

# PROCUREMENT POLICY

SEPTEMBER 2024



**LANARKSHIRE**  
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## PROCUREMENT POLICY

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(\*Note Lanarkshire Housing Association hereinafter referred to as LHA)

### 1.0 INTRODUCTION

- 1.1 The Procurement Policy establishes the framework for acquisition of building work, building services, and maintenance work.
- 1.2 Its relevance to the Scottish Social Housing Charter's outcomes and standards is: *13 Value for Money. Social landlords manage all aspects of their businesses so that: Tenants, owners and other customers receive services that provide continuously improving value for the rent and other charges they pay.*
- 1.3 The particular characteristics of the types of procurement that are the subject of this policy are the sizable budgets involved, the range of activities, and the relative complexity of the contractual arrangements. The overriding principle that applies is that probity and accountability are paramount, and LHA has to be sure that its systems protect these and deliver value. Probity is the concept of fairness, transparency, and accountability, which ensures that an organisation obtains (and can be seen to obtain) the maximum benefits for its declared objectives, operating within the law and within the rules of its legal constitution

### 2.0 PURPOSES AND DEFINITION OF POLICY

- 2.1 To allow strategic planning, procurement and review of Property Services processes.
- 2.2 In relation to procurement, the following categories are included:
  - Works contracts, where the outcome is a building or civil engineering project to fulfil an economic or technical function
  - Supply contracts for the purchase, lease, rental or hire purchase of products
  - Service contracts are those not covered by works or supply (e.g. consultant appointments)
- 2.3 The policy specifically establishes requirements for the appointment of consultants and award of contracts by relevant Sub Committees, as required by their remits to make decisions (identified in the Internal Management Plan), and for staff to follow in obtaining and/or preparing reports.
- 2.4 To ensure compliance with laws and regulations.

### **3.0 SCOPE OF POLICY**

- 3.1 This Procurement Policy applies to all building contracts and procurement actions relating to Property Services. It shall apply to each expenditure of funds by LHA in relation to such procurement, regardless of the source of funds. The term “procurement” as used in this Policy includes building contracts, professional appointments, and other purchase orders.
- 3.2 The purchase and sale of land and buildings, memoranda of understanding, and development agreements are not the subject of this Policy.
- 3.3 In the event of a conflict between this Procurement Policy and any applicable law or regulation, the law or regulation will prevail.

### **4.0 OPERATION OF POLICY**

- 4.1 Responsibility for procurement is delegated to staff in accordance with Limits of Delegated Authority in the Internal Management Plan, with procurement activity reported to the relevant Sub-Committee.
- 4.2 Staff shall maintain and review at least annually a list of contractors prepared to carry out qualifying repairs, as required by the *Scottish Secure Tenants (Right to Repair) Regulations 2002*. Annual review shall include ensuring that appropriate insurances are in place, and that, where relevant, rates have been updated. Contractors are not required to re-submit all details annually, or re-apply for listing.
- 4.3 Use of the *Public Contracts Scotland* (PCS) portal is encouraged, including direct requests for quotations (Quick Quotes) for lower value, non-regulated procurements. Use of Quick Quotes may be up to its limit, with the option to use other means when it has not produced a valid or acceptable tender.
- 4.4 Procurement threshold values in place from time to time under Scottish public procurement regulations are to be observed.
- 4.5 Awards should not normally be on the basis of lowest price only. Procurement procedures should establish the most economically advantageous tender. Procedures aimed at obtaining the lowest price may only be used in exceptional circumstances as permitted by procurement legislation in place from time to time.
- 4.6 The number of bidders in a competitive selection process for consultants or contractors, when above the limits stated in the Limits of Delegated Authority in the Internal Management Plan, must be sufficient to ensure genuine competition. A minimum of 5 candidates (consultants or contractors) should normally be invited to tender at appointment stage. The number actually available to be invited to tender will depend on how many candidates meet LHA’s minimum standards, but the intention should be to invite 5 or more. This may be reduced to 3 if appropriate for

the award stage of a 2 stage process. The minimum requirement for being invited to tender shall be satisfactory completion of the PCS Single Procurement Document, or participation in Quick Quotes.

- 4.7 Procurement communication will normally be electronic.
- 4.8 Consideration should be given as to whether at the time of each procurement, LHA is a body governed by public law.
- 4.9 Appropriately qualified external consultants, e.g. RIBA, RICS, may be employed to administer procurement exercises.
- 4.10 Annual budgets are to be considered by staff in advance, so that if required an annual procurement strategy and annual procurement report can be prepared and published.
- 4.11 All staff and committee involved in procurement are expected to declare interests. Any consultants involved in the selection of contractors on behalf LHA must also declare any conflicts of interest.
- 4.12 Subject to compliance with applicable procurement regulations, negotiated procedures may only be used in the following circumstances:
  - 4.12.1 for consultants:
    - a consultant is responsible for identifying a particular project, or has already been appointed to the project by others
    - extreme urgency or otherwise to meet the exigencies of service or programme
    - repetition of similar work for which a fee level has already been established via a competitive selection process within the previous 2 years
    - in areas where a project team is already in place and a follow on project is identified, and where fee level(s) have already been established via a competitive process within the previous 2 years
    - when a particular commission is included in a framework agreement for serial or bulk procurement
    - the need to employ a consultant with specialist skills which cannot be defined and obtained except by negotiation
    - for other commercial, technical or copyright reasons which may be reported to the relevant Sub Committee at the time
  - 4.12.2 for contractors:
    - extreme urgency or otherwise to meet the exigencies of service or programme

