



**Drumchapel
Housing**

Co-operative Limited

Procurement policy

Approved by Board
Due for review

August 2025
August 2027

1. Introduction

- 1.1 The Co-operative recognises its responsibilities as a contracting authority and will carry out its procurement activities in a fair, transparent and responsible manner, improving supplier access and embracing collaborative approaches to realise efficiency savings and achieve sustainable benefits for tenants and the wider community.
- 1.2 This Policy sets out the principles that will be applied to all procurement undertaken by the Co-operative, to ensure that the acquisition of supplies, services and works are progressed in accordance with best practice, meeting legislative requirements and our Business Plan Objectives to:
- Strengthen governance and financial control
 - Deliver excellent housing services
 - Provide quality homes in an attractive environment
 - Demonstrate strong financial management and value for money
 - Develop our leadership and staff

2. Aims of the policy

- 2.1 The key aims of this policy are to:
- Comply with all relevant legislative requirements
 - Work collaboratively to improve efficiencies and enhance value for money
 - Ensure that all procurement is proportionate to the size and scale of the requirement
 - Ensure best practice in procurement is applied consistently across the organisation
 - Consider small and medium enterprises in the design of procurement activities
 - Ensure sustainability is considered throughout our procurement activities
 - Incorporate community benefits which positively impact upon the wider Drumchapel area
 - Ensuring that there is a clear audit trail associated with the procurement of all contracts

3. Legislative framework and regulatory guidance

- 3.1 The following legislation and guidance are relevant to this policy:

- Public Contracts (Scotland) Regulations 2015
- Procurement Reform (Scotland) Act 2014
- Procurement (Scotland) Regulations 2016
- Guidance under the Procurement Reform (Scotland) Act 2014
- Scottish Government Construction Procurement Manual
- Scottish Government Procurement Journey
- Freedom of Information (Scotland) Act 2002
- SHR Regulatory Standards of Governance & Financial Management & Guidance 2019

4. Key roles in procurement

4.1 Key roles and responsibilities in relation to procurement are illustrated below:

Board	Ensure appropriate governance and that resources are made available to deliver the policy.
Senior Management Team (budget holders)	Ensure that the function is appropriately staffed, organised and supported.
Officers (purchasers)	Carry out procurement activity in accordance with the policy to comply with legislation and achieve value for money.

4.2 The manager of the purchasing department should ensure that:

- The Procurement policy is followed
- Professional procurement advice/assistance is obtained as required
- Procurement is carried out in accordance with the Co-operatives Financial Regulations and procedures, including authority to procure
- Value for money is achieved
- Contractor performance is effectively monitored

4.3 The roles of budget holder and purchaser should not be performed by the same individual and the Co-operative aims to achieve this via the separation of duties.

4.4 Duties are divided as follows:

- Budget holder (normally the Manager) - has overall responsibility for spending within their budget headings and has authority to commit the organisation to payments and or contracts for the purchase of supplies,

services or works.

- **Purchaser** (normally a staff member) - has authority to issue the invitation to tender or request quotations, place a purchase order and approve invoices for payment.

4.5 Due to the size of the organisation, it is not always possible to split the duties of the budget holder and purchaser. Where this arises, a manager from another section will be nominated to review the procurement process.

4.6 All staff and Board members involved in the procurement of works, supplies or services are required to register declarations of interest, where they exist in relation to a supplier or contactor who is involved in the procurement process.

