

PROCUREMENT GUIDE.

AS WITH ALL OF THE ASSOCIATION’S POLICIES and PROCEDURES, THIS GUIDE, IN FULL AND IN PART, CAN BE MADE AVAILABLE IN SUMMARY, ON TAPE, IN BRAILLE, AND IN TRANSLATION INTO MOST OTHER LANGUAGES –

PLEASE ASK A MEMBER OF STAFF IF YOU WOULD LIKE A VERSION IN A DIFFERENT FORMAT

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1.0 INTRODUCTION

- 1.1 This document outlines the Association's procedures for procuring services, goods and works contracts and is designed to ensure compliance with the relevant legislation, regulations and guidance that regulate procurement activities.
- 1.2 The Associations aim is to ensure that all our procurement activities achieve value for money based on four key principles:
1. Transparency
 2. Accountability
 3. Fairness
 4. Proportionality.
- 1.3 Procurement is defined as the process of acquiring, goods, services and works at the best whole-life costs, in the right quantity, at the right quality, at the right time and in the right place. The Association recognises that the lowest cost is not always the best value.
- 1.4 This procurement guide is applicable across all functional areas and mandatory procedures shall be followed for all regulated contracts above the relevant thresholds and the same principles, whilst not mandatory, should be followed whenever possible for procurement below the threshold levels, taking into account the Associations Standing Order and Financial Regulations.
- 1.5 Although contracts that fall below the threshold value for 'Lower Value Regulated Procurements' do not need to comply with EU or Scottish procurement legislation there is still an overarching requirement that probity is demonstrated at all times when procuring services, supplies and works
- 1.5 Where there are legitimate business reasons or it is not considered cost effective to carry out procurement in line with the relevant guidance the reasons will be noted on file and in the contract register.
- 1.6 The Association will produce and maintain a Contract Register listing all contracts with an expenditure of over £5,000 plus VAT per annum and the Property Services Manager will present a report to the Committee of Management annually at the earliest opportunity after the end of the financial year.
- 1.7 The Scottish Government have published a Construction Procurement Handbook December 2018 and whilst primarily aimed at construction, the general principles and legislative requirements can equally be applied for other non-construction procurement. This handbook contains further more detailed

information on procurement and tendering requirements and is a good reference point when considering all types of procurement activity.

2.0 OBJECTIVES OF THE PROCUREMENT GUIDE.

- 2.1 Demonstrate that value for money has been achieved both in the commissioning of individual contracts, and for the Association as a whole.
- 2.2 Ensure that all suppliers and contractors are competent, have sufficient resources and are committed to providing a quality service
- 2.3 The Association adopts the most appropriate procurement route to deliver best value for money in terms of whole life costs, optimising efficiency and effectiveness including the establishment and use of existing compliant frameworks to deliver a more efficient and effective tendering outcome
- 2.4 Ensure compliance with the relevant statutory obligations and the Association's Standing Orders and Financial Regulations for both regulated and unregulated contracts.
- 2.5 Ensure equal treatment of all suppliers and contractors and provide transparency and proportionality for all aspects of the procurement process
- 2.6 Provide staff with general guidance in order to consistently apply good procurement practice across the Association.

3.0 COMMITTEE APPROVAL.

- 3.1 It is essential that the Committee is kept well informed to ensure that it can make knowledgeable and effective decisions and to ensure accountability, openness and transparency in the procurement process.
- 3.2 In this respect, it will be incumbent on the lead officer procuring services, goods or works to ensure that during the selection and procurement processes the Association's Committee:
 - Approves the successful contractor and the submitted tender on completion of the selection process.
 - Where appropriate, is advised of the performance of the contractor through the issue of regular reports presented at the Committee of Management.
 - Is informed of the final evaluation of the contractor's performance following the Internal Post Completion Review.

- Approves any extension of the contract in line with the conditions contained in the contract award.

