version Number	Name	Author	Notes
1.0	Initial Draft	Bryan McMahon	To replace the existing 42 Procurement Policy