5. Procurement Levels

5.1 The policy splits procurement of supplies, services and works into the following levels, specially categorised by contract type (unregulated and regulated):

Value (excl. VAT)	Procurement method	Alternative procurement methods	Approval
Unregulated Contracts			
< £1,000 (L1)	Direct award to relevant supplier	Quote from relevant suppliers	Officer level
£1,001-£5,000 (L2)	Suppliers' schedule of rates / price lists or direct award from a Framework	Two quotes from approved or relevant suppliers	Officer level
£5,001-£20,000 (L3A)	Two quotes from approved/specialist suppliers or direct award from a Framework	Tender via Public Contracts Scotland including Quick Quote	Senior Management level
£20,001-£30,000 (L3B)	Three quotes from approved /specialist suppliers	Tender via Public Contracts Scotland including Quick Quote	Director level
Services and supplies >£30,000 but less than £50,000 (L4)	Tender via Public Contracts Scotland including Quick Quote	Three quotes from approved or relevant suppliers or direct award or mini competition from a Framework	Director level or Housing & Maintenance Sub-committee or Management Board

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Works >£30,000 but less than £2,000,000 (L4)	Tender via Public Contracts Scotland including Quick Quote	Direct award or mini competition from a Framework	Director level or Housing & Maintenance Sub-committee or Management Board
<p>For unregulated procurements that do not receive the stated number of quotes we will seek approval or otherwise from the Director.</p> <p>The Management Board will also be notified as a matter of course when the Housing & Maintenance Sub-committee has approved such expenditure.</p>			

Regulated contracts (L5)			
Services and supplies >£50,000 exc VAT but less than £214,904 inc VAT (£179,087 exc VAT)	Tender advertised via Public Contracts Scotland	Direct award or mini competition from a Framework	Housing & Maintenance Sub-committee or Management Board
Services and Supplies >£214,904 inc VAT (£179,087 exc VAT)	Tender advertised via Public Contracts Scotland Find a Tender (FTS)	Direct award or mini competition from a Framework	Housing & Maintenance Sub-committee or Management Board
Works >£2,000,000 exc VAT but <£5,372,609 inc VAT (£4,477,174 exc VAT)	Tender advertised via Public Contracts Scotland	Direct award or mini competition from a Framework	Housing & Maintenance Sub-committee or Management Board
Works >£5,372,609 inc VAT (£4,477,174 exc VAT)	Tender advertised via Public Contracts Scotland Find a Tender (FTS)	Direct award or mini competition from a Framework	Housing & Maintenance Sub-committee or Management Board
<p>For regulated procurements that do not receive the stated number of tenders, we will seek approval or otherwise from the Housing & Maintenance Sub-Committee or Management Board</p> <p>The Management Board will also be notified as a matter of course when the Housing & Maintenance Sub-committee has approved such expenditure.</p>			

- 5.2 Where procurement relates to works and construction related projects, the Scottish Governments Construction Procurement Manual may be consulted for detailed guidance.

5.3 *L1 – Very low value procurement:*

This relates to the purchase of supplies, services or works valued between £0 - £1,000 (excl VAT) and will normally cover the day to day activities of the Co-operative such as reactive repairs or office supplies.

5.4 *L2 – Low value procurement:*

This relates to the purchase of supplies, services or works valued between £1,001 - £5,000 (excl VAT). A single Consultant or Contractor can be appointed where there is no on-going contractual relationship.

5.5 *L3 – Low/Medium value procurement:*

This relates to purchases of supplies, services or works valued between £5,001 - £30,000 (excl VAT). To prevent costly delays, void repair works will be treated as an exception and will be undertaken in accordance with the Void Management policy and framework for reactive maintenance.

- 5.6 Where services relate to a business-critical function, a single consultant or contractor can be appointed, up to a maximum of £10,000 (excl VAT).

5.7 *L4 – Medium value procurement:*

This relates to purchases of services and supplies valued greater than £30k but less than £50k and works valued greater than £30k but less than £2million (all excluding VAT).

These should be progressed in accordance with the Scottish Government's Procurement Journey – Routes 1 or 2 and a minimum of 3 quotes should be obtained.

5.8 *L5 – High value procurement:*

This relates to purchases of supplies and services over £50k and £2 million for works. These should be progressed in accordance with Scottish Government's Procurement Journey – Route 2 or Route 3, where procurement thresholds will be reached or exceeded.