3.3 The Association's Committee generally meets on a monthly basis and where an approval is required outwith the Committee cycle, a Special meeting should be called or the Executive Team will arrange with the Office Bearers delegated authority to approve the selection process and appointment. The contract award will be homologated at the next available meeting by the Committee.

4.0 LEGAL FRAMEWORK.

4.1 The purchase of all goods, services and works by public bodies over the threshold levels are subject to a legal framework designed to encourage free and open competition and deliver value for money, in line with internationally and nationally agreed obligations and regulations.

4.2 The following are the key pieces of legislation relating to public procurement in Scotland:

- [EU Directive 2014/24 on Public Procurement](#) (*the Directive*).
- The [Public Contract \(Scotland\) Regulations 2015](#) (*The 2015 Regs*). This transposes the EU Directive into Scots Law.
- The [Procurement Reform \(Scotland\) Act 2014](#) (*The Act*)
- The [Procurement \(Scotland\) Regulations 2016](#) (*the 2016 Regs*). These Regulations give effect to the Act.

4.3 Where public bodies seek service contracts over specified threshold values the European Directive requires that opportunities are advertised in the Official Journal of the European Union (OJEU).

4.4 The EC Procurement Directive promotes open competition for European public contracts to support the free market and help ensure value for money in public purchasing. It aims to avoid discrimination between suppliers and requires that procurement procedures are open and transparent.

4.5 Registered Social Landlords such as WSHA are regarded as public bodies for the purposes of procurement and must therefore comply with the requirements of the EU Directive on Public Procurement and supporting Scottish legislation and Regulations.

4.6 WSHA will aim to carry out all procurement activities within the requirements of the EU Directive and associated UK and Scottish Government legislation. Staff

will take legal advice where required if there is any dubiety about whether the proposed procurement is considered a works, services or supply contract.

5.0 PROCUREMENT PRINCIPLES.

- 5.1 The Association will aim to ensure that our procurement practices comply with the principles of equal treatment, non-discrimination, mutual recognition, proportionality and transparency.
- 5.2 The Scottish Model of Procurement promotes value for money as being an appropriate balance between cost or price, quality and sustainability.
- 5.3 These procedures apply equally to the procurement of works, goods, services, appointment of contractors and consultants and the purchase of supplies.

6.0 PROCUREMENT THRESHOLDS.

- 6.1 The system in Scotland for public sector procurement identifies two categories of procurement, regulated procurement and non-regulated procurement. Whether a procurement is considered to be regulated or non-regulated is determined by whether the estimated contract value is equal to or exceeds thresholds set out in Appendix 2.
- 6.2 Where contract estimated values are over the thresholds the procedures prescribed by the requirements of the relevant legislation must be followed.
- 6.3 The thresholds applicable to the Public Contract (Scotland) 2015 Regulations are adjusted every two years, with the current thresholds applicable from 1 January 2018 listed in Appendix 2.

7.0 CLASSIFICATION OF CONTRACTS.

- 7.1 Contracts generally fall into one of three types; those for works, those for goods and those for services. It is important to establish at the outset if the contract is for work, services or goods and for most of the time this should be obvious from the subject matter.
- 7.2 Where it is less clear cut and a contract may be for more than one type of requirement, for example works and services, works and goods or perhaps services and goods the following will help to determine of the contract type.

- Where a particular contract covers both goods and services, the part with the highest value will dictate what type of contract it is.
- If it covers works and goods or works and services, it should be classified according to its predominant purpose.

However, if there is any doubt regarding the contract type, appropriate professional advice should be sought prior to proceeding with the procurement.

