



THE ATRIUM GROUP

Procurement Policy

Compliant with Scottish Housing Regulator's Regulatory Framework:	1.2, 2.1, 3.1,3.3, 4.3, 5.3
Compliant with Tenant Participation Strategy:	Yes
Compliant with Equal Opportunities:	Yes
Compliant with Business Plan:	Yes
Date Approved:	November 2024
Date for Review:	November 2029 or earlier if required by changes in legislation or guidance, or if the Governing Body sees fit
Responsible Officers:	Director of Property Services

1.0 INTRODUCTION

- 1.1 This policy sets out how Atrium Homes will purchase or contract for goods / supplies, services or works. The policy sets down the principles that will apply to all aspects of the organisation's procurement activities, from high-risk strategic projects to small day-to-day purchases.
- 1.2 The value of goods / supplies, services and works, and the associated risks, will influence the procurement approach to be used.
- 1.3 The Scottish Housing Regulator's regulatory expectations include a requirement that the organisation should pursue Value for Money (VFM) in all that it does, as well as requiring the organisation to comply with the law.
- 1.4 This policy seeks to address both value for money and the requirements of procurement laws.

2. BACKGROUND

- 2.1 Traditionally the organisation has had a variety of procurement methods for goods supplies, services and works; sometimes using competitive tendering, sometimes inviting quotes, sometimes involving long-term partnership relationships with consultants and/or suppliers. This varied approach has many strengths, but the organisation is mindful of the need to ensure corporate consistency, and the need to ensure that there is transparency and public accountability.
- 2.2 The definition of the organisation as a "contracting authority" under procurement law is due largely to the fact that the organisation receives and is the custodian of large amounts of public money. Consequently, the probity and transparency of our procurement practices are very important.
- 2.3 The organisation is aware that there will be tensions in our procurement policy between
 - The need to get the best price for goods /supplies, services and works and the need to ensure consistency in quality, and
 - The need to practically source goods / supplies, services and works and the requirement to demonstrate a clear rationale for using selected procurement routes.

Notwithstanding these obvious tensions, the organisation will strive to ensure that there is a clear audit trail in all procurement decisions and that the ultimate objective is to get the best value in all goods / supplies, services and works.

- 2.4 Key law that applies to procurement of contracts by the organisation is found in:
 - The Procurement Reform (Scotland) Act 2014 (**the Scottish Act**) and
 - Public Contracts (Scotland) Regulations 2015 (**the 2015 Regulations**).

3 PRINCIPLES OF ATRIUM'S PROCUREMENT POLICY

- 3.1 The organisation will seek to be consistent with the following principles in applying its Procurement Policy:
 - Value for money
 - Quality

- Transparency and proportionality, equal treatment and non-discrimination
- Compliance with Regulation

These principles will apply irrespective of the size and value of the goods / supplies, services or works acquired.

- 3.2 The organisation has two areas that require specific attention in relation to procurement.
- 3.3 Maintenance and Development activities within the organisation will require specific procedures in relation to procurement and these will be set down in the respective Property Services Policies for these areas. However, the same broad principles will apply.
- 3.4 The public procurement rules vary depending on the type and value of the contract. When contracts are above a certain value (Government Procurement Agreement Thresholds (GPA)), more detailed rules apply. These contracts must be advertised in the UK e-notification system called Find a Tender Service (FTS), although they are also advertised through Public Contracts Scotland and the full formal procedures are followed. The threshold values are listed in Appendix 1. Contracts, which are worth less than these amounts (Lower Value Regulated Contract Thresholds), are subject to fewer rules but must still be appropriately advertised. The GPA thresholds noted in this document are correct from 1 January 2024 and are updated every 2 years therefore in place until the end of 2025. If the estimated value of a contract is equal to or greater than the relevant threshold, then that contract will be publicly procured in accordance with the terms of the Regulations.

4.0 VALUE FOR MONEY

- 4.1 The organisation must demonstrate that it achieves Value for Money in procurement.
- 4.2 The organisation recognises the difference between price and value, and shall consider the quality of the subject matter of contracts, as well as the cost. The law requires the organisation to seek the “most economically advantageous tender (**MEAT**)” which means that, in many cases, a broader approach to Value for Money will apply that looks at the whole life cost and other relevant matters.

