



**Policy Title:** Procurement Policy

**Policy Manual Section:** Governance

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# Procurement Policy

## Contents

	Page
Section 1 Purpose of the Policy	3
Section 2 Policy Principles	4
Section 3 Policy Aims & Objectives	5
Section 4 Legal & Regulatory Framework	6
Section 5 Ethics	8
Section 6 Equal Opportunities	9
Section 7 Data Protection	10
Section 8 Related Organisational Policies	11
Section 9 Roles & Responsibilities	13
Section 10 Business Considerations	15
Section 11 Procurement Process	18
Section 12 Risk	22
Section 13 Purchasing / Tendering Process	24
Section 14 Document Filing, Storage & Retention	31
Section 15 Monitoring & Audit	31
Section 16 Review	31
Section 17 Appendices	32

# Procurement Policy

## 1.0 Purpose of the Policy

- 1.1 The purpose of the Procurement Policy (policy) is to set out the requirements, considerations and processes in the procurement of services, supplies and works for all areas of the Association.
- 1.2 This policy will inform how the Association appoints contractors, consultants and companies in the provision of services, goods, supplies and works.
- 1.3 The policy will contribute towards the achievement of our strategic aims, specifically to achieve best value in our work. It will also ensure compliance with legislative and regulatory requirements and the expectations of the Scottish Housing Regulator (SHR) and the Office of the Scottish Charity Regulator (OSCR).
- 1.4 This policy will meet the requirements of the Association's Financial Regulations and Procedures, thus ensuring effective financial management arrangements.
- 1.5 The policy will set out the roles and responsibilities of all Committee members and staff in its implementation, as well as the procurement and tendering processes that must be followed. It is imperative that the Management Committee and staff fully comply with the provisions of the policy to ensure good governance and effective financial management arrangements in the Association. In the event Management Committee or staff members fail to comply the provisions of this policy it may result in action being taken against offending individual(s) through the Code of Conduct for Committee members or the Association's disciplinary procedures in staff members' terms and conditions.
- 1.6 The policy should be read in conjunction with Business Planning documents and related policies, as well as the Financial Regulations, the Entitlements, Payments and Benefits Policy, the Bribery Policy, the Code of Conduct for Committee and staff members and the Re-active Maintenance and Cyclical / Major Repairs Policies.

## **2.0 Policy Principles**

2.1 The key principles of this policy are to:

- i. achieve good governance in the leadership and stewardship of the Association;
- ii. achieve best value;
- iii. maintain confidentiality;
- iv. ensure probity through transparency and accountability;
- v. comply with legislative and regulatory requirements;
- vi. demonstrate robust financial management arrangements;
- vii. ensure consistency in our procurement of services, goods, supplies and works;
- viii. ensure equality of opportunity in the appointment of consultants, contractors and companies through this policy;
- ix. protect the health & safety of our employees, customers, members of the public and employees of contractors or suppliers; and
- x. ensure there is competition in the procurement of services, goods, supplies and works

### **3.0 Policy Aims & Objectives**

3.1 The aims and objectives of this policy are to:

- a) comply with legislative and regulatory requirements in our procurement of services, supplies and goods;
- b) demonstrate best value has been achieved for all development, maintenance and service contracts procured by the Association, including the appointment of consultants, through implementation of our procurement processes and a quality and price assessment;
- c) To provide guidance to staff on the process and key considerations for purchases and tender arrangements within the following:
  - i. General Purchases;
  - ii. Estimates;
  - iii. Tendering;
  - iv. Framework Agreements
- d) Ensure a robust and thorough tendering and assessment process, which achieves our policy principles and appoints the contractor, company or consultant that achieves best value in the provision of services, goods, supplies and works.
- e) Maximise 'Social Benefit' through the procurement process with the specific aim of improving the quality of life and living condition of our people and the Cadder area:
- f) Ensure all contractors, consultants and companies appointed through the procurement process have the skills, knowledge, experience and resources to undertake the designated works and services;
- g) ensure confidentiality in the information received through the procurement process;
- h) ensure transparency and proportionality for all aspects of the procurement process;
- i) ensure that consultants, contractors and companies procured to provide goods and services undertake works and achieve high quality at a competitive and affordable price;
- j) Ensure fairness and equal treatment of all suppliers; and
- k) Prepare an annual report on procurement of services, supplies and works to the Management Committee

## 4.0 Legal & Regulatory Framework

4.1 The legal and regulatory framework for procurement includes the following:

### 4.1.1 European Community (EC) Treaty

The EC Treaty applies to all public procurement activity regardless of value, including contracts below thresholds at which advertising in the Official Journal of the European Union (OJEU) is required and including contracts, which are exempt from application of EC Procurement Directives.

Fundamental principles emanating from the Treaty include:

- Transparency – contract procedures must be transparent and contract opportunities should generally be publicised;
- Equal treatment and non-discrimination – potential suppliers must be treated equally;
- Proportionality – procurement procedures and decisions must be proportionate; and
- Mutual recognition – giving equal validity to qualifications and standards from other Member States, where appropriate.

### 4.1.2 European Community (EC) Procurement Directives and Implementing Scottish Legislation

**EU Regulated Procurements:** EU legislation must be complied with for contracts over the thresholds set out in [Appendix A](#). The procurement of contracts above these values are termed 'EU Regulated Procurements'.

**Lower Value Regulated Procurements:** The EU Directives are given effect in Scots law by The Procurement Reform (Scotland) Act 2014 which came into force on 18<sup>th</sup> April 2016. This legislation however has introduced lower thresholds for contracts procured by public bodies, which are set out in [Appendix B](#). The procurement of such contracts are termed 'Lower Value Regulated Procurements'.

**Other Contracts:** Contracts that fall below the value for 'Lower Value Regulated Procurements' do not need to comply with EU or Scottish procurement legislation. However there is an over-arching requirement of EU Directives that probity be demonstrated at all times when public bodies procure services, supplies and works.

### 4.1.3 European Court of Justice and national case law

Decisions of the European Court of Justice and the UK and Scottish national courts provide interpretation of the requirements of the EC Treaty and the EC Procurement Directives and can establish precedents which must be observed. This is constantly evolving, and the Association must ensure that it has appropriate arrangements in place to ensure that staff involved in procurement activity are kept up to date with developments in the legal framework.

#### 4.1.4 The Scottish Housing Regulator

The Scottish Social Housing Charter is aimed at helping to improve the quality and value of the services that social landlords provide. This Charter includes two key outcomes relating to procurement:

- Outcome 13 – Value for Money - Social landlords manage all aspects of their businesses so that: tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.
- Outcomes 14 & 15 – Rents & Service Charges - Social landlords set rents and service charges in consultation with their tenants and other customers so that: (1) a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and other customers can afford them; and (2) tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.