8.0 ESTIMATING THE VALUE OF CONTRACTS.

- 8.1 The estimated value of the contract must be established in order to determine the relevant threshold and legislation which is to be applied.
- 8.2 Splitting up contracts in order to keep them below the threshold values is strictly prohibited. Where a contract is divided into lots, it is the aggregate value of these lots that must be taken into account when deciding the procurement route to be followed. This is particularly important when setting up a framework, where it is the total value of contracts envisaged under the framework and over the term of that framework that must be taken into account.
- 8.3 In the case of a works contract, the value will include the estimated value of any goods and services that are necessary for executing the works. For example, a works contract may primarily be for structural repairs but the contract will also include the provision of any materials and services in the shape of architects, cost consultants and engineers.
- 8.4 The individual elements should be considered against each other with the overall classification being determined by the element which forms the greater value of the contract. For certain goods and services contracts that are regular in nature and are intended to be repeated in a given time, the total value of all the contracts must be aggregated and if the aggregated total is equal or more than the threshold then the prescribed procedures must be applied.
- 8.5 Contract values are calculated net of VAT and if the estimated value of a particular contract is within 5% of the threshold line between two categories, the procedure for the higher value category should be followed.

9.0 PROCURMENT PROCEDURES.

- 9.1 The 2015 Regulations set out six procurement procedures for advertising contracts and selecting the companies, for use in all procurements which are subject to the regulations. These are:
1. Open Tender
 2. Restricted Tender
 3. Competitive Dialogue
 4. Competitive Procedure with Negotiation
 5. Innovation Partnership and
 6. Negotiated procedure without prior publication.
- 9.2 For the Association the majority of procurement activity for supplies, services and works will be taken to the market using either the open or restricted methods depending on the complexity, type and value of the work being procured.
- 9.3 The use of the competitive procedure with negotiation and competitive dialogue are more appropriate for complex procurements where readily available solutions need to be adapted or the contract requires innovative design solutions. Their use will be following careful consideration of the advantages and disadvantages of them in the context and complexity of the project at hand.
- 9.4 The innovation partnership procedure is aimed at the development of innovative solutions not available on the market and which will require a commitment to research and development in order to deliver them. The Association is unlikely to ever consider this option.
- 9.5 The negotiated procedure is an option where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure or where there are technical or specialist reasons and there is no reasonable alternative option available.
- 9.6 The Act and 2016 Regulations provide the regulatory framework for the conduct of procurements below the OJEU thresholds as set out by the 2015 Regulations but the Act does not mandate any particular procurement procedures. The Association for procurements below the OJEU thresholds will aim to follow similar procedures proportionate and appropriate to the contracts being awarded and adhere to the principles of equal treatment, non-discrimination, transparency and proportionality.

- 9.7 Procurements below the thresholds established by the legislation are not regulated and whilst there is more discretion below these thresholds the Association will aim to follow similar processes to those for above, proportionate to the complexity, type and value of works, supplies or goods contracts.
- 9.8 The Scottish Government has produced guidance to assess the most appropriate procurement route based on risk, value and complexity and the Association will utilise the online Procurement Journey tool, wherever possible, to ensure up to date procurement best practice is followed.

The online tool is regularly updated to reflect any changes in legislation and best practice and there are three different routes to be followed depending on the cost and complexity of the procurement requirements:

- Route 1 – Provides guidance on procurements of relatively low value, low risk, non-repetitive nature below the regulated thresholds,
- Route 2 – Provides guidance on regulated procurements which are between £50K and the OJEU threshold,
- Route 3 – Provides guidance for more complex regulated procurements of OJEU threshold and above.

The Procurement Journey web site can be found using the following link:
<https://www.procurementjourney.scot/procurement-journey>

10.0 TENDERING REQUIREMENTS.

- 10.1 The Public Contracts Scotland (PCS) portal allows for the uploading of electronic tender documents, prior information notices, contract notices, award notices, pre-qualification questionnaires, specifications, contract documents, clarification questions and answers and submission of tender returns to the electronic post box.
- 10.2 The PCS portal shall be used for all regulated contract procurements in order to comply with Section 23 of the Act and the Association will consider the appropriateness of using the portal for procuring contracts for works, services and goods below the mandatory threshold levels.
- 10.3 The 2015 Regulations no longer allow for price only tendering and must also include a quality assessment. Details of the cost:quality ratio scoring and any weighting mechanism must be clearly identified and included in the tender documentation.