6. The Scottish Procurement Journey

- 6.1 The Scottish Procurement Journey provides one source of guidance for the Scottish public sector. It is updated on a regular basis to take account of changes in legislation and provides a best practice, online tool which leads organisations through the various stages of the procurement process. It incorporates specific guidance and template documents to help ensure legislative requirements are achieved.
- 6.2 The Co-operative will utilise the Procurement Journey Toolkit to determine the most relevant procurement option for each procurement exercise i.e. Journey Routes 1, 2 or 3.

7. Regulated procurement

- 7.1 In carrying out procurement activities, the Co-operative will comply with the Procurement Reform (Scotland) Act 2014 and Public Contracts Scotland Regulations 2015.
- 7.2 Regulated procurement thresholds as at 1st January 2024 are as below (these are reviewed and published every 2 years:

These thresholds are reviewed annually and publicised on the Scottish Government website.	GPA [formerly EU] (gross 20% VAT)	GPA [formerly EU] Indicative Value (net of VAT)	Scottish National
Thresholds for public contracts from 1 January 2024 are as follows; Works	£5,372,609	£4,477,174	£2,000,000
Supplies or Services	£214,904	£179,087	£50,000
Light regime services – e.g. social services, legal services	£663,540	£552,950	
Small lots/Supplies or Services	£70,778	£58,982	
Small lots/Works	£884,720	£737,267	

7.3 In doing so, the Co-operative will:

- advertise all regulated procurement on the Public Contracts Scotland website or award contracts through a Framework established under the terms of the Public Contracts (Scotland) 2015 Regulations by the Co-operative or to which the Co-operative has access
- use electronic means of communicating all regulated procurement procedures where practicable in relation to potential suppliers
- utilise the Single Procurement Document (SPD) format when seeking potential suppliers

7.4 In most situations the procurement of regulated supplies, services or works will require some form of consultancy to ensure that the Co-operative meets its legislative requirements.

8. Unregulated procurement

8.1 The Co-operative will continually review our methods of procurement in order to achieve best value for money and comply with our sustainable procurement duty, current statutory regulations, Scottish Housing Regulator guidance and 'good practice'.

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

The summary table at 5.1 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.

The procurement of supplies, services and works below regulated thresholds (less than £50,000 exc VAT for services & supplies and less than £2,000,000 for works) will follow the same overall principles as regulated procurement, in terms of obtaining value for money in an open, transparent and non-discriminatory manner. The Co-operative will advertise its procurement activities and opportunities, proportionately to the activity to be advertised.

Prices

For supplies 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 the current catalogue or price list, or by requesting details by e-mail.

Quotations

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.

Tenders

Following the development of the appropriate tender documentation, suppliers will be invited to tender. Reports on tenders and recommendations will be presented to the Board for approval prior to contracts being awarded. If there are time constraints, the Board may consider delegating authority to the Director to approve contracts up to a pre-approved level with a retrospective report presented to the Management Board at the next available meeting.

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.

'Regulated contracts' 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 Co-operative's transparent approach to procurement.

There may be occasions where non-regulated procurements produce the lowest price from a new service provider or supplier, 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 re-appointing the existing supplier, particularly where there are other resultant financial and/or resource implications, but in such cases the procurement must be signed off by the Director.

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.

Contracts and Service agreements

We may procure certain services through contracts or service agreements for periods of one year or longer, where appropriate, except in exceptional circumstances approved by the Board. Threshold levels for the life of the contract as per 5.1 will apply. The results of tendering exercises for service contracts or agreements will be reported to the next meeting of the Management Board for approval prior to contracts awarded.

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 Management Board for approval should financial limits dictate that Board approval is required.

Use of Frameworks

The Co-operative will consider the use of Frameworks, pre-tendered to comply with the procurement regulations including via PCS. In such cases the Co-operative is entitled to make direct call offs/ carry out mini- competitions.