#### 4.1.5 Scottish Government Guidance

The Scottish Government has developed comprehensive procurement guidance for public bodies to improve the quality and value delivered through procurement of public contracts in Scotland. This guidance can be accessed on the following website:

<http://www.scotland.gov.uk/Topics/Government/Procurement/buyer-information/spdlowlevel>

## 5 Ethics

- 5.1 In our implementation of the policy and our dealings with current and prospective consultants, contractors and companies in the provision of goods, services and works, Committee members and staff must preserve the highest standards of honesty, integrity, impartiality and objectivity. These attributes are in keeping with high ethical standards we expect from our people and the requirements of the Code of Conducts for Committee members and staff and associated policies.
- 5.2 Committee members and staff engaged in the commissioning of tenders, quotations and contracts must:
- a) Always act in the best interest of the Association;
  - b) Be fair, efficient, firm and courteous;
  - c) Maintain the highest possible standards of integrity and accountability in all business relationships;
  - d) Must ensure they acquire and maintain current technical knowledge and standards associated with the procurement of services and works;
  - e) Comply with law, guidance of professional practice and contractual or grant obligations;
  - f) Ensure all consultants, contractors and companies demonstrate an on-going commitment and requirement to:
    - i. Equal opportunities;
    - ii. Comply with Code of Conduct; and
    - iii. Insurance cover arrangements
  - g) Declare any conflict of interest which may affect or be seen by other to affect their impartiality;
  - h) Respect confidentiality of information in the work; and
  - i) Respond promptly, courteously and efficiently to enquiries and contract issues;

## **6 Equal Opportunities**

- 6.1 The Association promotes equal opportunities and diversity and will not discriminate in the appointment and management of consultants, contractors, companies or any person on grounds of gender, marital status, race, disability, age, sexual orientation, language, social origin, religious beliefs or political opinions.
- 6.2 All consultants, contractors and companies must demonstrate their commitment to equal opportunities and diversity as outlined in the Association of their Equal Opportunity & Diversity Policy.
- 6.3 In the event that a consultant, contractor or company cannot demonstrate their commitment to Equal Opportunity & Diversity they will not be appointed or action will be taken to cancel the contract.

## **7 Data Protection**

- 7.1 The Association will endeavour to be open and transparent in the request for tendering information.
- 7.2 Committee members and staff involved in the commissioning of tenders and contracts must adhere and be fully aware of the provisions and requirements of the Confidentiality & Openness and the Data Protection Policies, in particular be mindful of commercial sensitivity and third party information.
- 7.3 Committee and staff members should seek advice from our legal advisors where they are unclear about the provisions of the Data Protection Act 1998, specifically in situations of commercial sensitivity against the right to provide information.

## **8 Related Organisational Policies**

8.1 This policy should be read in conjunction with the following related policies and business documents of the Association:

### **a) Business Plan**

The Association prepares a 3 Year Business Plan, which is the subject of an annual interim review and sets out:

- The vision and the key strategic aims;
- The main ambitions of each section of the Association, which will be set and reviewed annually and how these will be demonstrate the achievement of the key strategic aims; and
- Each sections' contribution to the achievement of the key strategic aims through new and existing tasks aimed at achieving continuous improvement.

### **b) Financial Regulations**

The Association's Financial Regulations will complement this policy and contain the thresholds that must be observed when instructing works or procuring contracts. These thresholds are set out in Appendix C.

The Association will set its annual budget, which will be informed by our Business Plan and our work and activities to achieve our key strategic aims and other obligations. The annual budget will be year 1 of the medium and long term financial projections, which will demonstrate the viability and sustainability of the Association. The financial plans are updated annually and medium term projections submitted to the Scottish Housing Regulator in June of each year.

### **c) Schedule of Delegated Authority**

The Association in it is review of the Schedule of Delegated Authority document will ensure it sets out authorisation levels for:

- The appointment of suppliers, including contractors and consultants
- Applications for and acceptance of offers of funding
- Payment of suppliers

### **d) Risk Management Strategy**

The Association recognises that risk is an inevitable part of our work, and effective risk management optimises the balance between risk and control. The Risk Management Strategy sets out:

- The Association's risk appetite
- Risk management process
- Key roles and responsibilities
- Procedures for assessment, evaluation, monitoring and reporting

The Association creates its Corporate Risk Register, which identifies the main risks in the Association's work and activities, which if not controlled and mitigated will compromise the achievement of our key strategic aims.

#### **e) Entitlements, Payments & Benefits Policy:**

This policy describes the entitlements, payments or benefits that the Committee and staff members are able to receive. It also describes what is and is not permitted and arrangements in place to ensure the requirements of this policy are observed. This includes restrictions on the award of contracts where there is a relationship between contractors, companies or consultants and Committee and Staff members of the Association. It also precludes any Committee or Staff member using the services of specific contractors, companies or consultants noted in the policy without prior agreement being sought

#### **f) Bribery Policy**

This policy reflects the Bribery Act 2010 and defines bribery as giving a financial or other advantage to encourage a person to carry out activities or functions improperly or to reward them for having done so. If a Committee or staff member is offered, accepts or encourages a bribe, thereby resulting in advantage in the procurement of goods, services or works then this would be a breach of this policy and a criminal offence.

## 9 Roles & Responsibilities

9.1 The key roles and responsibilities in the procurement of contracts, services, supplies and works are as listed:

### Management Committee

Ensure appropriate governance and organisational arrangements are in place to comply fully with the legislative and regulatory requirements in the procurement of contracts and services. The Committee will approve the Procurement Policy and set the delegated authority to staff in the acquisition of good, services and works. The Committee will be supported by the Association's Auditors to demonstrate that the implementation of the Procurement Policy by staff is effective and meets the above requirements.

### Director

The Director will have overall responsibility for the effective and efficient implementation of the Procurement Policy. He must ensure Sectional Managers have the appropriate skills and knowledge to implement the procurement requirements.

### Sectional Manager

Sectional Managers must comply with the provisions of the Procurement Policy and related policies (see section 8 - Related Policies) in procuring services, supplies and goods associated with their section's work. In doing so they must contribute towards good governance arrangements and achievement of best value.

### Staff

Staff will be directed by their Sectional Managers to perform key aspects of the procurement process to procure services, supplies and goods. Staff should ensure they acquire and retain knowledge of procurement process for specific monetary levels, as well as their authorised spending level to comply fully with the Procurement Policy.

9.2 The Director supported by the Finance & Corporate Services Manager will oversee the procurement process, which reflects the need to achieve good governance and financial management arrangements. Their role will be to:

- i. Contribute to the strategic aims of the Association and take account of the business needs in the procurement process;
- ii. Develop, promote and implement appropriate procurement strategies and procedures including authority to procure;
- iii. Assess procurement competencies across the organisation and establish and address training needs;
- iv. Provide professional and qualified procurement expertise, advice and services as required;
- v. Pro-actively manage and develop our supplier base, including small and medium size enterprises (SMEs) and third sector and voluntary

- sector organisations, identifying and managing any supplier risks or value added opportunities;
- vi. Demonstrate value for money is being achieved in the procurement of services, supplies and goods across the Association;
- vii. Ensure compliance with the procurement policy, current legislation and best practice;
- viii. Measure and report to the Association's Finance, Audit & Performance Sub-Committee on procurement performance.

9.3 Sectional Managers and staff involved in the procurement of supplies, services and goods are required to:

- i. Adhere to the procurement policy and related policies in procuring supplies, services and goods associated with their work;
- ii. Determine contract requirements and establish specifications to meet the requirements of the Association, our tenants and other customers;
- iii. Identify and engage or consult with other experts in the procurement process e.g. consultants, legal advisors or service user;
- iv. Develop an appropriate output based specification to attract market interest and stimulate competition and innovation;
- v. Consider existing and/or collaborative contracts;
- vi. Undertake market testing or fact finding to:
  - a. Identify suitable contractors or suppliers;
  - b. Gain information on estimated costing to inform the tendering process; and
  - c. Gain knowledge on current work practices and materials
- vii. Ensure that all procurement processes are compliant with relevant legal and policy obligations, specifically advertising through the Scottish Government's Procurement web-portal, Public Contracts Scotland, where appropriate;
- viii. Publicise procurement contact points and make available as much information as suppliers reasonably need to respond to the bidding process;
- ix. Manage the procurement and tender procedures;
- x. Conduct any procurement clarification required prior to contract award;
- xi. Finalise the contractual agreement and formal contract documentation;
- xii. Establish a clear audit trail to reflect the procurement and tendering procedures;
- xiii. Notify the outcome of bids promptly recognising standstill periods to allow unsuccessful companies to submit a challenge.
- xiv. Provide information to all companies (successful and not successful), within the bounds of confidentiality with details of the outcome of the tender process to facilitate better performance and competition in future occasions;
- xv. Ensure that adequate contract and supplier management arrangements are in place; and
- xvi. Ensure tender register registers are completed, as appropriate.

