

Procurement Policy

Policy Number: G29

Prepared By	Corporate Services		
Policy Created	Procurement Policy		
Effective Date	March 2024		
EIA Status	Initial Screening Conducted	Yes	No
		X	
	Full EIA Conducted	Yes	No
			X
Review Date	March 2027		
Posted on Website	Yes		

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1. Introduction

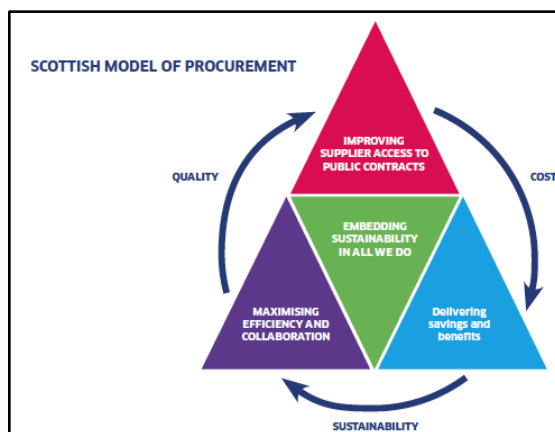
- 1.1. Clyde Valley Group (CVG) seeks to procure services in a manner that complies with current legislation and best practice. CVG income is predominantly from customers rent and grant funding from Scottish Government for development spend and it's important that we spend this money wisely, can demonstrate fair procurement, value for money and maximise benefits from the spend.
- 1.2. Sustainable procurement and obtaining value for money through our procurement procedures is of paramount importance to CVG and our stakeholders.
- 1.3. Public sector procurement in Scotland is based on five key principles: Equal treatment, transparency, proportionality, mutual recognition and confidentiality.
- 1.4. This policy aligns with the Public Procurement Strategy for Scotland 2023 ensuring that CVG procurement activities are good for businesses and employees, good for society, good for places and communities and open and connected

2. Legislation and Good Practice

2.1 The legal framework which governs public procurement includes:

- The Procurement Reform (Scotland) Act 2014- 2014 Act
- Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016- 2016 Regulation.
- Bribery Act 2010
- Public Procurement Strategy for Scotland 2023-2028

This Procurement Policy will ensure concept of value for money in procurement - an informed balance between cost, quality, and sustainability. The Value for Money triangle illustrates the Scottish Model of Procurement.



3. Aim of Policy

- 3.1 This policy should be used in conjunction with the Procurement Manual which is reviewed annually. The Procurement Manual outlines all procurement activities that CVG may be involved in including key roles and responsibilities and a procurement process overview. The process outlined in the Procurement Manual must be adhered to at all times.

4. Equality, Diversity and Inclusion

- 4.1 The Group is committed to reviewing services and policies to remove any discrimination and to ensure that the Group fulfils its duties in relation to equality, diversity and inclusion (EDI). Procurement practice will reflect this commitment by encouraging relationships with contractors and service providers who are equally committed to EDI.
- 4.2 The Group will use clear and precise language in all procurement documentation. The Group will not design a procurement process to favour any particular supplier.

5. Contracts Award and purchase orders

- 5.1 Award of contract will be made by the procuring member of staff using PCS within 5 working days of a decision being made. This will generate notification to the successful and unsuccessful tenderers and a purchase order will be issued to the successful bidder.
- 5.2 The Group operate a "No Purchase Order, No Pay" policy.
- 5.3 The Group has a Contracts Register in place and all awarded contracts must be entered into this register within 5 working days of awarding the contract. Ordering of any goods and services must be called off only from contractors on the CVG register unless a new procurement exercise takes place.

6. Documents and Templates

- 6.1 The Group will provide a bank of template documents that are reviewed regularly by Corporate Service Team and these should be used for all procurement.
- 6.2 Single Procurement Document (SPD) should be used only as the electronic version on Public Contracts Scotland. The [SPD](#) contains mandatory and discretionary exclusion criteria, and also selection criteria.

7. Value for Money

- 7.1 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 will assess price and quality. All procurement should meet with the Group's Value for Money Statement. The contract will normally be awarded to the Most Economically Advantageous Tender (MEAT).
- 7.2 We will ensure that our procurement processes are fair and comply with legal requirements and Scottish Government legislation, particularly the changes required by the Procurement Reform (Scotland) Act 2014 and any supplementary guidance issued by the Scottish Government.
- 7.3 The weighting of price/quality and of individual quality questions has a significant impact on the outcome of the tender. The rationale for weightings must be included in the Pre-Procurement Plan. Having a higher quality: price ratio does not in itself guarantee a quality product or service. In fact, ensuring that only suitably qualified and capable suppliers get

through the qualification (SPD) stage, and having a sound specification is just as important. Generally speaking, the greater the potential for variation in quality of goods/services/works (assuming that variations in quality matter) the greater the weighting on quality needs to be in the tender.

