

## ALBYN HOUSING SOCIETY LIMITED

**TITLE:** Procurement Policy

<b>Authorised by the Board</b>	March 2015
<b>Next Review Due By</b>	March 2018
<b>Staff Affected</b>	All Staff
<b>Lead Officers</b>	Policy Chief Operating Officer  Operation: All Managers

# **Albyn Housing Society**

## **Procurement Policy**

### **1. Introduction**

- 1.1 This policy sets out the approach that will be taken by Albyn Housing Society to the procurement of goods and services in relation to all of its activities
- 1.2 This policy has been prepared to take account the following guidance
  - The Scottish Government's review of procurement- October 2013
  - The Procurement Journey as detailed in the Scottish Government's website
  - The Public Contract Scotland procurement portal (PCS) – portal allows for 'quick quotes' for small commissions through to full tender processes.
- 1.3 It ensures that consideration is given to the European Procurement rules
- 1.4 Albyn Enterprises Limited is not required to undertake its procurement in the context of European Procurement guidance but where appropriate will under the group name use the PCS system. It will follow the principals of this policy whenever it undertakes a tendering exercise.

### **2. Purpose of Policy**

#### 2.1 Albyn has as its Strategic Objectives:

- Achieving successful tenancies through quality customer/landlord relationships
- Building and maintaining a sustainable, quality housing stock
- Supporting neighbourhoods and communities to thrive
- Providing access to housing and support in the Highlands
- Delivering good value for money in rents and other charges

This policy enables all of the above objectives to be meet by having in place a procurement policy and procedures that ensures the we buy goods and services based on value for money concepts via a method that ensures standardisation of approach that is appropriate for the value of the contract and the risk associated with the contract

#### 2.2 The specific objectives of this policy are to:

- To ensure that tendering for all our goods and services provided is completed in an open way using the Procurement Journey guidance alongside the use of the PCS portal
- Each tender requires goods and services providers to complete standard company details which ensure that there is a regular compliance checks on potential conflicts of interest, fraudulent activity, health and safety and financial standing.
- To enable all types of activities to be contracted in a consistent way minimising risk in terms of the openness of our procurement activity

- It is the desire of Albyn to acquire goods and services via the PCS portal; however in some circumstances other methods of tendering may be adopted. This will require to be justified as part of the procurement journey matrix

### **3. Context**

3.1 Albyn's approach to the procurement and selection of its goods and services suppliers is setting out to achieve the following

- Ensure Quality
- Encourage Innovation
- Ensure Long-term Sustainability
- Deliver Value
- Manage risk.

3.2 The use of the Procurement Journey still allows Albyn Housing through thorough briefing, quality/pricing balance and risk management to:

- Provide leadership to the procurement process
- Allow the supply side to develop and innovate
- Adopt partnership working, based on long term relationships with key suppliers
- Aim for quality based solutions
- Adopt a policy of respect for all people involved in supplying us
- Commit to staff training and skills development
- Adopt a process of continuous improvement.

3.3 The procurement journey matrix can be used for all tenders no matter what value of the contract. All goods and services with a value of more than £10,000 require to use the journey to define the method of tender to be used. Those below £10,000 may use the procurement journey mechanism but it is not mandatory.

3.4 The procurement journey matrix is part of the procedures.

3.5 The policy also takes into account the expectation that Housing Associations help to deliver the Scottish Government's efficiency objectives through their procurement processes. We recognise the need to demonstrate efficiency and deliver savings in all that we contract. This policy aims to provide a framework within which we will do that, whilst at the same time meeting our strategic objectives.

3.6 Albyn is able to choose the most appropriate procurement route. The choice of procurement route is between:

- Route 1 – Quick Quotes – Procurement Journey Matrix Score 2 – PCS option – request a quotation from specific suppliers within a specified time limit. Standard information request requires completion and details of the goods and services to be supplied are required. If PCS option is not the route then 3 quotations required
- Route 2 – Tender – procurement journey Matrix Score 3 to 5 – PCS option – request a tender price from a supply category within a specified time limit. Standard information request requires completion and appropriate and full tender documents required. PCS option is preferred route

- Route 3 – Requires EU Procurement Route to be followed. Professional advice may be appropriate to obtain.
- Framework Agreements - where through a tender process an agreement is reached with two or more contractors for the delivery of a programme of work over a period of three to five years. Framework Agreements will need to be set up via a full tendering process. When a piece of work is required to be delivered through the framework - then a mini competition will be undertaken between those on the framework to ensure continued value for money.