## **10.0 Business Considerations**

- 10.1 Issuing a works order, purchase order or contract enters the Association into a commitment to the contractor, consultant or supplier which will incur a cost. It is therefore essential the work order, purchase order or contract is issued taking into account governance and financial management arrangements and in accordance with the provisions of this policy and other related policies. Under no circumstances should a commitment be made where there is no or insufficient provision in the budget to cover the cost.
- 10.2 In situations where there is an urgent need for a service or goods, the Director or senior manager deputising for the Director will be delegated to authorise spend up to his authorised spending level. This expenditure must be reported retrospectively by the Finance & Corporate Services Manager on presentation of the next Quarterly Management Accounts to the Management Committee.
- 10.3 The Director or senior manager deputising for the Director will seek authorisation from the Chairperson or if unavailable office bearers if the expenditure would exceed his spending level and was for an emergency situation only. In these circumstances the procurement process will be waived but retrospective approval will be sought by the Management Committee at the next meeting of the Management Committee.
- 10.4 In urgent or emergency situations as listed in section 10.2 and 10.3 the Association would not follow the procurement process, but every endeavour should be made to continue to achieve best value in the procurement of services and goods in these circumstances.
- 10.5 A key consideration is the achievement of best value and prior to issuing a works order, purchase order or contract, consideration should be given whether this work could be undertaken through the Association's staff team, direct labour team or a current contractor of the Association.
- 10.6 The Association has a tender schedule to review contracts on a cyclical basis, therefore periodically testing the market to secure the competitive rate and high quality services to meet the needs of the Association, our tenants and other customers.
- 10.7 In situations where we require to obtain the services of an external contractor, consultant or supplier we must follow the procurement and tender procedures to make an appointment based on the expected value of the contract and the nature of what is being supplied. In all cases, an appropriate specification and/or description of the services is to be drawn up.
- 10.8 The contractor or supplier who is selected through the procurement or tender process to carry out work or provide services should prior to appointment be able to provide or demonstrate some or all of the following:
- Assessment of financial statements
  - Previous experience and references;

- Confirmation they can attend to the work or task within our specified timescales;
- Technical knowledge and skills for the tasks;
- Compliance with health & safety management;
- Commitment to equal opportunities;
- Adequate insurances;
- Payment arrangements where they pay the Living wage to their employees.
- Commitment to the Contractors' Code of conduct; and
- Declare any conflicts of interest

- 10.9 The level of checks will be proportionate to the contract, where for large contracts the information listed in section 10.8 will form part of either the pre-qualifying questionnaire or tender quality assessment process. In other situations, particularly for lower value contracts, goods and services for example stationary supplier the staff member authorising the works order should satisfy himself / herself that the contractor / supplier is appropriate to provide the service based on the contract value. In all situations, records of the checks carried out on potential contractors / suppliers should be kept.
- 10.10 Cadder is a deprived community where the Scottish Government through the Scottish Indices of Multiple Deprivation (SIMD) has identified there are 4 data zones to measure deprivation levels. The 3 main data zones are categorised in the worst 15% most deprived in Scotland. The tendering of medium to large contracts through the Association's work and activities is an opportunity to secure 'Community Benefit'. We will use our procurement processes to achieve a social return on our investment to benefit our community and our peoples' quality of life and living conditions. This will contribute towards our overarching mission to 'Make Cadder Better'.
- 10.10 In situations where the lowest quotation or tender is higher than current budget provision, the work should either be re-tendered, negotiated or approval sought from the Management Committee to accept a higher cost and in doing so increase the budget allocation. Under no circumstances should work be divided into smaller contracts to bring them into a lower value category.
- 10.11 It is important that staff involved in procuring or tendering process consider quality and price to identify the best value contractor for the contract or work. There may be situations where the contractor with the best quality / price score may not be appropriate e.g. where the contractor / supplier has a knowledge of the Association that is important in carrying out their duties; significant cost and/or staff time will be incurred in changing over the contract, which off-set the savings in the contract; or where a contractor has clearly under-priced a tender and will not change it. In such cases, the manager or officer responsible for procuring the contract must set out the case for not accepting the contractor with the best quality/price tender or the lowest tender to obtain approval for its acceptance from the Management Committee.

10.12 The Finance & Corporate Services Manager will annually assess expenditure for each contractor, consultant and suppliers, where the costs will be projected for 48 month period to inform the value of the contract, which will in turn inform the tendering arrangements. This exercise will inform a Tendering Review Schedule for inclusion in the Internal Management Plan

## 11.0 Procurement Process

### Procurement Strategy

- 11.1 Procurement includes the acquisition of goods, services, supplies and works from third parties. The Association procures a wide range of goods, services, supplies and works and a brief summary is listed in [appendix D](#).
- 11.2 The Association will prepare a Procurement Strategy, which will set out the following:
- How 'Regulated Procurements' are being undertaken in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality and mutual recognition;
  - How 'Regulated Procurements' are being undertaken in compliance with the sustainable procurement duty;
  - The payment of Living Wage to persons involved in producing, providing or constructing the subject matter or regulated procurements and other contracts;
  - The achievement of Social Benefit through the procurement process for contracts and services;
  - Promoting compliance by contractors and sub-contractors with Health & Safety at Work etc. Act 1974 and any provisions made under the Act; and
  - The procurement of fairly, ethically traded goods and services.
- 11.3 The Procurement Strategy will be developed and reviewed annually and presented to the Committee in May of each year. It will be accompanied by a report detailing compliance with the factors listed in section 11.2.

### EU Procurement Contract Award Procedures

- 11.4 There are 5 different procurement options in the award of contracts:
- a) Open Procedure  
A notice is placed in the Official Journal of the European Community (OJEC) giving all interested suppliers the opportunity to tender. 35 days (30 days) must be allowed from despatch of the notice to receipt of tenders. Contract documents must be sent to suppliers within 4 days of receiving their request. Additional information must be provided to tenderers at least 6 days before the final date of receipt of tenders. This is only used where the number of expected returns is known to be limited.
- b) Restricted Procedure  
A notice is placed in the OJEC, allowing 30 days for interested suppliers to respond. Invitations to tender are sent only to selected tenderers, allowing 30 days (25 working days) for their response. Contract documentation must be sent to suppliers within 4 days of receiving a request. Any

additional information must be provided at least 6 days before the final date of receipt of tenders

This is the most commonly used procedure and it is a 2 stage process:

- i. Selection of a number of suitable experienced and qualified companies (shortlisting); and
- ii. Inviting those selected companies to submit proposals.

c) Negotiated Procedure

Where a prior publication can be placed, the notice is placed in the OJEC, allowing a minimum of 30 days (25 working days) for the receipt of requests to be selected to then negotiate terms.

The negotiation process is complex and guidance must be sought before commencement. This is used in limited situations

d) Competitive Dialogue Procedure

A notice is placed in the OJEC, allowing 30 days for interested suppliers to respond, dialogue with selected suppliers is required to develop one or more suitable solutions for its requirements and on which bidders will be invited to tender. This procedure is used in situations where there is a particularly complex contract which requires development of the specification. Advice from the Procurement Services should be sought to ensure accurate use of this procedure.

This is used in limited situations

e) Accelerated Restricted Procedure

It does not alter the processes of the procedure, but it does reduce the timescales. The legislation is clear that the accelerated procedure is to be used exceptionally, and the contracting authority must indicate its reasons in the notice to OJEU.