- 10.4 Tenders that require Committee approval shall be opened by the Lead Officer and witnessed by a member of the Committee and a member of staff. This includes tenders submitted via the portal or by mail.
- 10.5 The Lead Officer is responsible for ensuring that any formal contract deemed necessary and included in the tender documents is prepared and on appointment is signed by the relevant parties or alternatively the terms and conditions are clearly identified and agreed before proceeding with any works, goods or service contracts.
- 10.6 The terms of any formal contract to be entered into must be included in the tender documentation and the tender submission should include a statement to the effect that, by returning the tender, the tenderer is deemed to have read, understood and taken legal and insurance advice on the terms and conditions of the contract and that no amendments or deletions to the contract terms set out in the tender document will be accepted after the tender has been awarded.
- 10.7 The mandatory procurement rules only apply to regulated contracts and the Association may decide not to apply the rules for lower value contracts estimated to be below £10K dependant on the business case and level of risk.
- 10.8 In respect of Development Projects, whereby the Association is approached by a Developer or Contractor, who owns or controls a site within our area of operation and they wish to negotiate an appropriate development scheme, the standard tendering procedures will not apply.
- 10.9 Development schemes brought to the Association in this manner will be subject to a financial appraisal to determine value for money and a full due diligence process to ensure compliance with Glasgow City Council Development and Regeneration Services (DRS) grant funding requirements.

11.0 TENDER THRESHOLD LEVELS.

11.1 Small contracts for works, goods and services – Less than £50,000

Contracts with values below are not regulated by the 2014 Act and can be awarded on the basis of price only or price and quality as agreed and set out in the tender/pricing documents.

Whilst there is no mandatory requirement to publicly advertise these contracts the Association in line with good practice will aim to publish these lower level of contracts using the Quick Quote method on the PCS portal.

For small contracts where the Quick Quote is not considered appropriate, then quotes/estimates will be obtained in line with the schedule listed in Appendix 3. Contracts with a value between £15K and £50K should be advertised using the PCS Quick Quote route.

11.2 Medium Contracts for Works - £50,000 to £2,000,000

Works contracts are not regulated but to ensure value for money the Association will follow the same tendering process as for regulated contracts (with the omission of the 'sustainable procurement duty') wherever possible unless there are valid reasons to procure works through a different route.

11.3 Regulated Contracts for Goods and Services over £50,000 and Works over £2,000,000

Contracts over the threshold levels are regulated by the Procurement Reform (Scotland) 2014 Act and must follow the mandatory requirements to ensure that:

- All relevant contractors and suppliers are treated equally and without discrimination
- The Association acts in a transparent and proportionate manner and
- Complies with the 'sustainable procurement duty'

All regulated contracts will be advertised on the PCS portal and tendered in line with one of the methods outlined in section 8 above. For the majority of Procurement activity the Association will use either an Open Tender or Restricted Tender procedure.

11.4 Large Regulated Contracts for Works over £4,000,000

Contracts over the threshold are regulated by the Procurement Reform (Scotland) Act 2014 and the procurement process is the same as for the lower value regulated contracts, with the additional requirement to consider community benefits. If community benefits are not to be included the reasons must be stated in the contract notice.

11.5 Large contracts for Goods and Services over £164,176 or Works contracts over £4,104,394 (EU threshold levels).

The procurement process for contracts above the EU thresholds are the same as for regulated contracts with the additional requirement that they should be advertised in the Official Journal of the European Union. The PCS portal has the ability to include this option.

Procurement over the EU thresholds will normally be procured using the two stage restricted procedure using the standard PQQ to shortlist and manage the number of suppliers invited to tender to an appropriate level.

