



## PROCUREMENT POLICY

| Date Approved                          | Proposed Review Date                              |
|--|---|
| May 2024                               | March 2027 [full policy]<br>March 2025 [appendix] |
| Chair Person/Office Bearers Signature: |   |

CASSILTOUN GROUP  
59 Machrie Road, Castlemilk, Glasgow G45 0AZ

|   |                         |
|---|-------------------------|
| <b>CASSILTOUN HOUSING ASSOCIATION LIMITED</b>                         | <b>Charity SC035544</b> |
| <b>CASSILTOUN HOUSING ASSOCIATION IS A REGISTERED PROPERTY FACTOR</b> | PF000154                |
| <b>CASSILTOUN TRUST</b>   | <b>Charity SC030310</b> |
| <b>CASSILTOUN STABLES NURSERY LIMITED</b>                             | <b>Charity SC043312</b> |

# PROCUREMENT POLICY

## 1.0 Introduction

- 1.1 Cassiltoun Group (Cassiltoun Trust, Cassiltoun Housing Association, Cassiltoun Nursery) seeks to procure services in a manner that not only complies with current legislation and best practice but also works creatively and collaboratively to support the local economy in Castlemilk.
- 1.2 This policy describes how Cassiltoun Group, and its subsidiaries will purchase, or 'procure', goods and services.
- 1.3 The term 'procurement' as used in this policy covers the process of purchasing the full range of goods and services we require, ranging from small items purchased from the petty cash float to large development and planned maintenance contracts awarded following a full tendering process.
- 1.4 This policy should be read in conjunction with CHA's Procurement Strategy and Contractor and Supplier Management Strategy.

## 2.0 Purpose

- 2.1 This Policy establishes how the Board of Management expects procurement related activity to be undertaken by the organisation.
- 2.2 **Any breach or non-compliance with legislation/regulatory requirements in relation to this Policy constitutes a Notifiable Event and the Regulator will be informed via the SHR Portal.**

## 3.0 Legislation and Good Practice

- 3.1 This policy relates to the Cassiltoun Group specifically supports the Housing Association in meeting its statutory obligations under the Procurement Reform (Scotland) Act 2014<sup>1</sup> and the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016
- 3.2 The Scottish Government has developed comprehensive procurement guidance for public bodies to improve the quality of and value delivered through procurement of public contracts in Scotland. This guidance can be found at: [Guidance under the Procurement Reform \(Scotland\) Act 2014](#)
- 3.3 The specific procurement approach adopted will be based on the nature, scale and value of the contract being awarded. Where tenders are being considered on the basis of price, quality and sustainability, a scoring matrix will be developed. For services, particularly consultant services the price/quality balance should be 30/70 as a minimum. For works, the price/quality balance should be 40/60 as a minimum.
- 3.4 The factors scored will vary depending on the nature of the goods or service being procured, with the weighting of the different factors considered and determined in advance. The scoring criteria will be included with tender packs

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<sup>1</sup> Cassiltoun HA is deemed to be a 'public contracting authority' and is therefore bound by the requirements of this legislation

- 3.5** This policy also supports the Housing Association in meeting particular aspects of the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management

| Standard   | Guidance   |
|--|--|
| <p><b>Standard 3:</b><br/>The RSL manages its resources to ensure its financial well-being</p>   | <p>The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times. (Guidance 3.1)</p> |
| <p><b>Standard 4:</b><br/>The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose</p> | <p>The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit. (Guidance 4.3)</p>  |

#### **4.0 Bribery Act 2010**

- 4.1** Cassiltoun Group acknowledges the provisions of the Bribery Act 2010 and aims to maintain compliance with this as part of its everyday business. This is particularly relevant when procuring works and services.

- 4.2** Cassiltoun Group will always carry out its business transparently and fairly and will operate a zero-tolerance policy towards bribery by its employees, committee members, contractors, agents and other associated persons.