This can be used in a Restricted or Negotiation Procedure where urgency makes the normal timescales impractical.

## Procurement Process Threshold

### 11.5 EU Procurement Levels

The EU Procurement Directives only apply to contracts above certain financial threshold values. **Appendix A** sets out in more detail the definition of services, supplies and works and at what thresholds the formal EU rules apply.

11.6 The Association will advertise its contracts to ensure competition, although this will be proportionate to the procurement and threshold values associated with the works, goods and services.

11.7 The chart outlines suggested advertising arrangements based on procurement and threshold values:

Values £500 -£2,500

- Contract works up to the value of £2,500 can be issued with a works order where it is a contractor of the Association. In situations where it is a bespoke work request out with the scope of our contractors then the staff should secure an estimate for works

Values £2,500 - £5,000

- Contract works between £2,500 - £5,000 requires a quotation based on the value of works. Quotations should be sought from contractors or suppliers on the Association's List of Contractors.
- Expenditure below £5,000 does not require to be advertised as it is cost prohibitive and not best use of our resources;

Values £5,000 - £25,000

- Expenditure between £5,000 and £25,000 requires at least 3 written estimates. Works or services in this value range can either be advertised to attract a reasonable response from suitably qualified and experienced contractors, consultants or suppliers e.g. housing e-newsletter, local media, or quick quote facility on the Scottish Government's procurement web-portal, Public Contracts Scotland, etc. Alternatively, qualified contractors can be approached to submit written estimates

Values £25,000 – EU Procurement Levels

- Expenditure between £25,000 and below EU Procurement levels ([Appendix A](#)) has to be advertised through the Scottish Government Procurement web-portal, Public Contracts Scotland.

Values Above EU Procurement Levels

- Expenditure above EU Procurement levels, must under OJEU Rules be formally advertised through Scottish Government Procurement web-portal, Public Contracts Scotland

11.8 The Procurement of works, goods and services by staff should be in all cases be in keeping with their authorised spending level as outlined in the Financial Regulations. [Appendix D](#) lists the Authorised Spending Levels.

- 11.9 In situations where contracts have been approved by the Management Committee, the Director and Finance & Corporate Services Manager will be delegated to approve invoices above their authorised spending level and below the contract value approved by the Management Committee. If the invoice is higher than the contract value initially approved by the Management Committee it should be resubmitted to the Management Committee to sign off the invoice. The Committee should be provided with reasons why the invoice value has exceeded the approved contract value.
- 11.10 The Association will consider the procurement of contracts, services and goods through established frameworks by other housing associations, service providers or our partners. In the event of a Framework Agreement being suitable for the procurement of goods, services, supplies or works, the Association will have to ensure and consider the following:
- The initial procurement facilitates the Association accessing the Framework;
  - The Framework Agreement was established in a recent period (up to 3 years) therefore it incorporates a good selection of contractors, suppliers or consultants and costs are seen to be competitive in the current market;
  - A report is issued to the Management Committee seeking their agreement to accessing the Framework Agreement for the procurement of specific goods, supplies, services or works.

## 12.0 Risk

- 12.1 The procurement of goods, services, supplies and works creates a risk for the Association. The key elements of the procurement process such as identifying supply needs, specifying requirements, acquiring goods & services and on-going management of the contracts, are controls that assist with the management of risk.
- 12.2 The work or services provided by contractors, consultants or suppliers can compromise the quality of service we aim to provide; result in financial implications; or cause reputational damage by our tenants or other customers, particularly where through the management and organisation of their business they create risks by:
- Not being financially viable;
  - Not having adequate resources to fulfil the terms and service standards in the contract;
  - Employing staff who are not adequately qualified or experienced to undertake the services or works in the contract;
  - Not adhering to Health & Safety and therefore compromising the health and well-being of their staff, Association's staff; and our tenants and other customers;
  - Not complying with equal opportunities;
  - Causing damage to the Association's property and / or our tenants' homes;

This list is not exhaustive

- 12.3 The Association should undertake an annual review of the contractor to mitigate the possibility of the risks listed in section 12.2 materialising, through:
- Assessment of their financial statements;
  - Review of insurances i.e.
    - Professional Indemnity Insurance
    - Public Liability Insurance
    - Employer's Liability Insurance
  - Assessment of up to date accreditations and qualification for the company and its staff relating to legislative and regulatory requirements e.g.
    - Gas engineers have Gas Safe registration;
    - Electricians are certificated to the current edition;
    - Asbestos; and
    - Trade staff are qualified, etc
  - Assessment of Contractors' performance taking account of:
    - Performance information – completion timescales;
    - Quality assessment
    - Complaints by tenants or other customers
    - Tenant satisfaction responses

- 12.4 The annual assessment of contractors should be completed in February of each year with a report presented to the Management Committee in March on the list of contractors for the forthcoming year. In situations where use of contractor or supplier is suspended where they have either not provided the relevant information or there are concerns following the provision of information listed in section 12.2, the Association will detail the following:
- How the suspension can be lifted; and
  - Arrangements for the provision of services and works during the suspension period.
- 12.5 The Association will maintain a schedule detailing the review dates for the annual assessment of contracts, which will be based on their appointment date.
- 12.6 The Association will ensure it has adequate insurance cover for any claims by contractors or any third party for the activities and services of contractors, consultants and suppliers.

## 13.0 Purchasing / Tendering Process

- 13.1 The purchasing or tendering process for the appointment of contractors, suppliers or consultants must be fair, reasonable and transparent. It is essential there is an audit trail to verify and validate our decisions on the issue of works and the award of contracts. This will necessitate good recording keeping on tender documentation, and outcomes and considerations at each stage of the tendering process. A thorough approach will stand the Association in good stead, whether this is a request by an unsuccessful contractor on the reasons they did not secure the contract, scrutiny by our auditors or Regulators, etc.
- 13.2 The purchasing or tendering process will be dependent on whether a tender has been completed for works, services or goods and their value.
- 13.3 In situations where the annual value accumulated for a 4 years (48 month period) exceeds £25,000 then the contract should be tendered. The Finance & Corporate Services Manager will generate a report at the yearend showing the value of works, services or goods for each contractor, consultant or supplier, which will inform contracts with an accumulated value of £25,000 and subject to formal tendering.
- 13.4 The exemption to purchasing and tendering process may be subscription services specific to the housing sector e.g. Glasgow Community Services (Anti-social behaviour services); SFHA / GWSF (Sector representative organisations). In these situation there should be a best value assessment to ensure the Association is securing value for money from its subscriptions to the service.

### Contract Values

General Purchases Process - Purchases with a value less than £500

#### Maintenance

- 13.5 The Technical Services Staff will issue works orders for planned, cyclical and re-active repairs through the repairs module on the SDM Housing Software system. All staff should ensure issue and authorisation of works orders has had prior approval by staff with an authorised spending level greater than estimated value of the works or services on the works order. On receipt of the invoice for the works order it must be carefully scrutinised and payment only approved and signed off by a staff member with appropriate spending level.

#### Other

- 13.6 In all other purchases up to the value of £500, staff should secure at least one quotation and this must be received either in writing or communicated verbally. (A quotation is a relatively simple document setting out the price, details of the goods and services and a delivery date). Similar to maintenance works (section 13.4) the staff member authorising the order should when instructing works have sufficient delegated authority and ensure there is provision in the annual budget.