12.1 FRAMEWORKS.

12.1 A framework is basically an agreement where all (or at least some) of the terms and conditions on which parties will enter into future contracts (call offs) have been procured in compliance with the relevant legislative requirements. Some restrictions exist as to their use, for example:

- The framework must not exceed 4 years save in exceptional cases justified by the subject of the framework agreement,
- The framework must identify those contracting authorities who will be entitled to use it at the outset and
- Substantial changes must not be made to any of the agreed terms of framework agreement.

12.2 The Association will seek to use complaint frameworks such as Scottish Procurement Alliance (SPA), Procurement for Housing Scotland (PfH) or individual housing association frameworks where possible and appropriate.

Call off contracts can be achieved by one of the following two methods:

- Holding a mini competition among the suppliers on the framework or
- By applying the terms of the framework itself whereby the framework may provide for contracts to be allocated on strict rotation between the suppliers or it may identify contracts of a certain type to a certain supplier on the framework.

12.3 The Association can procure the services of a contractor for an individual project or programme or may also consider the establishment of a Framework Agreement. Framework Agreements provide a means of awarding contracts that breach the OJEU thresholds without the need to re advertise and re apply the selection and award criteria for individual contracts and are particularly appropriate for projects where the scope of works over a defined period is large scale, e.g. an ongoing planned programme of works or responsive repairs measured term contract.

13.0 PUBLISHING AND ADVERTISING CONTRACTS.

13.1 When it has been established what type of contract is being procured, i.e.

unregulated or regulated, consideration must be given to the method of informing the market of the opportunity.

- 13.2 Contract notices for regulated procurements must be published on the National portal, [Public Contracts Scotland \(PCS\)](#). It is good practice to advertise some unregulated procurements on PCS and the Association will consider each contract on an individual basis.
- 13.3 Procurements regulated under the 2015 Regulations must also be published in the [Official Journal of the European Union \(OJEU\)](#) and must follow the exact format required by the OJEU. The PCS system automatically generates the OJEU Notice and the principal means of making a call for competition, that is, advertising the procurement, is by a contract notice. However a Prior Information Notice (PIN) can also be used as call for competition.

14.0 PRIOR INFORMATION NOTICE (PIN).

- 14.1 The PIN is used as a way of giving advance notice of forthcoming procurements and this could include information on the estimated requirements for the financial year for supplies and services or, for works contracts, the total requirements for the project over a number of years. This allows suppliers to ready themselves for the procurement and could be used to reduce the procurement timescales.
- 14.2 Secondly, a PIN can be used as a call for competition.

15.0 CONTRACTOR/SUPPLIER SELECTION.

- 15.1 In selecting suppliers or contractors the Association will test the market at the point at which the works, goods or services are required to be procured. In this way the Association believes it will obtain 'Best Value' by selecting contractors on the basis of quality and cost whilst also responding flexibly to changing and evolving markets.
- 15.2 Selection is the process by which the Association provides assurance that the company, which has either requested to be considered for a tender process or has submitted a tender, is assessed for suitability to compete. It should be noted that under the Open Procedure, any supplier may submit a tender. This, however, does not preclude the use of selection criteria to ensure that the successful tenderer meets the minimum standards, and should otherwise not be excluded from the competition.
- 15.3 The other procurement procedures listed in section 8 are all two stage procedures, which allow for shortlisting a restricted number of bidders that will

be invited to tender. The shortlist must provide genuine competition and the 2015 Regulations stipulate that under the restricted procedure a minimum of five bidders are invited to tender although they allow for fewer when fewer bidders qualify. However, the number invited to tender must be sufficient to allow genuine competition. Under the more complex procedures of competitive dialogue, competitive procedure with negotiation and innovation partnership a minimum of three tenderers is stipulated.