Minimum Standards

The Single Procurement Document (Scotland) (SPD) is the Scottish Government 'pre-qualifying questionnaire', available via PCS. The questions ask bidders either to confirm that they meet the minimum standards for selection set out in the tender/ contract notice or to describe how they meet those criteria. The questions contained in the SPD are set and cannot be amended, although questions not relevant to a particular contract can be deleted.

For works and services contracts the insurance requirements & cover limits for contractors/ consultants will be as follows:

- Employers Liability Insurance: all providers £10m.
- Public Liability Insurance: all providers £5m.
- Works or All Risks Insurance: contractors equal to the value of the (annual or one off) contract including VAT.

Professional Indemnity Insurance for design & specification: consultants and contractors in the £sum proportionate to the design services delivered in accordance with industry standards.

9. Exceptional Circumstances

- 9.1 In exceptional circumstances, the Co-operative can look to make a direct appointment out with the tendering process outlined in this policy. An exceptional situation may include one which could have immediate or potential: financial, resourcing or reputational implications for the Co-operative. Any such exceptional measures will require the approval of the Management Board or in immediate situations the Director who will report the decision to the Management Board at the first meeting after the decision.

10. Summary of regulated tender process

- 10.1 There are a number of routes to market as detailed below:

- Open procedure
- Restricted procedure
- Competitive procedure with negotiation
- Competitive dialogue
- Innovation partnership procedure
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- 10.2 The above routes are designed for varying circumstances, however, the routes most commonly used by the Co-operative will be the 'open' (single stage) or

'restricted' (two stage) procedure.

10.3 Frameworks will comprise:

- Publication of a Contract Notice to commence the tender procedure
- Selection assessment (shortlisting) in the case of a restricted procedure
- Invitation to tender (ITT) issued to all interested parties (open procedure) or shortlisted parties (restricted procedure)
- Tender assessment - based on quality/price
- Publication of Contract Award Notice
- 10 day 'standstill' period in the case of regulated procurements, prior to appointment of the preferred tenderer
- Constructive feedback to all successful and unsuccessful bidders, where requested

11. Collaborative Working and Frameworks

- 11.1 The Co-operative will consider procuring contracts through a 'Central Purchasing Body' where value for money can be demonstrated. A Central Purchasing Body is a public body that has procured a contract for specific works, supplies or services on behalf of themselves and/or other public bodies. Where procuring through this route, the Co-operative will satisfy itself Scottish procurement legislation has been complied with by the Central Purchasing Body prior to entering into any contract.
- 11.2 To benefit from economies of scale, increased efficiency and enhanced value for money, the Co-operative will seek opportunities to procure supplies, services and works in partnership with Drumchapel Community Ownership Group (Drumcog) and or other Registered Social Landlords. We will enter into such an arrangement where a business case demonstrates that benefits can be realised for the Co-operative, our tenants and the wider community.

12. Sustainable Procurement

12.1 When designing regulated procurements, the Co-operative will consider its sustainable duty and seek ways to:

- Improve the economic, social and environmental wellbeing within communities
- Offer opportunities for small and medium enterprises, third sector bodies and supported businesses
- Encourage innovation through award criteria that takes account of positive environmental activities, including design and materials, manufacturing, logistics, service delivery, recycling and waste disposal

13. Community Benefits

13.1 Community Benefits will be included in all regulated procurement, unless there is sufficient justification stated in the Contract Notice. Inclusion of Community Benefits will be optional but preferred in unregulated procurements. The required outcomes will be determined by the Co-operative considering the nature of suppliers, duration, value and type of contract.

13.2 Community benefits are not limited to but may include:

- Activities to assist job readiness of disadvantaged groups or individuals by improving skills, abilities and confidence
- Creating training and employment opportunities
- Maximising income for communities who are financially disadvantaged
- Progressing initiatives to improve the local environment
- Accessing new funding streams to sustain community projects
- Supporting local initiatives or groups through the provision of financial assistance, proportionate to the contract value or by in-kind contributions

14. Living Wage

14.1 As a living wage employer, the Co-operative is committed to promoting the Scottish Living Wage and will encourage suppliers and contractors to adopt the same commitment.