5.0 QUALITY

- 5.1 In procurement, the quality of goods / supplies, services or works can be as critical as the cost.
- 5.2 Quality can directly impinge upon the real cost of goods / supplies, services or works.
- 5.3 In any regulated procurement routes, there must be a clear relationship between quality and price in any assessment process.

6.0 TRANSPARENCY AND PROPORTIONALITY, EQUAL TREATMENT AND NON-DISCRIMINATION

- 6.1 These principles are at the heart of procurement law, both in the Scottish Act and the 2015 Regulations, and essential to the organisation’s procurement practice.
- 6.2 The organisation is accountable for all the decisions it makes. This also applies in any procurement practice.

- 6.3 This accountability relates to customers, funders and partners, and regulatory bodies.
- 6.4 A clear audit trail will exist for procurements that will set out the organisation's expectations, the supplier's commitment, timescales, pricing, review arrangements etc.
- 6.5 Equally important will be the organisation's reputation for probity in procurement.
- 6.6 The terms of any procurement will be clear (subject to any requirements for commercial confidentiality), proportionate, and all tenderers will be treated equally and without discrimination.
- 6.7 There will be sound internal controls in relation to staff making decisions on contracts.
- 6.8 Employees and Committee Members must not benefit in any way from the organisation's procurement practices.
- 6.9 For further clarification on 6.8 (above) Employees and Committee Members must refer to the organisation's policies in relation to Control of Benefits and Payments to Committee Members and Staff, Code of Conduct for staff and Committee members, and Gifts and Hospitality Policy.

7.0 COMPLIANCE WITH REGULATION

- 7.1 In addition to the good practice guidance that the organisation will strive to follow, there are various statutory regulations that apply to procurement and must be upheld. In particular:
 - The Scottish Act
 - The 2015 Regulations
 - The Bribery Act 2010
 - Equalities Act 2010
- 7.2 Consistent with the principles of probity outlined above, and the anti-bribery legislation, the organisation will comply with its policy for Code of Governance for Board Members and any policies relevant to the above-mentioned Acts/Regulations.
- 7.3 Supplies, services and works over certain threshold values will require formal notification under the 2015 Regulations or the Scottish Act. Thresholds current in January 2024 are listed in the Appendix 1. Further information regarding requirements under these key procurement laws are set out in Section 8 (Procurement Practice).
- 7.4 In addition to these specific regulatory obligations, the organisation will shape its procurement policy and practice to reflect the principles of its Equality & Diversity Policy, and the legal obligations placed upon it by equality legislation.
- 7.5 Irrespective of the scale and value of the goods / supplies, services or works procured, the organisation will reflect a commitment to these principles in all procurements.

8.0 PROCUREMENT PRACTICE

- 8.1 The organisation will maintain an online, public register of contracts entered into following procurement exercises (under Scottish Act and / or 2015 Regulations) that started on or after 18 April 2016 for any activity where the goods / supplies, services or works procured **exceeds £50,000**.

- 8.2 The organisation will maintain a separate register of contracts privately where the procurement of goods / supplies, services or works are under £50,000.
- 8.3 When procuring any contract over Scottish Act thresholds (whether also over 2015 Regulation thresholds or not) the organisation will comply with the Sustainable Procurement Duty. That is, prior to procuring any such contract, the organisation will consider how the process might be used to:
- Improve the social, environmental and economic well-being of its area, reducing inequality;
 - Facilitate the involvement of small and medium sized enterprises (**SMEs**), third sector bodies or supported businesses
 - Promote innovation.
- 8.4 To comply with the Sustainable Procurement Duty, the organisation will have regard to the statutory guidance issued by the Scottish Government.
- 8.5 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 and includes:
- “Procurement Reform (Scotland) Act 2014: statutory guidance” found at:
www.gov.scot/publications/procurement-reform-scotland-act-2014-statutory-guidance/
 - Scottish Procurement Policy Notes (SPPNs) – found at:
<https://www.gov.scot/collections/scottish-procurement-policy-notes-sppns/>
 - Other procurement policy guidance, notes and link to “Procurement Journey”:
Refer –
www.gov.scot/policies/public-sector-procurement/support-for-public-sector/
- 8.6 The Scottish Act requires the organisation, unless a specific exclusion set out in the legislation applies, to procure any contract over Scottish Act thresholds (but under 2015 Regulation thresholds) by a procedure which includes:
- Publication of a “contract notice” on the Public Contracts Scotland (**PCS**) website, advertising the contract opportunity to potential tenderers.
 - Assessment of tenders received using only the exclusion criteria and other award criteria identified in the contract notice and any tender documents that follow – and based on a value for money / MEAT assessment rather than on price alone.
 - Publication of an “award notice” on the PCS website, once a decision is made to award the contract.
- 8.7 When procuring a contract valued over 2015 Regulation thresholds, the organisation will follow the more detailed procurement procedures provided in the 2015 Regulations, unless a specific exclusion set out in the legislation applies to the contract in question.