- 15.4 The initial part of a selection process confirms that potential tenderers should not be excluded from the competition and the 2015 Regulations set out mandatory grounds for exclusion which are: having been convicted of serious offences such as fraud, corruption, organised crime and terrorism offences, money laundering or excluded for blacklisting. However, these exclusions are only valid for five years from the date of the conviction; three years in the case of blacklisting.
- 15.5 The Association will consider discretionary exclusion criteria allowed under the 2015 Regulations. These can include bankruptcy or insolvency and specified grounds such as grave professional misconduct or poor prior performance of a contract that has led to a contract being terminated early or damages awarded as a result of that poor performance.
- 15.6 The second part of the selection process involves the evaluation of the suppliers' economic and financial standing as well as their technical capacity and ability. The minimum financial standards and technical capacity that a contracting authority is looking for must be stated within the contract notice, as well as guidance on the relevant experience being sought and how it will be evaluated.
- 15.7 Where the Association decides not to select a particular supplier to be invited to tender they have a right to be advised; it is important that rules covering this for all regulated contracts are followed. Where a supplier is not informed of the reasons for failing at the selection stage of the process, they must be sent letter at the appropriate standstill period providing them with those reasons.
- 15.8 Where a bidder is, or may be, excluded on any of the grounds for exclusion above, the 2015 Regulations allows for a bidder, who may otherwise be excluded, to provide evidence to the Association, that it has taken measures that prove it is reliable, despite the existence of a relevant ground for exclusion. For example the bidder may prove that they have paid fines and taken measures to prevent further criminal offences or misconduct.

16.0 EUROPEAN SINGLE PROCUREMENT DOCUMENT (ESPD)

16.1 The European Single Procurement Document (Scotland) (ESPD) must be used for all regulated procurements and should also be used for regulated contracts below the EU contract threshold values unless there is a valid reason not to do so. The ESPD is essentially a form that sets out the questions that are permitted to be asked by the client of the tenderer when undertaking a selection process. These questions cannot be amended or added to, although questions can be omitted. The Association will provide an explanation as to what is being procured and this explanatory information must be made available at the time of the publication of the contract notice.

17.0 AWARD ASSESSMENT STAGE.

17.1 The Association recognises that the Scottish Model of Procurement promotes value for money as being an appropriate balance between cost or price, quality and sustainability, all being factors that should be taken into account when establishing the contract award criteria.

17.2 The Association will consider the award criteria to determine which bidder is best placed to deliver the contract provide the required goods or services and consequently whether a contract can be awarded to it.

17.3 The Association must use criteria linked to the subject matter of the contract, and should not include matters that have been assessed as part of the selection criteria.

17.4 The selection stage assesses contractors and suppliers on their suitability, ability and capacity to be able to undertake the contract; not how they will actually perform the contract, which is considered and assessed at the award stage.

17.5 The award criteria will generally relate to, the price and quality of the proposal. In the case of the quality of the proposal, this can comprise many factors but typically it is technical merit, the aesthetic and functional characteristics, the environmental characteristics, the after-sales service, delivery dates or delivery date for completion.

17.6 Where the quality of staff assigned to delivering a contract is important, the Association may evaluate a bidder's general staff qualifications and experience at the selection stage and later at the award stage evaluate information from the bidders regarding the precise make-up, experience and qualifications of the team that will actually deliver the contract. In short, the selection part looks back at the ability of the company to deliver a contract

whereas the award evaluation looks forward to the ability of the contractor to deliver the specifics of the contract.

- 17.7 Contracts must be awarded on the basis of the best price/quality ratio, based on the most economically advantageous tender (MEAT) and 2015 Regulations provides that regulated contracts must not be awarded on price alone and this approach should wherever possible be adopted for works, good or services not regulated under the Act.
- 17.8 The criteria to be used and any weightings attached to the criteria must be disclosed in the procurement documents at the outset and where weightings are not attached to criteria, the contracting authority must list the criteria in descending order of importance.