## General Purchases - Purchases with a value between £500 - £5,000

- 13.7 Staff should prepare a specification for works, services or goods and secure an estimate either in writing or e-mail format from a suitably qualified contractor. In situations where a contractor is already working for the Association the cost of works or services may be informed by a schedule of rates or the initial tender submission. We should always request an estimate where work is out with the schedule of rates or is additional work to the scope of the tender and appointment of the contractor, consultant or supplier.

## Estimates Process - Purchases with a value between £5,000 - £25,000

- 13.8 Purchases or work orders with an anticipated value between £5,000 and £25,000 will require at least three estimates from contractors, consultants and suppliers.
- 13.9 The assessment of estimates should be managed effectively and broadly in keeping with the format of the tender assessment process as listed:
- Invite to provide an estimate is issued to potential contractors, consultants or suppliers for works, services or goods;
  - The specification will include the following:
    - Detained information on the scope of the work, services or supplies;
    - Information on timescales for commencement and completion of the works;
    - Key questions to inform the quality assessment of contractor, consultant or supplier;
    - Fee bid pro-forma for the costs to be provided.
  - All estimates should be returned in hard copy in an enclosed envelope marked 'Private & Confidential' with the fee bid kept in another separate envelope. The exception would be where the process is undertaken through the Public Contracts Scotland portal. Under no circumstances should estimates be submitted through e-mail.
  - All estimates returned in hard copy should be receipted and stamped with the date and time. Any estimates returned after the deadline will be rejected and immediately returned to the contractor, consultant or supplier.
  - All estimates should be opened only after the deadline for the tender process by at least 2 staff members (one staff member should be a Senior Staff Team member with an authorised spending level over the value of the contract). The Fee-bids should not be opened until any 'quality' assessment process has been completed
  - Estimates should be recorded in a tender book showing the following details:
    - Contract
    - Estimates returned from contractors
    - Costs information including the estimate, Vat and other expenses.
    - Staff members present with the completed tender schedule signed off by each member present.

- 13.10 There will be no requirement for 3 estimates where the works, services and supplies are incorporated into an existing contract through a contractor, etc. on our list of contractors. This as the works would have been expected within the scope of the contract and best value has been assessed through the appointment of the contractor, etc.
- 13.11 The Association will aim to send a letter to the successful contractor, etc informing them of their success or otherwise within 3 working days of the date estimates were formally opened. The exception to this would be in situations where the staff member considers making a case not to appoint the lowest estimate, which would be assessed by the Management Committee (See section 10.11)

Tender Process - Purchased above £25,000

- 13.12 A tender document should be prepared for all contracts above £25,000 and these should generally be advertised through the Scottish Government's Procurement Web-Portal, Public Contracts Scotland.

#### Preparing and Issuing Tenders

- 13.13 A member of the Senior Staff Team (SST) will lead the procurement of contracts and will be responsible for ensuring the tendering process is undertaken in accordance with this policy. There may be occasions where the Association requires to appoint an external consultant to assist in a more complex or higher value contracts, which is acceptable as long as the process is strictly in keeping with the Association's policies and procedures. In these situations, tender submissions should always be returned to the Association's office.
- 13.14 The initial stage in the procurement process is to consider the method for advertising the contract, which is broadly outlined in section 11.8. In contracts over £25,000 this will generally be achieved through posting the contract on the Public Contracts Scotland portal. This could take the approach of issuing a pre-qualifying questionnaire to identify suitable contractors, which would be assessed and shortlisted to inform a list of between 4 and 8 organisations invited to tender for the contract. The objective is to ensure receipt of at least 3 tender submissions at the end of the process. In exceptional circumstances two quality tender submissions is acceptable but the reasons contractors gave for not tendering should be explained in the report to the Management Committee. Instructions regarding single tenders are set out in sections 13.32 and 13.33.

- 13.15 There may be occasions where it is appropriate to prepare a list of contractors and invite them to tender. These contractors could be drawn from:
- Association's list of contractors;
  - Contractors working in the housing association sector either through neighbouring RSLs or in Glasgow West of Scotland / Scottish Federation of Housing Association's member organisations;
  - Consultant's experience of contractors / recent appointments
  - Framework Agreement

In these situations the list of contractors invited to tender should be approved by the Management Committee before the tender is issued.

- 13.16 At the stage, contractors shortlisted or invited to tender are issued with a tender pack it should contain the following information
- Letter of invitation;
  - Instructions regarding the tendering procedure;
  - Scoring arrangement i.e. quality / price %
  - Full description of the work to be carried out
  - Full specification
  - Pricing document / Fee Bid
  - Conditions of Contract
  - Relevant timescales for commencement / completion of works
  - Lead officers contact details
  - Arrangement for prior inspection of the site or works, as required
  - Form of tender
  - Conditions of Payment (If not included with Conditions of Contract)

- 13.17 In the event of an amendment to tender documentation or a query from a contractor about the work or process then in the interest of fairness and consistency this information should be shared with all contractors invited to tender.

- 13.18 The SST member should prepare a scoring matrix for the tender, which will be either price or quality / price. This should be prepared prior to the issue of documentation and be clear to contractors the pricing or scoring arrangements. This will inform the completion of the tender application form, where points will be awarded for company experience; qualification, skills and experience of staff; and previous experience; etc.

- 13.19 Tenderers should be given a minimum of 2 weeks to prepare and submit their tender, unless there is an urgency for this to be undertaken in a shorter timescale. The Association will give due consideration to a contractor's request for an extension to the tender submission deadline only where the request is made within a reasonable period following the issue of the tender. If approved, the Association will communicate the revised timescale to all contractors.  
(It should be noted that under the rules set out under EU Legislation, timescales are defined and must be adhered to – see section 11.4)

## Receipt of Tenders

- 13.20 Tender submissions should be passed to the Finance & Corporate Services Manager and immediately stamped with the date and time and stored in the safe or a lockable drawer. It is imperative that frontline staff are aware of the submission of tenders, thus avoiding a situation where tender envelopes are opened and the integrity of the procurement process is potentially compromised.
- 13.21 The exception would be where the tender is posted on Public Contracts Scotland portal. Under no circumstances should tenders be administered through e-mail
- 13.22 In situations where tenders are late or packaging is damaged to such an extent that the contents are illegible then the submission will be rejected and tenders returned unopened to the tenderer.

## Tender Opening

- 13.23 The SST member responsible for the contract should make arrangements to open the tenders at a suitable venue, date and time, which should be at the earliest opportunity following the deadline for tender submission.
- 13.24 There will be a panel who will formally open the tenders, which should be at least:
- Two members of the Management Committee;
  - Senior Staff Member responsible for the contract; and
  - A member of staff preferable from the Finance & Corporate Services Section responsible for the storage of tender submission, this would normally be the Finance & Corporate Services Manager or it could be another member of the SST.