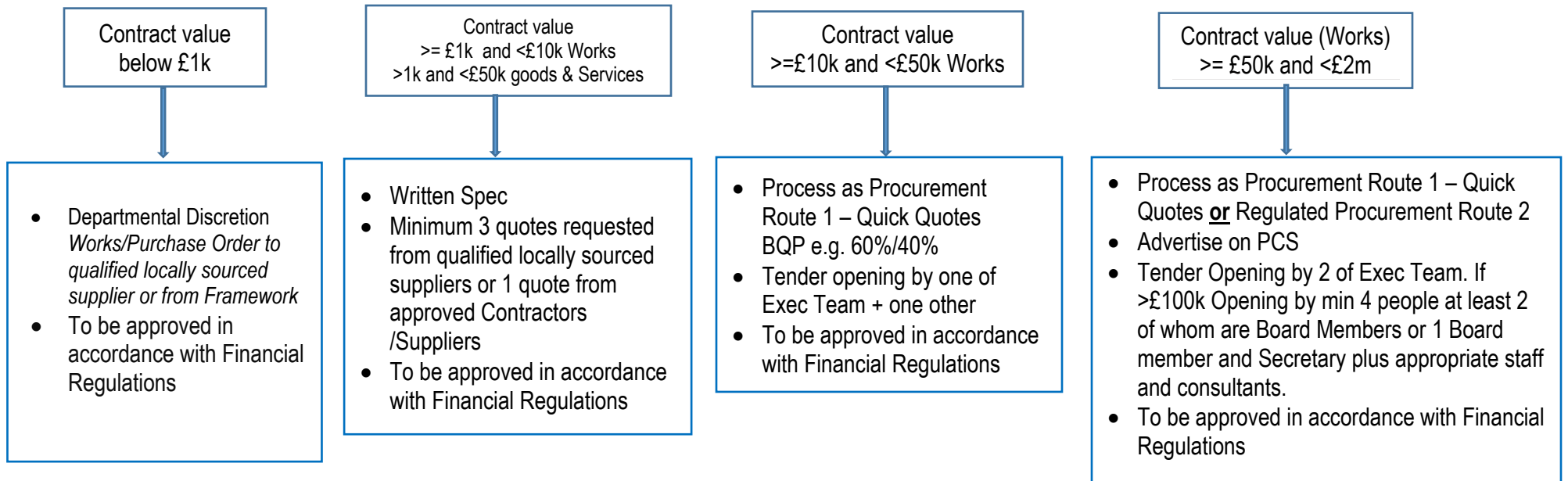
- 8.8 When procuring a contract of £4 million or more (a Major Contract), the organisation must consider whether to impose Community Benefit (CB) requirements as part of its procurement.
- 8.9 CB requirements are contract provisions relating to training and recruitment, sub-contracting opportunities available, or otherwise improving the economic, social or environmental wellbeing of the organisation's area.
- 8.10 In the organisation's initial contract notice, the organisation will either:
- Summarise the CB requirements to be included in the contract – or
 - Give its reasons for not including any CB requirements.
- 8.11 To decide its approach to CB requirements in Major Contracts, the organisation will have regard to the statutory guidance issued by the Scottish Government.
- 8.12 The Single Procurement Document (Scotland) (**SPD**), which replaces previous forms of pre-qualification questionnaire, and is available from the Scottish Government Procurement Journey website, will be used by the organisation:
- For all Regulated Procurement Activities
- 8.13 In all procurement exercises, regardless of contract value, invitations to quote or tender will always include the right for the organisation to cancel the tender process at any time, or to not accept any or all tenders submitted.
- 8.14 The organisation will promote compliance by its contractors with the Health and Safety at Work Act 1974; and any provision made under that Act by ensuring that all Health and Safety documentation, risk assessments and processes relevant and proportionate to the contract, are in place prior to the works commencing or to be provided as a condition of the contract award.
- 8.15 The organisation may take independent advice and / or legal advice regarding any individual procurement process in order to ensure compliance with the Scottish Act and 2015 Regulations, as appropriate.