18.0 AWARD DECISION.

- 18.1 Following the assessment of the tender documents and a decision has been agreed regarding the awarding of a contract, all of the unsuccessful tenderers must be advised of the result in writing. The Decision Notice is sometimes known as a standstill letter. If the contracting authority has not already informed those parties who were unsuccessful at the selection process of that outcome, they should do so now. This Notice should include the reasons why they were unsuccessful.
- 18.2 The Decision Notice must include:
- The criteria used for the award of the contract;
 - A summary of the reasons why the supplier was unsuccessful and the relative merits of the winning bid;
 - Where practicable, the score achieved by the supplier as well as the score obtained by the winning bidder;
 - The name of the winning bidder;
 - A precise statement of the standstill period (this is a period during which the contract will not be formally awarded.)

19.0 STANDSTILL PERIOD

- 19.1 The standstill period is the time period that opens the award decision for review before concluding the contract. During the standstill period the full range of pre-award remedies are available to aggrieved parties to challenge

the decision. This could lead to the setting aside of the contract and/or damages. Challenges may still be raised after standstill but they may not necessarily result in the suspension of the contract until the final decision of the court is determined.

- 19.2 If a supplier formally challenges an award decision by commencing legal proceedings, the contract may not be concluded until the court permits it.
- 19.3 The standstill period begins the day following the issue of the award notices and will last for 10 days if the notices have been issued electronically, or 15 days if sent by other means. The final day must fall on a working day and, if it does not, the standstill period will be extended until the next working day.

20.0 CONTRACT AWARD NOTICES

- 20.1 For EU regulated procurements, the contracting authority must send a Contract Award Notice to the OJEU within 30 days.
- 20.2 For contracts regulated under the Act a contract award notice must be published on the PCS portal. This is also true for all mini competitions under a framework agreement where the value awarded is above the Act thresholds.

21.0 FEEDBACK TO BIDDERS.

- 21.1 The Association will provide feedback to both successful and unsuccessful bidders and is an important element of the tendering process. Besides being a courtesy, which breeds good relationships and trust, it helps suppliers to improve their competitive performance, which in turn improves the quality of future bids for work. Unsuccessful suppliers for procurements regulated by the Act and the 2015 Regulations have a legal right to know the reasons for their rejection, while successful bidders are also entitled to seek feedback in order to understand any improvements that they could have made, even though they won the bid.

22.0 KEEPING RECORDS.

- 22.1 In line with the legislation the Association is obliged to hold detailed records of the process and decisions reached for at least three years from the date of the award of the contract.
- 22.2 The records should include electronic files stored clearly identified in a central file:

- Business case for the Procurement
- The original tender documentation
- A list of any clarifications or amendments during the tender process
- Tender documents returned
- Tender report
- Award notice
- A copy of the contract signed by both parties
- Committee paper and decision

23.0 SUMMARY.

23.1 Detailed guidance on the application of the various processes and procedures can be found in the Construction Procurement Handbook issued December 2018 and should be referred to as appropriate. The general principles can be applied to goods and service contracts.

23.2 In summary, however, there are a number of guiding principles to assist successfully procuring projects:

- Bidders are treated equally and fairly;
- The process is transparent and well managed;
- There is a genuine intention by the client to proceed;
- All bidders are provided with the same, relevant and up to date information which is sufficiently detailed to enable them to prepare proper and realistic bids;
- No bidder is provided with information that puts them at an advantage, or could be seen to put them at an advantage, over the other bidders;
- Bidders are given sufficient time to participate properly in the process and prepare bids;
- The information required from bidders is proportionate to the risk and size of the contract;

- All bidders are fully informed of the process, or processes, to be followed and the required procedures to be adhered to;
- The process is open to scrutiny;
- The reasons given for the award of the tender must be transparent and can be justified; and
- All bidders, whether successful or unsuccessful, are given feedback.

24.0 EQUAL OPPORTUNITIES TESTING

24.1 In accordance with the Association's Equality & Diversity Policy, this Policy has been consciously considered to judge whether there is any likelihood that its presentation or operation could in any way lead, no matter how inadvertently, to discrimination. The conclusion of this exercise is that it is believed that the Policy should operate in a non-discriminatory way.