#### **5.0 Procurement activities**

- 5.1** The main goods and services that will require to be procured by the Group are as follows:

- Small items of office supplies or other consumable products
- All office printing, stationery, postage and other materials
- Trade materials used by the Handyperson/Estate Caretaker
- Office furniture and equipment
- ICT equipment and 'back-up' services
- Maintenance contracts related to office-based equipment or services, e.g. ICT equipment, fire and security alarm systems
- Professional services including internal auditors, external auditors, solicitors, bankers, insurance brokers, architects, design consultants, and management consultants employed on specific projects
- Contractors covering the full range of trades and professions including new build housing
- Specific items or services that are linked to externally funded projects
- Food for Stables Nursery

#### **6.0 Value for Money**

- 6.1** In all our procurement activities we will aim to achieve the best 'value for money' in a sustainable manner by ensuring that, whenever appropriate, we assess quality, cost and sustainability. We recognise that the lowest cost will not necessarily be the best value in the longer term, particularly when the contract being procured has a high degree of service delivery.
- 6.2** We recognise the importance of sustainable procurement, and our duty to demonstrate that we are procuring in a manner that improves the economic, social and environmental wellbeing (this includes reduction of inequality) of the communities in which we operate.
- 6.3** Sustainable procurement should be balanced with value for money and quality and needs to be proportionate to the risk involved in each individual procurement.
- 6.4** We will ensure that our procurement processes are fair and comply with legal requirements.
- 6.5** The specific procurement approach adopted will be based on the nature, scale and value of the contract being awarded.
- 6.6** Where it is appropriate or mandatory to consider tenders on a basis other than purely price, a scoring matrix will be developed. The factors scored will vary depending on the nature of the goods or service being procured, with the weighting of the different factors considered and determined in advance. A variety of factors may be considered when selecting, such as environmental, social and governance factors along with applicants' past experience, matters relating to business probity and financial standing, and applicants' approach to service delivery and contract management.
- 6.7** To ensure transparency, the scoring criteria will be provided to all companies as part of the tender packs being issued.
- 6.8** In making procurement decisions we will also seek to contribute to maintaining and improving the environment, both by purchasing recycled or 'environmentally friendly' fair and ethically traded goods and items whenever possible and/or by supporting suppliers or contractors whose values and production processes are environmentally positive.
- 6.9** Where economies can be achieved, we will consider joint procurement with other organisations.

## **7.0 Roles and Responsibilities**

- 7.1 The Board of Management:** Has ultimate responsibility for procurement of works, services and supplies and for policy review. As a result, the Board of Management and its delegated Sub-Committees will oversee the particular works, services or supplies and will receive regular reports on the basis of procurement and the awarding of contracts.
- 7.2** The specification for the works, services or supplies, with performance indicators and associated methods of measuring and monitoring performance, will be the responsibility of the (senior) officer managing the contract.
- 7.3 Chief Executive**
- Ensure effective implementation of this policy and supporting procedures.
  - Ensure staff are aware of the policy and supporting procedures.

- Ensure value for money from procurement activity is achieved.
- Ensure community benefit arrangements are in place and are being monitored.
- Ensure that all procurement activities are recorded and evidenced.

#### **7.4 Head of Asset Management**

- Oversee procurement exercises for their area of responsibility.
- Co-ordination and monitoring of Association wide procurement and contract management as per policies and procedure
- Work in partnership with relevant Section Managers to support the procurement of works and services.
- Develop, review, implement and monitor the implementation of the Association's Procurement Strategy, polices and procedure.
- Report to the Senior Leadership Team and Board of Management
- Co-ordinate and publish the Association's Procurement Strategy
- Ensure that all procurement activities are recorded and evidenced.
- Obtain and evidence VFM

#### **7.5 Housing Services Manager**

- Oversee implementation of this policy and procedure and undertake procurement activities for their areas of responsibility.
- Ensure that all procurement activities are recorded and evidenced.
- Ensure that relevant contract management is in place and evidenced.

#### **7.6 Head Of Corporate, HR and Finance**

- Oversee implementation of this policy and procedure document for their areas of responsibility
- Ensure relevant training is in place for staff.
- Ensure that all procurement activities are recorded and evidenced.
- Ensure that relevant contract management is in place and evidenced.
- Monitor purchase order system.
- Monitor authorisation levels.
- Carry out finance checks and assist with due diligence.

#### **7.7 All Staff**

- Comply with this policy and procedure document.
- Ensure that all procurement activities they are involved in are recorded and evidenced.
- Ensure that relevant contract management information/processes is in place and evidenced.
- Obtain and evidence VFM

#### **8.0 Delegation of Authority to Incur Expenditure**

- 8.1** Where the proposed expenditure is already included in the approved annual budget, the Board of Management or relevant Sub Committee will delegate the authority to incur expenditure to the appropriate member of staff, as detailed in the Association's Financial Regulations and per the Association's scheme of delegation.