9.0 PROCUREMENT PRACTICES

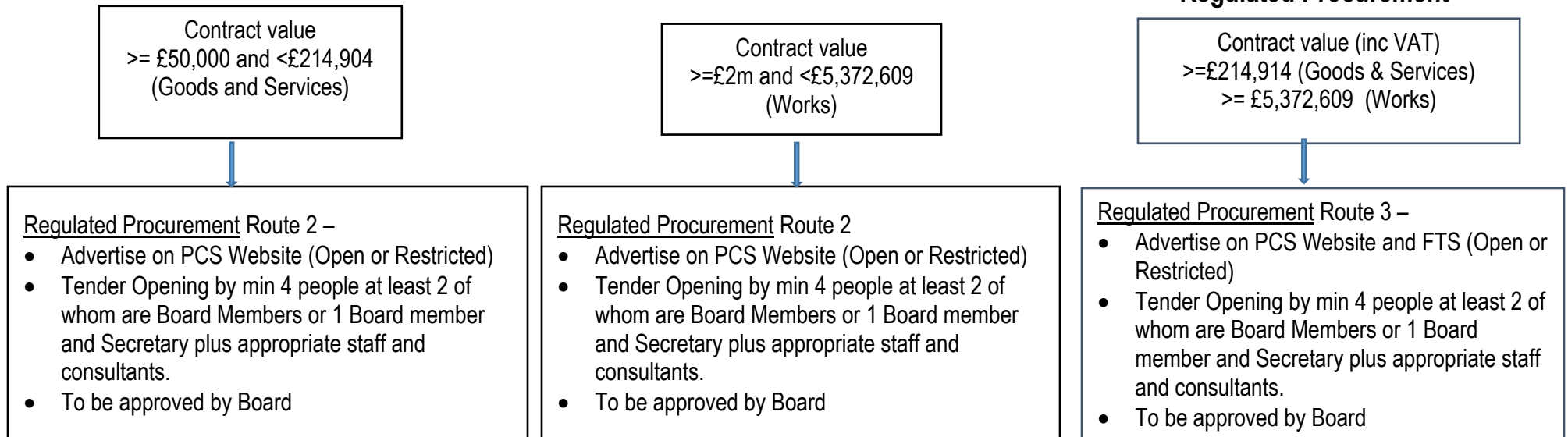
- 9.1 The table below sets out the main procurement practices that will be used by Atrium.