It is acknowledged that others may be present at the tender opening e.g. External consultant

- 13.25 At the opening the SST member will ask all persons in attendance whether they have a conflict of interest in the contract or there is any reason they should not be involved in the process.
- 13.26 In contracts where there is a quality and price assessment, the tenders should be opened by the panel and the fee bids immediately stored in a separate envelope until the quality assessment process has been completed. The SST member should record details of the tender opening in a tender sheet, which should be signed off by each panel member. The tender panel will recess until the full assessment of the quality assessment process. The panel should decide whether all panel members or a selection should partake of the quality assessment. (There should be at least 2 members of the panel involved in the quality assessment)

- 13.27 The panel will reconvene following the completion of the quality assessment process and the SST member will populate the quality scores into a Tender Scoring Sheet. Thereafter, the panel will open the fee bids which will be recorded in the Tender Register Book (Appendix F) and the Tender Scoring Sheet (Appendix G). The Tender Scoring Sheet will identify the contractor with the best value score. The panel will sign off the Tender Register Book and the Tender Scoring Sheet. All tender information will be passed to the SST for assessment.  
(It is important to note all information contained in the tenders is considered to be confidential)

#### Tender Assessment

- 13.28 The tenderer with the lowest price or the highest best value score will normally be appointed, but it is essential that tenders' submissions and costings are properly assessed. The assessment should include:
- A check on the arithmetic to ensure it is correct;
  - An assessment on whether or not the tenderers comply with the requirements set out in the specification;
  - A check on the financial viability of the tenderer, particularly in large value contracts;
  - Taking up references, if appropriate;
  - An assessment of any changes the tenderer is making to conditions of Contract
  - An assessment of insurances
- 13.29 In the event a tenderer has made an error in their pricing of the contract or it is seen to be an unrealistic price, the relevant tenderer will be asked to clarify and if necessary agree to any changes. It may result in contractual issues if the Association enforce the terms of a contract, which are not feasible or viable to the scope of the contract. The SST member would discuss this with the Director subject to any concerns being raised with the Management Committee to inform their decision on the award of the contract.
- 13.30 If the value of the lowest tender exceeds the budget allocation the following options should be considered:
- a) The tendering exercise is repeated;
  - b) The tendering exercise is repeated with a reduced specification
  - c) Negotiations are undertaken with the lowest tenderer to try to reduce the price within the budget allocation; or
  - d) The budget is increased to cover the contract value.

The Director will have discretion to progress options a), b) and c), whereas the Management Committee will decide on the award of a negotiated contract (option c) and a revised budget allocation (option d)

## Negotiated and/or Single Tenders

- 13.31 There are occasions when it may not be possible to identify contractors to ensure a reasonable submission of tenders. This could result in a contract being entered into on the basis of a single tender or one that has been negotiated with the contractor.
- 13.32 A tender process that results in the submission of a single tender submission has to be carefully considered to decide on whether the contract should be re-tendered or it should be accepted. In all situations where there is a single tender for all works above £2,500 it must be authorised by the Management Committee
- 13.33 Negotiating a tender with a contractor is acceptable but it must be transparent and any negotiations recorded irrespective of the contract value. The Management Committee will authorise all contracts of this nature and efforts should be made to demonstrate the tenderer's cost is comparable with market rates.

## Tender Acceptance

- 13.34 Once approval of the contract, all tenderers will be notified in writing whether or not they have been successful. This should be done without delay, thereby recognising tender pricing may have limited period and to avoid a repricing situation.
- 13.35 Final placing of the contract will be followed by a two week (10 working days) 'stand still period' after the unsuccessful contractor have been told of the Association's intentions. This is to give time for any complaints, concerns or challenge to be raised by any of the unsuccessful contractors.

## Contract Conditions

- 13.36 The Association will following the appointment of contractor / supplier enter into contract for the service or works. It is imperative conditions of contract are clearly understood and ramifications of any qualifications proposed by a contractor in a draft contract document are clearly understood. In situations where contract condition are ambiguous then the Association should consider specialist professional or legal assessment. The Management Committee will delegate the signing of a contract documents up to the value of £15,000 to the Director.
- 13.37 The Association will take professional advice on the preferred form of contract to be used for large building, maintenance or engineering projects in its work.
- 13.38 In contracts and orders up to the value of £25,000 the Association's Standard Condition of Contract should be issued (See Appendix E)

## **14.0 Document Filing, Storage & Retention**

- 14.1 To ensure transparency and facilitate the audit process, all documentation (including e-mail correspondence) relating to the procurement of contracts, supplies and goods are to be retained and in accordance with our policies on document filing, storage and retention.
- 14.2 A separate folder will be established for each contract over the value of £2,500, which will contain quote or tender information including submissions by contractors, consultants or suppliers.

## **15.0 Monitoring & Audit**

- 15.1 The Association will monitor compliance of the policy and procurement process through:
- Sectional Manager will oversee the procurement process and appointments of contractors, consultants or suppliers up to the £5,000 threshold;
  - Director or Finance & Corporate Services Manager will oversee the procurement process for all appointments of contractors, consultants or suppliers over the £5,000 threshold
  - Provision of an annual report to the Management Committee detailing compliance with the procurement policy and related outcomes;
  - Assessment of compliance of the procurement policy and associated legislative and regulatory requirements by the Association's Internal Auditor in the 3 year Audit Plan.

## **16.0 Review**

- 16.1 The Procurement Policy will be reviewed every three years. The next review will therefore take place in March 2020 or earlier to take account of:
- Legislative, regulatory and good practice requirements;
  - Association performance; or
  - the views of any stakeholder in the procurement process.

## 17.0 Appendices

- a) EU Regulated Procurements Thresholds
- b) Lower Value Regulated Procurements Thresholds
- c) Financial Regulations –Authorised Spending Levels
- d) Procurement Schedule
- e) Cadder Housing Association Standard Condition of Contract
- f) Tender Register Book Format
- g) Tender Record / Scoring Sheet – Format –
  - i. Stage 1 - Opening of Tenders
  - ii. Stage 2
    - a. – Pricing (Fee Bids)
    - b. – Quality (Quality Assessment / Scoring)
    - c. – Quality / Price Total Score
- h) Instruction to Tenderers

## Appendix A

### European Union Contract Thresholds

Supplies	£164,176	€209,000
Services	£164,178	€209,000
Works	£4,104,394	€5,225,000

N.B All figures are from 18 April 2016 and are exclusive of VAT

## Appendix B

### Lower Value Contract Thresholds

Supplies	£50,000
Services	£50,000
Works	£2,000,000

N.B All figures are from 18 April 2016 and are exclusive of VAT

## Appendix C

### Financial Regulations – Authorised Spending Levels

#### Approval of Commitment to Spend

i) Capital Expenditure (other than properties, including IT, motor vehicles, copiers etc)

a)	Over £25,000	Management Committee
b)	Under £25,000	Director

ii) Capital Expenditure (properties)

a)	Purchase of a property	Management Committee
b)	Consultants Fees/ Works Costs within approved contract sums	Director

iii) Staff Appointments, Salaries & Staff Costs

a)	Staff appointments above the approved staffing establishment	Management Committee (Staffing Sub Committee)
b)	Staff appointments above	Management Committee (Staffing Sub Committee)/ Director/ Senior Staff Team
c)	Temporary and fixed term project funded staff	Director
d)	Salary Reviews	Management Committee (Staffing Sub Committee)
e)	Staff Expenses	Director / Senior Staff Team (Line Manager)
f)	Committee Expenses	Director
g)	Director Expenses	Chairperson
h)	Overtime – Director	Management Committee /Chairperson
i)	Overtime – Staff	Director / Senior Staff Team

iv) Property Management Costs

a)	Repairs & Maintenance up to £100	Trade Team Staff
b)	Repairs & Maintenance up to £250	Repair Admin
c)	Repair & Maintenance up to £1,000	Repairs Co-ordinator
d)	Repair & Maintenance up to £500	Chargehand Estate Caretaker
e)	Repairs & Maintenance up to £3,000	Technical Services Officer
f)	Repair & Maintenance up to £5,000	Maintenance Manager
g)	Repair & Maintenance up to £10,000	Customer Services Manager
h)	Repair & Maintenance up to £25,000	Director

v) Office Administration & Other General Expenses

a)	Up to £100	Receptionist
b)	Up to £250	Finance Assistant
c)	Up to £1,000	Corporate Service Officer
d)	Up to £10,000	Finance & Corporate Services Manager
e)	Up to £25,000	Director

vi) Customer Services

a)	Up to £250	Customer Service Admin
b)	All costs up to £500	Customer Service Co-ordinator
c)	All costs up to £1,000	Customer Service Officer
d)	All costs up to £3,000	Customer Service Team Leader
e)	All costs up to £10,000	Customer Service Manager
f)	All costs up to £25,000	Director

v) Community Centre

a)	Up to £250	Community Centre Operatives
b)	Up to £250	Cook
c)	Up to £1,000	Community Centre Co-ordinator
d)	Up to £10,000	Finance & Corporate Services Manager
e)	Up to £25,000	Director