15. Health & Safety

15.1 All consultants and contractors will be required to demonstrate the highest

commitment to health and safety before being considered for work. Through award criteria, contractors will be asked to demonstrate how they promote and manage health and safety. This may be supported by the provision of appropriate risk assessments and method statements. Health & Safety practice will be assessed on pass or fail basis at SPD stage.

16. Tender Opening

- 16.1 Tenders will not be opened before the submission time and date. For hard copy tenders the date and time received will be marked clearly on the envelope and signed by the member of staff accepting delivery, then stored in a lock fast area until the opening. Tenders or quotes received in hard copy will be opened by **at least one staff member and at least one Board Member.**

Tenders procured via Public Contracts Scotland (PCS) will be returned electronically by upload to the PCS postbox facility. The postbox will be unlocked/ opened in the presence of **one staff member if they are opened by procurement consultants through PCS or by at least one staff member and at least one Board Member if a consultant is not used.**

The details of the tenders received, the attendee who opens the tenders or unlocks the PCS postbox, tenderers names, tender prices, and the persons present at the opening will be recorded in the Co-operative's Tender Register.

- 16.2 The Co-operative will not accept any hard copy tenders submitted after the deadline for submissions and suppliers should be notified where this arises., Public Contracts (Scotland) Regulations 2015 have a procedure relating to late submissions.
- 16.3 Where only two tenders are received, consideration should be given to re-starting the process, with a view to securing higher levels of engagement. In making such a decision consideration should also be given to the size of the market and likelihood that additional interest will be obtained.
- 16.4 If only one tender is received consideration should be given to why this has occurred e.g. has the market been restricted in some way or has the opportunity been unattractive. In such cases, consideration may need to be given to restarting the tender process.

17. Tender Evaluation & Award

- 17.1 Formal tenders may be evaluated on price (only from a framework) or price/ quality basis.

Price/ quality involves applying the scoring and weighting process stated in the tender documents.

The Co-operative will use appropriate price/quality criteria dependent on the type, scope and cost/ quality importance of the contract. Accordingly, a tenderer will not necessarily be successful by submitting the lowest price, without also addressing the quality elements in the tender. The price/ quality split to be applied will be agreed by the Co-operative prior to contracts being advertised.

The Co-operative will not instruct acceptance of a tender until:

- The tenders have been checked and a tender report issued.
- Contract cost has been agreed and confirmed.
- Any statutory permissions have been received.
- Board have approved the appointment.

- 17.2 Upon awarding the contract an appropriate Award Notice shall be issued on Public Contracts Scotland. The Co-operative will ensure that for each project there is a formal contract formed between the two parties concerned.

18. Contract Management and Reporting

- 18.1 All contracts should be carefully monitored to ensure that services are delivered in accordance with the conditions of the contract. High value and or risk contracts will generally require the highest level of management.

Contractor performance will be reported to the Management Board on a regular basis, however, high value, short term contracts will require greater levels of reporting. Performance monitoring and reporting should focus upon key outcomes, including:

- Adherence to the programme
- Services delivered within cost
- Quality of service or supplies
- Customer service and satisfaction
- Number of complaints and approach to complaint resolution
- Adherence to health and safety
- Community benefit outcomes
- Specific measures

19. Summary

- 19.1 It is the Co-operative's Policy to take a strategic approach to procurement of contractors and so our policy allows for the following types of procurement:
- Balancing Quality and Price (tendering openly on PCS)
 - Framework Agreements
 - Price tender mini competition by Framework contractors (PCS Quick Quotes)
 - Negotiation (where justifiable)

The Co-operative will approve the most appropriate method of contract procurement, taking into account the objectives the Co-operative is aiming to achieve e.g. cost certainty, high quality, balancing price & quality, standards of customer care, specification and service. The needs of the Co-operative and our customers will be a primary consideration in the choice of procurement method.