25.0 PROCEDURE REVIEW

25.1 The Procedure will be reviewed every five years, or sooner if legislative, regulatory or best practice changes require this.

Appendix 1.

Procurement Route Selection Criteria.

	Procurement Route 1		Procurement Route 2	
	A	B	A	B
Goods and Services Thresholds	Below £50K	Below £50K	£50K to OJEU	Equal to and above OJEU Threshold
Works Thresholds	Below £500K	Between £500K and £2M	£2M to OJEU	Equal to and above OJEU Threshold
Risk	Low Risk	Medium and High Risk	Low, Medium and High Risk	Low, Medium and High Risk
Notes	This route is designed to reflect the legal requirement to ensure all Scottish public sector procurement is undertaken in an open, objective and equitable manner	As for Route 1A, but with the additional requirement of advertising the contract on PCS. This is not a legal requirement but is considered good practice to achieve wide coverage. Used where Route 1A is not appropriate.	Must be advertised and comply with the requirements of Procurement Reform (Scotland) Act 2014.	Must fully comply with the relevant regulations including Public Contract (Scotland) Regulations 2015.
Procedures	No requirement to advertise. PCS Quick Quote provides an online system for taking this type of procurement to market.	This will most likely be openly advertised and it should be conducted in a fair, open, objective and equitable manner akin but not subject to the same rules as procurements conducted above Procurement Reform (Scotland) Act 2014 thresholds.	None specified but a full and formal fair, open, objective and equitable tender process must be followed. Where appropriate and proportionate to the specific case following similar procedures to those required for above OJEU procurements is advisable.	Open, Restricted, Competitive procedure with negotiation, Competitive dialogue, Innovation Partnership, Negotiated procedure without prior publication.

Appendix 2.

Scottish Procurement Thresholds

	Works	Services, Supplies and Design Contracts
Procurement Reform Act (Scotland) Act 2014	£2M	£50K
Public Contract (Scotland) Regulations 2015 – Small Lots	£820,370	£65,630

Procurement Thresholds – thresholds correct as at 1 January 2018 net of VAT. Thresholds are reviewed every two years and information is published on the Scottish Government web site.

OJEU Procurement Thresholds

	Works	Supplies and services
OJEU Thresholds	£4,551,413	£181,302

The thresholds are correct as at 1st January 2018 net of VAT and are reviewed every two years and the information is published in the EU website.

Appendix 3

General Guide on Tender Requirements.

Supplies and Services	Tender Action
Over £181,302	Open or restricted tender process in line with regulated procurement procedure on PCS portal – Must be an OJEU notice
£50,000 to £181,302	Open or restricted tender process in line with the regulated procurement procedure on PCS portal
£15,000 to £50,000	Open or restricted tender process in line with the regulated procurement procedure using Quick Quote up to £50K
£2,001 to £14,999	Quick Quote (recommended from a min of 3 companies), preferably via Public Contracts Scotland, but can be carried out by email. File note must be kept.
£1,000 to £2,000	Obtain two written quotes where possible depending on the nature and urgency of the work.
Up to £999	Pricing agreement should be reached prior to placing order. Can be done orally but file note/record should be kept

Works Contracts	Tender Action
Over £4,551,413	Open or restricted tender process in line with the procurement regulations on PCS portal – Must be done with an OJEU notice
£2,000,000 to £4,000,000	Open or restricted lower value tender process in line with the regulated procurement regulations via PCS portal – Additional requirement to include for delivery of Community Benefits
£15,000 to £2,000,000	Open or restricted tender process in line with the procurement regulations via PCS portal
£2,001 to £14,999	Quick Quote (recommended from a min of 3 companies), preferably via Public Contracts Scotland (PCS), but can be carried out by email. File note must be kept.
£1,000 to £2,000	Obtain two written quotes where possible depending on the nature and urgency of the work.
Up to £999	Pricing agreement should be reached prior to placing order. Can be done orally but file note/record should be kept