- 7.4 Following evaluation of tender responses and application of award criteria, all tenders will be scored, and a contract award decision will usually be made. The contract will normally be awarded to the Most Economically Advantageous Tender.

8. Sustainability

- 8.1 We recognise the importance of sustainable procurement and our duty to demonstrate that we are procuring in a manner that improves economic, social and environmental wellbeing of the communities in which we operate. All procurement should meet with the Group Sustainability statement.

9. Community Benefits

- 9.1 A register of Community Benefits will be populated with appropriate contracts and updated quarterly.
- 9.2 Community Benefits must be maximised from all contracts to provide added value to Group procurement. The contract manager of each contract must ensure that what was outlined in the tender document as tender award in respect of community benefits is met throughout the lifetime of the contract.

10. Contract & Supplier Performance Management

10.1 Proportionality

Contract and supplier management takes time and resources and therefore the extent of management has to be proportionate to the risk and impact of poor performance.

10.2 Benefits of contract and supplier management

Successful contract and supplier management will mean:

- service delivery is satisfactory to both parties
- the expected business benefits and value for money are being achieved or exceeded
- the supplier is efficient, co-operative and responsive
- the supplier and the Association understand their obligations under the contract
- there are no surprises
- there are no disputes
- professional and objective discussions over changes and issues are straightforward and easily managed
- efficiencies are being realised
- the Association's market knowledge improves, and benefits future contracts

- 10.3 In order to achieve this, the contract owner must meet regularly with the supplier and have open and professional dialogue with them. The supplier should feel able to raise any issues or concerns. The KPIs will provide a framework for the discussion with the supplier re. performance. There may be formal review milestones in the contract.

10.4 Any issues will be immediately highlighted to the relevant Director.

10.5 Annual performance review

In the absence of anything formal in the contract, a formal Performance Review will be undertaken at the end of every year of the contract period to document the effectiveness of the service provided and to record the level of satisfaction with the supplier.

10.6 Dealing with under performance

Where the working practices of a supplier fall short of the standards expected by the Association, we take steps to improve the situation. The Association must not allow its reputation to be diminished by the activities or poor performance of a supplier.

Where there is a material breach of contract this will be reported to the next relevant Board meeting.

11. Procurement Strategy and Report

11.1 The Association is required by law to produce a Procurement Strategy annually and share with Scottish Government.

11.2 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 Procurement Report are required. This will also be an opportunity to establish if there is scope and benefit to developing a framework for suppliers.

11.3 Each year, the Association will assess its planned procurements for the coming year to establish if a Procurement Strategy is required, in line with legislative guidelines.

11.4 A Procurement Report will be presented to Board annually using the template for the Scottish Government website. The report is a requirement of the Procurement Reform (Scotland) Act 2014 a contracting authority which is required to prepare an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of that financial year.

11.5 Both the Procurement Strategy and Report are completed collaboratively by all teams involved in procurement activities in CVHA and presented for approval to Board annually before being shared with Scottish Government and uploaded to CVHA website.

12. Relationship to Other Policies

12.1 This policy should be read in conjunction with the following documents:

- Procurement Manual
- Group Sustainability Statement
- Scheme of Financial Delegation
- Standing Orders & Delegated Authority
- Data Protection and Information Sharing Policy
- Gifts, Hospitality, Payments and Benefits Policy
- Whistleblowing Policy
- Code of Conduct
- Fraud, Bribery and Money Laundering Policy

- Whistleblowing Policy Group Procurement Policy
- Data Protection Policy
- Freedom of Information Policy

13. Monitoring and review

- 13.1 The Chief Executive is responsible for ensuring that this policy, and the policies and procedures which support it, are followed by all Board and members of staff involved in the procurement process.
- 13.2 The Chief Executive is responsible for ensuring that staff implement this policy and the relevant procedures when procuring goods and services.
- 13.3 This policy will be reviewed thereafter every 3 years.

APPENDIX 1 - Procurement Summary

Value (exc. VAT)	Primary procurement methods	Secondary procurement methods	Approval
<£5,000	Suppliers' schedule of rates/price lists	Three quotes from approved suppliers	Budget holder and Leadership Team
£5,000-£20,000	Three quotes from approved suppliers	Public Contracts Scotland ('Quick Quote' procedure)	Leadership Team
Goods and services £20,000-£50,000	Quick Quote via PCS	N/A	Leadership Team
Works £20,000-£2,000,000	Quick Quote via PCS	N/A	Leadership Team & CEO Board
Goods and Services >£50,000	Tender via Public Contracts Scotland	N/A	Board
Works >£2,000,000	Tender via Public Contracts Scotland	N/A	Board

**Please refer to Scheme of Delegation.

Policy Change History

Version No	Substantive Change	Author of Change	Approval	Date	Website
1.0	New policy	L Hughes	Board	7/3/24	Yes