**8.2** Where the proposed expenditure is not included in the approved annual budget because: it was not considered when the budget was drawn up, could not reasonably have been foreseen, or because the expenditure will result in an approved budget becoming overspent, the Board of Management may delegate authority to approve expenditure up to specified limits.

**8.3** The Board of Management will review the levels of delegated authority at least every 3 years and ensure that there are adequate financial controls for procurement at all levels. In so doing the Board of Management will ensure that levels of delegation remain relevant to current expenditure patterns, budgets and cost inflation and appropriate for effective governance.

## **9.0 Financial Limits**

**9.1** Legislative thresholds exist in relation to the methods of procuring goods and services of different values.

**9.2** The Association has set its own thresholds that ensure they operate well within those set by current legislation. These are detailed in the summary table in Appendix One.

**9.3** The Board of Management will review these financial limits annually or earlier if the business requires it, to ensure that they remain appropriate for effective governance.

## **10.0 Obtaining prices, quotations, and tenders**

**10.1** The summary table in Appendix One also sets out the different methods of obtaining prices, quotations and tenders that must be followed when procuring goods and services. These methods are based on the value of the procurement and show the acceptable procurement method and the necessary level of approval.

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

**10.3 Quotations** may be requested either verbally or in writing. In either case, the authorised member of staff will ensure that sufficient detail is provided to those invited to quote to enable accurate, comparable quotes to be received.

**10.4 Tenders.** Following the development of the appropriate tender documentation, suppliers will be invited to tender.

**10.5** Reports on tenders and recommendations will be presented to the Board of Management or relevant sub-Committee for approval prior to contracts being awarded.

**10.6** If there are time constraints, the Board of Management may consider delegating authority to the Chief Executive to approve contracts up to a pre-approved level with a retrospective report presented to the Board at the next available meeting.

**10.7** As outlined above some goods and services may be procured on a basis other than purely price e.g. price, quality and/or sustainability. Where this is the case, appropriate

criteria and ratios will be agreed in advance and be clearly set out for tenderers in advance.

- 10.8** 'Regulated contracts' i.e. those that fall within the scope of the Scottish procurement legislation and regulations, specifically cannot be awarded purely on the basis of price alone. Most Economically Advantageous Tender ('MEAT') must be the basis for any award. The criteria used to determine MEAT will be disclosed in the initial briefing documents and/or PCS advert as part of the Association's transparent approach to procurement.
- 10.9** There may be occasions where non-regulated procurements<sup>2</sup> produce the lowest price from a new firm, but where an existing supplier with a good record in service delivery is only marginally more expensive. In such cases, scope will be given to staff to consider appointing the slightly more expensive company, but in such cases the procurement must be signed off by the CEO.
- 10.10 Negotiation.** Where it is proposed that contracts are procured through negotiation, there must be clear justification for doing so and the decision to enter into contracts based on negotiation must be approved at the appropriate level of authority.
- 10.11 Direct awards.** In exceptional circumstances the Association or other parts of the Group may make an award without a competitive tendering process or obtaining comparable quotes.

A direct award will only be made if:

- There is only one suitable supplier.
- The contract concerns additional or repeat good and/or services linked to a current contract.
- In case of extreme urgency
- There were no suitable tenders in response to a competitive tendering process.

In all cases a report will be presented to the relevant Board of Management for approval of the direct award and a record will be kept in the Contracts register

- 10.12 Contracts and Service agreements.** We will procure certain services through contracts or service agreements for periods of one year or longer, where appropriate. Examples are contracts for the provision of lift maintenance, agreements for the servicing of office equipment, fire and security alarms. Threshold levels for the life of the contract as per Appendix 1 will apply.
- 10.13** The results of tendering exercises for service contracts or agreements will be reported to the next meeting of the Board of Management for approval prior to contracts awarded.
- 10.14 Specialist Suppliers or contractors.** Where there is only one specialist supplier or contractor for a particular item or service, we will seek to negotiate the most advantageous price and terms prior to placing an order or signing an agreement. Details of the discussions held and the reasons for the final recommendation will be fully recorded and reported to the Board for approval should financial limits dictate that Board approval is required.