There will be occasions when due to the type of goods or services that are required or due to requirement to get the job done (emergencies) or due to geographic reasons etc. that the number of potential suppliers is limited and therefore it is not appropriate to undertake a procurement exercise. The reasons for this should be noted and approved by the appropriate manager or above. This decision should always be agreed by two people.

### 3.7 Albyn will maximise the principle of partnering in contracts where appropriate

Partnering is a way of working that involves a high degree of co-operation between the Albyn as client and its suppliers. To be successful it requires a climate of trust and agreement based on mutual objectives. A Partnering Charter will be agreed and signed up to by all those involved in the delivery of the project covering:

- Value for Money
- Openness
- Trust
- Open Book accounting
- Continuous improvement
- Feedback

Within the procurement guidelines is an example Charter which can be modified for various contracts

The early identification of the supplier allows his/her expertise to be used to inform provision of the goods or service etc.

A formal partnering contract will generally be signed up to. The practice of working with suppliers post tender to meet cost and quality objectives is embedded in the process.

This way of working may be appropriate for a variety of contracts such as major repairs, painting, gas servicing, legal and professional services etc.

## 4. EU Procurement Directives

4.1 All housing Associations procurement activity is covered by EU Public Procurement Rules; however, commissions and contracts below a certain value are exempt from the EU Procurement Directives. Whether or not the Directives apply, all goods and services will be procured in accordance with the Albyn's tendering policy and procedures.

4.2 Where the Directives do apply, Albyn must follow certain processes and procedures, involving a requirement to publish contract notices, in a prescribed format, in the Official Journal of the

European Union. Failure to comply with this requirement could result in the suspension or cancellation of the contract, liability to pay damages and the loss of sources of public funding. 'The Procurement Journey' takes you through the steps of deciding the correct procurement route and as a Government publication is regularly reviewed and updated to reflect any changes in legislation

- 4.4 Responsibility for checking whether the Directives apply to the procurement of development services, and for ensuring that the procedures are correctly followed, lies with the Manager. Throughout he/she will ensure that procedures are correctly followed where necessary. Advice should be taken if in doubt.
- 4.5 The Scottish Government Procurement Journey and the PCS system ensure that consideration is given to the requirements of the EU Public Procurement rules. This guidance is updated to reflect changes to legislation so takes the Risk away from Albyn in terms of ensuring that changes are incorporated into our processes.

## **5. Review of Performance**

- 5.1 At the conclusion of each contract or review period, the performance of each supplier will be reviewed in accordance with a post completion evaluation process.
- 5.2 Depending on the results of this evaluation, the supplier will be retained on the relevant list or for use of quick quotes etc., where performance has not been satisfactory and where there are no mitigating circumstances, a recommendation will be made to the Chief Operating Officer that they are removed from the list. Documentation of the reasons for this decision should be made.
- 5.3 Where we are in an open tender process we need to ensure that the Pre-contract qualifying questionnaire enables Albyn to score down a poor performing contractor. This can be difficult where poor performance was due to one individual who may not work for the company any longer or there is evidence of improved performance. Documenting the reasons for the decision is necessary and the approval of this should be made by the Chief Operating Officer
- 5.4 The decision to remove a supplier may have issues regarding continuity. In these cases it is permissible to ensure that adequate alternative suppliers are able to supply the goods and services without a break. This may require Albyn to operate out with this policy. This decision should be documented and approved by the Chief Operating Officer

## **6. Monitoring and Review**

- 6.1 The operation of this policy will be monitored by the Board
- 6.2 This policy was approved by the Board on 17 March 2015. It will be reviewed not later than March 2018.