Procurement Reform (Scotland) 2014

Non-Regulated – AH Policy



Regulated Procurement



10.0 SERVICE DELIVERY

- 10.1 For smaller sums of expenditure i.e. individual repairs, the procurement will be in line with flowchart at 9.1 above and there will be delegated authority to different grades of staff. This will ensure that the demands of the service take priority but within an agreed procurement framework.
- 10.2 In addition, to allow the organisation to quickly achieve works completions up to a value of <£10k, local contractors with the necessary/relevant trade and qualifications/certification can be selected from a variety of sources e.g. the Public Contracts Scotland supplier list, a web search, a local directory or Atrium's own directory. Atrium's directory is formed through direct supplier contact to the organisation. These procurements will be arranged as per the route in the flowchart at 9.1.
- 10.3 For work in excess of £10k, a full tendering option e.g. quick-quotes would normally be considered. For goods and services there is the option to seek single supplier quote of spend up-to £50k.
- 10.4 Appointments/Awards may also be made, where appropriate, through the following routes with the prior approval of the relevant Sub Committee and subsequently ratified by Board:
- through a direct call-off or mini competition from a Framework/Dynamic Purchasing Scheme where Atrium is an associate member or where a buying authority has approved our use of their Framework and has stipulated within their Contract notice that the framework may be used by other Registered Social Landlords operating in Scotland.
 - through a negotiated tender process where one or more contractors may be approached to negotiate the most advantageous price and terms prior to placing an order or signing an agreement. This can be used for specialist works or more complex requirements where there are a limited number of contractors who carry out such work available in the market. Details of the discussions and justification for entering into contracts based on negotiation will be recorded and subsequently approved by the appropriate level of authority.
 - Partnering Agreements - It should be noted that "partnering" is not a procurement route, rather it is a term used to describe a non-confrontational way of working through which all parties, including clients and suppliers act as a single team to achieve common goals. Partnering agreements will be considered where added value can be clearly demonstrated and gives the opportunity for seamless delivery.
- 10.5 Where appointments are made out with the general framework of the Procurement policy these decisions will be reported to the next meeting of the Board or appropriate Sub Committee and ratified by the Board. All such decisions will be informed by knowledge of prevailing market conditions and pricing to ensure that the organisation can demonstrate its commitment to Value for Money. The

organisation may, in regard to specific procurement decisions, take legal advice to further inform the decision taken and procedures followed.

11. AUTHORISATION OF EXPENDITURE AND MONITORING OF PAYMENTS

- 11.1 Authorisation of expenditure on individual repair or maintenance items, within overall annual budgets, is delegated to individual members of staff. The current levels of delegated authority are detailed in Atrium's Financial Regulations. The cost levels per item of work above which an estimate, quotation or tender must be obtained are also detailed in the Financial Regulations.
- 11.2 Expenditure is monitored against contracts through monthly valuations/certificates/invoices and on payment of same for any new developments/refurbishment works, a profile of the costs spent to date from acquisition to completion is updated and saved within the appropriate project file.

12. DECISION MAKING

- 12.1 Where the organisation makes a particular procurement decision, whether through negotiation, competitive tendering, partnering etc, a robust and transparent explanation, subject to commercial confidences will be made available to all tenderers. Unsuccessful contractors will receive an explanation and feedback on the selection process.
- 12.2 The organisation expects to move towards increasing use of electronic tendering procedures, and increasing use of website based advertising of contracts. The Scottish Act and 2015 Regulations will make the use of electronic tendering procedures mandatory in due course and the organisation intends to ensure it can comply when the mandate comes into force.

13.0 FREEDOM OF INFORMATION (SCOTLAND) ACT 2002 (FOISA)

Atrium Homes as a registered public body is required to respond to requests for information under the FOISA legislation. Contractors will be advised through the tender documentation of the requirement for Atrium to provide such information held by the organisation through its procurement processes and file management.

14.0 CONCLUSION

- 14.1 All procurement practice by the organisation is to be guided by the principles outlined in this policy. Where practicable, the process framework and pricing threshold outlined in figure 9.1 above is to be followed. Any exceptions to this policy are to be ratified by the organisation's Board. Further detail on this procurement policy will be found in other relevant Property Services Policies given the nature of these areas of activities; however, these specific policies will be consistent with the principles of this corporate procurement policy statement.

Appendix 1 – Thresholds

The tables below list contract value thresholds to be applied by the organisation when considering whether procurement of a contract must follow the Scottish Act and / or the 2015 Regulations.

Scottish Act

Lower Value Regulated Contract Thresholds

Public Contract for:	Threshold (net of VAT):
Anything other than Works (i.e. Supplies or Services)	£50,000
For Works	£2,000,000
A major contract (must include community benefit requirements)	£4,000,000

2015 Regulations

Regulated Contract Thresholds

(Thresholds valid from 1 January 2024 to 31 December 2025)

Public Contract for:	Threshold inc VAT):
Supplies or Services	£214,904
Small lots – Supplies or Services	£70,778
Works	£5,372,609
Small lots – Works	£884,720
“Light regime” services – e.g. social services, legal services	£663,540