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<sup>2</sup> procurements that fall below the thresholds triggered by legislation

**10.15 Use of Frameworks.** The Association will consider the use of Frameworks, previously tendered via OJEU/PCS, where appropriate and where Cassiltoun is entitled to make direct call offs/ carry out mini- competitions. Examples are Cassiltoun HA's own Maintenance Framework (2023-2027), the Link Group Framework, NHS Framework, SPA Framework, Scotland Excel and Northern Housing Consortium.

**10.16 Other Methods of Procurement.** We will continually review our methods of procurement to achieve best value for money, meet our duty of sustainable procurement and to comply with current statutory regulations, Scottish Housing Regulator guidance and 'good practice'.

**10.17** We will seek to develop mutually beneficial customer/supplier relationships, particularly with those local contractors and suppliers with which we wish to develop medium to long-term arrangements for the benefit of Cassiltoun Group.

## **11.0 Fair Work Practices**

**11.1** Before undertaking a procurement exercise consideration will be given as to whether it is relevant and proportionate to include a question on fair work practices as part of the competition.<sup>3</sup>

## **12.0 Community Benefits**

**12.1** The Group will consider inclusion of contractual clauses relating to community benefits as appropriate to ensure our community can benefit through training and work opportunities as a result of the expenditure that we undertake.

## **13.0 Payment of contractors**

**13.1** The Group will ensure not only timely payment to contractors but will also make it a contractual requirement that main contractors who sub-contract any elements of their work also provide evidence of timely payment to their sub-contractors.

## **14.0 Repeat and Extended Contracts**

**14.1** Cassiltoun Group is conscious of the time and cost that is involved in the procurement process, both from the organisation's point of view and that of prospective tenderers. As a result, it seeks where feasible and within the boundaries of current procurement legislation and good practice, to develop a partnership approach with contractors and consultants. In this respect, successful completion of specific pieces of work may lead to the offer of further negotiated packages of work in the coming years.

**14.2** The possibility, and maximum duration, of any such extension should be indicated in the original procurement process.

**14.3** In general, contract extensions should only be proposed where the cost lift is at or below sector inflation.

## **15.0 Register of Contracts**

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<sup>3</sup> <https://www.gov.scot/policies/public-sector-procurement/fair-work-in-procurement/>



**15.1** A register of advertised contracts is maintained on the Public Contracts Scotland portal.

**15.2 Contract Register and a record of Tenders.** Cassiltoun will keep and maintain a record of all tenders and a contracts register. The register will hold the following details:

- The date of the award
- The name of the contractor
- The subject matter
- The estimated value
- The start date.
- The end date provided for in the contract.
- The duration of any period for which the contract can be extended.
- Method of procurement
- Entries will only be deleted after the contract has expired or terminated.

## **16.0 Equal Opportunities**

**16.1** An Equality Impact Assessment has been carried out. We do not see this policy having any direct impact upon the protected characteristics contained within the Equality Act 2010.

**16.2** CHA is committed to providing fair and equal treatment to all our customers.

**16.3** CHA will not discriminate against anyone on the grounds of race, colour, ethnic or national origin, disability, religion, age, sexual orientation, marital status, civil partnerships, family circumstances, employment status or physical ability.

**16.4** We will offer customers a range of options for communicating with us, since requiring to contact us may have to be in writing and this may be a deterrent, for example for people with poor literacy skills, visual impairment, or where first language is not English. We will monitor use of our policy and procedure for ethnic origin and disability to ensure that our procedures deliver fair outcomes for different groups of customers.

## **17.0 Processing Information – General Data Protection Regulations**

**17.1** Cassiltoun Housing Association will process information and data in accordance with its Policies and Procedures relating to the General Data Protection Regulations and all owners will be issued with a Fair Processing Notice.

**17.2** All staff members will be made aware of their responsibilities in relation to the General Data Protection Regulations and will be trained in the process that the Association has introduced to ensure compliance with GDPR.

## **18.0 Monitoring and review**

**18.1** The Chief Executive is responsible for ensuring that this policy, and the policies and procedures which support it, are followed by all Board Members and members of staff involved in the procurement process.

**18.2** The Chief Executive is responsible for ensuring that staff implement this policy and the relevant procedures, when procuring goods and services.