All supplies and services contracts with an anticipated contract value of £50,000 and above and works contracts with an anticipated contract value of £2,000,000 and above must be 'widely advertised'.

The Co-operative may invite tenders by any competent method, however Public Contracts Scotland (PCS) is a free to use Scottish Government website which is deemed to satisfy the 'widely advertised' requirement of the regulations. The Co-operative conforms to good practice guidelines and will aim to advertise all contracts with an estimated value of over £50,000. An exception to this is where the Co-operative can call upon a suitable Framework procured in accordance with the regulations, already in place.

20. Equality and diversity

- 20.1 Equality and diversity reflect the core values of the Co-operative. We strive to ensure these values are embedded throughout all of the services we provide in addition to our policies, procedures and decision-making. We are committed to promoting an inclusive and diverse culture that treats every individual with dignity, respect and fairness. We will actively challenge discrimination and empower people to succeed.
- 20.2 We will ensure that the Procurement policy is applied in a manner that is consistent with our Equality and Diversity Policy. We will not discriminate against anyone because of their age, sex, marital status, sexuality, disability, race, nationality, language or social origin, or other personal features including beliefs or opinions such as religious beliefs or political opinions.

20.3 Reference can be made to our Equality and Diversity Policy for further details.

21. Dealing with complaints

21.1 All complaints will be dealt with in accordance with the Co-operative's complaints handling procedure and as a learning organisation we will utilise information from both complaints and comments to improve our services.

22. Contracts register

22.1 The Co-operative will maintain an online register of all regulated procurements.

23. Policy review

23.1 This policy shall be reviewed every two years after procurement thresholds are published (1st January every even numbered year).

Drumchapel Housing Co-operative Limited Equality Impact Assessment Tool



Name of the policy / proposal to be assessed	Procurement Policy	Is this a new policy / proposal or a revision?	Revision
Person(s) responsible for the assessment	Jackie McGoran, Finance & Corporate Services Manager		
1. Briefly describe the aims, objectives and purpose of the policy / proposal	<ul style="list-style-type: none"> • Comply with all relevant legislative requirements • Work collaboratively to improve efficiencies and enhance value for money • Ensure that all procurement is proportionate to the size and scale of the requirement • Ensure best practice in procurement is applied consistently across the organisation • Consider small and medium enterprises in the design of procurement activities • Ensure sustainability is considered throughout our procurement activities • Incorporate community benefits which positively impact upon the wider Drumchapel area • Ensuring that there is a clear audit trail associated with the procurement of all contracts 		

Procurement policy



2. Who is intended to benefit from the policy / proposal? <i>(e.g. applicants, tenants, staff, contractors)</i>	Organisation, Tenants, Board and staff contractors and stakeholders
3. What outcomes are wanted from this policy / proposal ? <i>(e.g. the benefits to customers)</i>	Ensuring the best possible standard of goods and services whilst ensuring value for money and benefiting from community benefits which have a positive impact for tenants

4. Which protected characteristics could be affected by the proposal? (tick all that apply) <div> <input type="checkbox"/> Age <input type="checkbox"/> Disability <input type="checkbox"/> Marriage & Civil Partnership <input type="checkbox"/> Pregnancy/Maternity <input type="checkbox"/> Race </div> <div> <input type="checkbox"/> Religion or Belief <input type="checkbox"/> Gender <input type="checkbox"/> Gender Reassignment <input type="checkbox"/> Sexual Orientation </div>		
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 specific reference or benefit to any group above another.		
6. Describe the likely positive or negative impact(s) the policy / proposal could have on the groups identified in part 4	Positive impact(s)	Negative impact(s)

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: J McGoran (Job title): Finance & Corporate Services Manager

Date the Equality Impact Assessment was completed: 28 July 2025