## Appendix D

### Procurement Schedule

Contract / Supplier	Value of Contract 2016-17	Procurement Contract Value	Tender Date

## **Appendix E**

Cadder Housing Association Standard Condition of Contract

### **CADDER HOUSING ASSOCIATION Standard Terms and Conditions of Purchase for Goods, Services and Works**

#### **1. Definitions**

1.1 In the Conditions on Contract, the terms and expressions used shall have the following meanings:

- Cadder means Cadder Housing Association
- Contact means the agreement between the Association and Supplier;
- Intellectual Property Rights means all intellectual property rights including without limitation patents, trademarks, designs, design rights, copyright, inventions, trade secrets and all applications for protection of any of the same;
- Legislation means all laws, statutory instruments, regulations in force from time to time in Scotland and the United Kingdom;
- Order means Cadder's written instructions for the provision of goods, works and/or services issued by Cadder incorporating these conditions;
- Service means any services, duties and responsibilities to be provided, performed and observed by the Supplier pursuant to the Contract;
- Supplier means the person, firm or company to whom the Order is addressed; and
- Works means any works, duties and responsibilities to be provided, performed and observed by the Supplier pursuant to the Contract.

## **2. Application of Terms and Conditions**

- 2.1 Subject to any variation, these terms and conditions shall govern the Contract to the entire exclusion of all other terms, conditions and representatives.
- 2.2 The acceptance of an Order or a Contract and the supply of the goods, services or works specified by the Supplier shall be deemed to be conclusive evidence of the acceptance of these terms and conditions by the Supplier.
- 2.3 Any variation to the Contract shall have no effect unless expressly agreed in writing and signed by an authorised representative / signatory of Cadder.

## **3. Supplier Representative**

- 3.1 The quantity, type and price of Goods, Works and/or Services plus any particular requirement in relation to the Order shall be as set out in the Order.
- 3.2 The Supplier warrants that the Goods, Works and /or Services will correspond to the type, quantities, descriptions and particular requirements (if any) contained in the Order and shall be fit for purpose of their intended use and to the extent that such description is incomplete or insufficient the Supplier warrants that the Goods or Works will comply will all European Standards.
- 3.3 Prior to delivery, the Supplier shall provide Cadder with full information in respect of any substances to be supplied which are subject to the Control of Substances Hazardous to Health Regulations 2002 and similar laws and/or regulations. If such information has not been supplied in accordance with this Clause Cadder shall be under no obligation to make any payment to the Supplier in relation to the Goods or Works.

## **4 Deliveries**

- 4.1 Unless otherwise agree in writing, time shall be of the essence for the supply.
- 4.2 If there is, or if there is likely to be, a delay in completing the Order, the Supplier shall immediately after becoming aware of the fact give written notice to Cadder giving the reasons for an actual or anticipated delay and details of any alternative delivery dates proposed and subject to the receipt of such notice Cadder may grant in writing a reasonable extension of the period of

time stated in the relevant Order if and to the extent that in the reasonable opinion of Cadder the delay is solely due to a cause out with the Supplier's control.

- 4.3 Delivery notes must be supplied with every delivery against an Order. Every delivery note and all correspondence must quote Cadder's Order number and must provide the full contact name, address and telephone number of the Supplier.

## **5.0 Acceptance of Goods, Works and Services**

- 5.1 An authorised representative of Cadder must sign for the Goods and/or Services provided. However, such a signature does not constitute Cadder's acceptance of the quality or quantity of the Goods delivered and / or Services provided even where the delivery provided to Cadder states that such a signature confirms the quality and condition of the Goods. Acknowledgement of delivery will not limit or exclude the liability of the Supplier under the Order.
- 5.2 Cadder reserves the right to reject inferior or defective Goods, Works and Services. Cadder will notify the Supplier the reasons for rejection and will require the Supplier to remove and rectify defective Goods, Works and/or Services at the Supplier's expense. Rejected Goods, Works and / or Services will remain the property of the Supplier and Cadder will be under no obligation to pay for them.
- 5.3 Unless otherwise stated, the Supplier is responsible for providing all equipment and labour necessary for the processing, off-loading and loading of Goods and/or Works.

## **6. Services**

- 6.1 Where an order includes or is for the Supply of Services the Supplier will provide or execute the Service using the same level of skill, care and diligence as would be expected of a properly qualified supplier experienced in carrying out services of the nature, scope, type and value to the Services

## **7. Risk**

7.1 The Goods shall remain at the risk of the Supplier until delivery to Cadder is complete. Ownership of and title of the Goods shall pass to Cadder on the date of delivery or payment.

## **8. Payment**

8.1 Cadder will not make any payment to the Supplier unless the Supplier is in receipt of an official Order.

8.2 Subject to full compliance of the Order by the Supplier, Cadder will make payment for the Order within 28 days of receipt from the Supplier of an invoice correct in all particulars.

8.3 Payment by Cadder shall be without prejudice to any claims or rights which Cadder may have against the Supplier and shall not constitute any admission by Cadder as to the performance of the Supplier of its obligations hereunder.

## **9. Liability and Indemnity**

9.1 The Supplier shall keep Cadder indemnified in full against all direct, indirect or consequential liabilities, loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by Cadder as a result or in connection with:

- i. defective workmanship, quality and materials;
- ii. an infringement or alleged infringement of and Intellectual Property Rights caused by used, manufacture or supply of the Goods, Works and/or Services;
- iii. any claim made against Cadder in respect of any liability, loss, damage, injury, cost or expenses sustained by Cadder's employees, agents, customers or third party to the extent of such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Goods, Works and/or Services as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Order by the Supplier.

9.2 The Supplier:

- i. Accepts liability for death and personal injury howsoever resulting from a Supplier's negligence;
- ii. Accepts liability for damage to property resulting from the Supplier's negligence where such negligence has arisen or arises in connection with the provision of Goods, Works and/or Services or in connection with any other activities undertaken by the Supplier pursuant to or for any purpose related to the Order;
- iii. Hereby agreed to indemnify Cadder against all liability, loss, damage, costs and expenses whatsoever nature incurred or suffered by Cadder or by any third party whether arising from any disputes, contractual, tortious or other claims or proceedings which seek to recover loss and damage incurred by reason of any such death, personal injury or damage to property in relation to the provision of Goods, Works and/or Services.

9.3 The Supplier undertakes to:

- i. maintain, at its own cost, appropriate public liability insurance;
- ii. maintain at its own cost, Employer's Liability insurance for the amount of £5,000,000 (five million pounds) in respect to any one occurrence arising out of one event;
- iii. maintain at its own cost, Professional Indemnity / Product Liability insurance for the amount of £1,000,000 (one million pounds) in respect to any one occurrence or a series of occurrences arising out of one event to ensure that its activities under the Order are fully insured and remain insured under an annual professional indemnity policy; and
- iv. provide copies of insurance cover arrangements as listed in section 9.3 prior to the commence of the contract and as requested (at least annually), thus to ensure insurance noted has been purchased and is currently in force.