- 18.3** On an annual basis, we will review the anticipated value of contracts that will be placed in the coming year to establish if an Annual Procurement Strategy and a Procurement Report are required. This will also be an opportunity to establish if there is scope and benefit to developing a framework for suppliers and to ensure compliance with our sustainable procurement duty.
- 18.4** This policy will be reviewed every three years.
- 18.5** The appendix will be revised depending on the review cycle and Public Procurement Policy Notes [PPN] issued by HM Cabinet Office Last published with a commencement date of 01/01/2024 to 31<sup>st</sup> December 2025.

**APPENDIX 1**

**Procurement Summary**

| <b>Value (excl. VAT)</b>  | <b>Primary procurement methods</b>  | <b>Secondary procurement methods</b>  | <b>Approval</b>                                |
|---|---|---|--|
| <b>&lt; £5,000</b>  | Relevant suppliers schedule of rates / price lists  | Quote from relevant suppliers   | Budget holder                                  |
| <b>£5,001 - £19,999</b>   | Suppliers' schedule of rates / price lists  | Three quotes from approved or relevant suppliers e.g. via Quick Quote function on PCS | Budget holder/CEO (within financial limits)    |
| <b>£20,000 - £40,000</b>  | Minimum of three quotes from approved/specialist suppliers e.g. via Quick Quote function on Public Contracts Scotland (PCS) | Tender via Public Contracts Scotland advert   | CEO  |
| <b>&gt;£40,000 but less than £50,000 (Services and Supplies)</b>  | Tender via Public Contracts Scotland Advert   | N/A   | CEO  |
| <b>&gt;£40,000 but less than £2,000,000 (Works)</b>               | Tender via Public Contracts Scotland advert   | N/A   | CEO (within financial limits) Management Board |
| <b>&gt;£50,000 but less than £214,907 (Services and supplies)</b> | Tender via Public Contracts Scotland advert   | N/A   | Management Board                               |
| <b>&gt;£2,000,000 but less than £5,372,609 (works)</b>            | Tender via Public Contracts Scotland advert   | N/A   | Management Board                               |
| <b>Services and Supplies &gt;£214,904</b>                         | Tender via Find a Tender (FTS)/ Public Contracts Scotland advert  | N/A   | Management Board                               |
| <b>Works &gt;£5,372,309</b>                                       | Tender via FTS/ Public Contracts Scotland advert  | N/A   | Management Board                               |

*These values are Cassiltoun's in-house policy. So, for example, full PCS tendering level has been set at £40,000 even though legislation only requires this for >£50,000.*

*In all cases, a 'call off' from an appropriate framework to which Cassiltoun has access is acceptable.*

*The categories of procurements in the shaded boxes are 'regulated procurements' i.e. subject to legislative requirements.*

*Note that from January 2022, when estimating contract values of regulated procurements, the figure used needs to be inclusive of VAT for the purposes of applying the thresholds. This is a change in practice because of the UK's independent membership of the GPA (World Trade Organisation's Agreement on Government procurement).*

*For the purposes of advertising, the estimated contract value will continue to be provided exclusive of VAT. This applies also for the figure used in contract award notices.*

*(Thresholds updated taking account of Scottish Government uplifts from 1<sup>st</sup> January 2024 through to 31<sup>st</sup> December 2025)*

## EQUALITY IMPACT ASSESSMENT

### Pre – EIA Questionnaire

This questionnaire is designed to identify if an Equality Impact Assessment is required. If the answer is “yes” to any of the question, generally an EIA will be required.

|                         |                           |
|-------------------------|---------------------------|
| <b>TITLE OF POLICY:</b> | <b>PROCUREMENT POLICY</b> |
|-------------------------|---------------------------|

|  |     |
|--|-----|
| Does the policy affect service users, employees or the wider community, and therefore potentially have a significant effect in terms of equality?                | NO  |
| Is it a major policy, significantly affecting how functions are delivered in terms of equality?  | NO  |
| Does it relate to policy areas or issues that previous consultation or involvement activities have identified as being important to particular protected groups? | NO  |
| Does it relate to an area of where the association has identified a need to improve equality outcomes?   | NO  |
| Does it relate to an area where there are known inequalities?  | NO  |
| Does it relate to a policy where there is significant potential for reducing inequalities or improving outcomes?   | NO  |
| Is further action required?  | NO  |
| If so, what action is required?  | N/A |
| Is the action achievable?  | N/A |
| Timescale for action?  | N/A |