- failure of other procedures to yield valid tenders
- repetition of similar work
- the existence of a development agreement with a particular contractor (or other conditions relating to the purchase of a site, or other reason relating to the protection of exclusive rights, which require that LHA seeks to enter into a negotiated contract with a particular contractor)
- when a particular contract is included in a framework agreement for serial or bulk procurement
- the need to employ a contractor with specialist skills which cannot be defined and obtained via other procedures
- when a contractor is already working in an area and introduction of another contractor in the same area, in the same timescale, would cause health and safety or other contract control problems
- for other commercial, technical or artistic reasons which may be reported to the relevant Sub Committee at the time

(as a general rule post-tender price changes should only be discussed via the negotiated procedure).

## 5.0 THE FRAMEWORK FOR CONTROL

5.1 Overall responsibility lies with the **Property Services Director**. Regarding procurement; staff job descriptions include, but are not limited to:

<b>Officer</b>	<b>Assistant</b>
Tender procedures	Implementing tender procedures, including maintaining the list of contractors prepared to carry out work for LHA (including specifically qualifying repairs).
Monitoring contractors' performance	Assisting with monitoring and recording of contractors' performance.
Issuing job orders	Making authorised works orders; assisting in implementation of an effective repairs service.
Quality control	Administration of defects procedures, and recording and notification of defects for action, including all categories of inspection when required.

Estimating and budget reporting	Obtaining quotations when required.
Annual review of contractors	Administration of customer satisfaction surveys, and analysis and reporting of results.
Assessment of invoices for payment	Coordination of completed works orders.

5.2 Authorisation limits are for Property Services as per LHA's Limits of Delegated Authority, i.e.:

£0 to £7,500	Approved by staff (see below).
£7,501 to £50,000	At least 2 estimates obtained; approval by staff (see below).
Greater than £50,000	Procedures set out in Procurement Policy apply.

Staff authorisation limits for Property Services (up to £7,500) are:

Housing Services Director	£25,000
Housing Manager	£15,000
Property Services Director	£25,000
Maintenance Officer	£7,500
Maintenance Assistant	£7,500

For planned or major repairs (£7,501 - £50,000) authorisation limits are:

Chief Executive	£50,000
Housing Services Director	£25,000
Property Services Director	£25,000

Above £50,000, the approval of periodic invoices or interim cost certificates pertaining to expenditure previously approved at Committee level requires 2 signatories at Director level or above.

5.3 Payment to contractors, when contracts are in place, should be on the basis of valuations or certificates as appropriate to the form of contract,

issued by independent consultants; unless provided for otherwise in the contract, e.g. in measured term contracts.

- 5.4 Payments to consultants should be on the basis of invoices submitted, and should be in accordance with any provisions for staged payments set out in the consultant's appointment.
- 5.5 Performance review, reported to Sub-Committee is to include: (1) annual review of contractors on the list of contractors; and (2) post-completion reviews of building contracts.

# Lanarkshire Housing Association Equality Impact Assessment



Name of the <b>policy / proposal</b> to be assessed	Procurement Policy	Is this a <b>new policy / proposal</b> or a revision?	Revision
Person(s) responsible for the assessment			
<b>1. Briefly describe the aims, objectives, and purpose</b> of the policy / proposal	Establish the framework for acquisition of building work, building services, and maintenance work.		
<b>2. Who is intended to benefit</b> from the policy / proposal? <i>(e.g. applicants, tenants, staff, contractors)</i>	Tenants, owners, and other customers who are to be provided with value for money.		
<b>3. What outcomes are wanted</b> from this policy / proposal? <i>(e.g. the benefits to customers)</i>	Probity (fairness, transparency, and accountability), and compliance with the law.		



4. Which **protected characteristics** could be **affected** by the proposal? (*tick all that apply*)

- Age       Disability       Marriage & Civil Partnership       Pregnancy/Maternity       Race  
 Religion or Belief       Sex       Gender Reassignment       Sexual Orientation

5. If the policy / proposal is not relevant to any of the **protected characteristics** listed in part 4, state why and end the process here.  
There is no significant prospect of the policy, which is to be applied universally, affecting people with specific protected characteristics.

	Positive impact(s)	Negative impact(s)
<p>6. Describe the <b>likely positive or negative impact(s)</b> the policy / proposal could have on the groups identified in part 4.</p>		

7. What **actions** are **required** to address the impacts arising from this assessment? *(This might include collecting additional data, putting monitoring in place, specific actions to mitigate negative impacts).*

Signed: \_\_\_\_\_ Job title: Property Services Director

Date the Equality Impact Assessment was completed: 24 July 2024

***Please attach the completed document as an appendix to your policy / proposal report***