9.4 The provision of Condition 9 (Liability and Indemnity) shall survive the termination of the Order for any reason

## 10. Termination

- 10.1 Cadder shall have the right at any time by giving notice in writing to the Supplier (where the Supplier is a company) to terminate the Order with immediate effect in the event of:
- i. an order is made for its winding up;
  - ii. a receiver (including any administrative receiver) or similar person is appointed in respect of, or an encumbrance takes possession of, the whole or any part of any of its property, assets or undertaking;
  - iii. an administrator is appointed; or
  - iv. it is unable to pay its debts for the purposes of the Insolvency Act 1986 as amended, or if it becomes insolvent under any applicable legislation.
- 10.2 Cadder shall have the right at any time by giving notice in writing to the Supplier (where the supplier is a partnership or an individual) to terminate the Order with immediate effect in the event of:
- i. its dissolution;
  - ii. when any of the following apply to any of the partners:
    - a. He/she is the subject of a bankruptcy order;
    - b. He/she has a bankruptcy petition filed against him/her;
    - c. He/she enters into an individual voluntary arrangement or an arrangement with his creditors in satisfaction of his debts; or
    - d. He/she becomes bankrupt under any applicable legislation.
- 10.3 Without prejudice to Cadder's other rights and remedies, Cadder may terminate the Contract with immediate effect by notice if the Supplier commits any breach of the Contract and fails to remedy such breach within 14 days of being given notice by Cadder to do so.
- 10.4 Termination of the Contract shall not prejudice or affect any right or remedy which has accrued or shall accrue thereafter to Cadder, and provision which is expressed to survive the Contract shall remain in full force and effect.

10.5 In the event of Cadder terminating the appointment of the Supplier, Cadder shall be under no obligation to make further or additional payments to the Supplier and/or Cadder shall not be liable to the Supplier for any loss of profits, loss of contracts or other costs, losses and/or expenses arising out of or in connection with such termination.

**11. Assignment and Sub-letting**

11.1 The Supplier shall not assign, transfer, sub-contract or in any other manner make over to any third party the benefit of the Order (or any part thereof) without the prior written consent of Cadder.

**12. Health & Safety**

12.1 The Supplier must comply with all Legislation including Health & Safety legislation. In addition, the Supplier must, when on Cadder's premises or carrying out work for or on behalf of Cadder, comply with Cadder Health & Safety policies and procedures. Cadder's policies and procedures are available for inspection on request

**13. Law and Jurisdiction**

13.1 This Contract will be governed by the Law of Scotland

**14. Defects**

14.1 The Supplier will make good by replacement any defects in the Goods, Works and shall bear any reasonable costs and expenses incurred by Cadder as a consequence of such defects, including where necessary, the costs of opening up or dismantling of other works or assemblies to permit such replacement and or re-assembly and making good after replacement and testing to Cadder's reasonable satisfaction subject to Cadder taking reasonable steps to mitigate the amount and costs of such works. Failure by the Supplier to make good any such defect (except for such minor defects as do not affect the intended use of the Goods or Works) shall entitle Cadder to refuse to acknowledge delivery / completion or, if delivery if delivery has been acknowledged, to invalidate acknowledgement.

## Appendix F

Tender Register Book

### CADDER HOUSING ASSOCIATION TENDER OPENING RECORD

Tender for \_\_\_\_\_

Place \_\_\_\_\_

Date / Time \_\_\_\_\_

Tenders:

Name of Tenderer	Value of Tender as opened		
	Amount	Vat	Total

Declaration of Opening by Panel Members

I declare that I have no conflict of interest or interest in this tender. I certify that the tenderers' fee bids have been opened and recorded in accordance with the Association's Procurement Policy and information noted above is correct.

Procurement Panel

Name	Designation	Signature

Other Persons Present

Name	Designation

Other Comments

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**Appendix G**

Tender Record / Scoring Sheet - Stage 1

**CADDER HOUSING ASSOCIATION  
TENDER OPENING RECORD**

Tender for \_\_\_\_\_

Place \_\_\_\_\_

Date / Time \_\_\_\_\_

Tender Organisation	Quality Submission Yes / No	Fee Bid Enclosed* Yes / No

\*Fee bids secured in separate envelope to be opened by the Tendering Panel following completion of the Quality Assessment of Tenders

**Declaration of Opening by Panel Members**

I declare that I have no conflict of interest or interest in this tender. I certify that the tenders for the above contract have been opened to facilitate the quality assessment process and fee bids remain unopened and stored in a separate envelope, this in accordance with the Association's Procurement Policy and information noted above is correct.

**Procurement Panel**

Name	Designation	Signature

**Other Persons Present**

Name	Designation

**Other Comments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Appendix G**

Tender Record / Scoring Sheet - Stage 2a (Pricing)

**CADDER HOUSING ASSOCIATION  
TENDER OPENING RECORD – Fee Bids**

Tender for \_\_\_\_\_

Place \_\_\_\_\_

Date / Time \_\_\_\_\_

Tenderer	Cost	Vat	Total	Score	Weighting

Procurement Panel

Name	Designation	Signature

**Appendix G**

Tender Record / Scoring Sheet - Stage 2b (Quality)

**CADDER HOUSING ASSOCIATION  
TENDER OPENING RECORD – Quality**

Tender for \_\_\_\_\_

Place \_\_\_\_\_

Date / Time \_\_\_\_\_

**Example**

Quality	Maximum Points	Panel Member 1	Panel Member 2	Panel Member 3	Panel Member 4	Total
Company Details	0					
Company Experience	15					
Health & Safety	5					
Documents & Reports	Yes / No					
References	Yes / No					
Conflicts of Interest	Yes / No					
Total						
Weighting Score (xx%)						

**Procurement Panel**

Name	Designation	Signature

**Appendix G**

## Tender Record / Scoring Sheet - Stage 2c (Quality / Price Score)

Tender for \_\_\_\_\_

Place \_\_\_\_\_

Date / Time \_\_\_\_\_

Tenderer	Quality	Price	Total

## Declaration of Opening by Panel Members

I declare that I have no conflict of interest or interest in this tender. I certify that the quality / price scores reflect the quality assessment process and amounts in tenderers' fee bids, which have been weighted based on the contract and all is in accordance with the Association's Procurement Policy

## Procurement Panel

Name	Designation	Signature

## **Invitation to Tender – Internal Audit Services**

### **1.0 Introduction**

- 1.1 Cadder Housing Association invites suitably qualified and experienced companies to tender for the provision of internal Audit services.
- 1.2 The appointment will be for a maximum of 5 financial years from September 2016, but reviewed annually based on performance and compliance with our terms of engagement. Companies submitting a tender should have regard to the tender procedure and requirements as outlined in section 3 of this document, 'Requirements of Tenderers' and should submit a proposal to take account of these information needs.
- 1.3 We request that your tender submission is in a proposal format and includes: a draft Audit Plan for 2016-19, your approach to internal audit and an audit needs assessment; the experience of your company and its staff; and other relevant information and documentation to support your tender.
- 1.4 Tenders will be assessed based on quality and price, therefore the contract will be awarded on the basis of value for money.
- 1.5 All information provided by the companies in their proposals will be treated in confidence.
- 1.6 It should be understood that Cadder Housing Association Ltd is not liable for any costs incurred by the tenderers in the preparation of their proposals.
- 1.7 Proposals shall be made without obligation by the Association to acquire any of the services included, or to discuss the reasons why the proposal is accepted or rejected.
- 1.8 It should also be understood that if the proposal is accepted, it might form part of a contract that will be negotiated subsequently.
- 1.9 Companies tendering for this contract must not make reference to Cadder Housing Association Ltd in any literature, promotional material, brochures or sales presentations without the express written consent of the Association.
- 1.10 Any enquiries about this tender should be made to Kenny Mollins, Director at [Kenny.mollins@cadderhousing.co.uk](mailto:Kenny.mollins@cadderhousing.co.uk) or on telephone number 0141 945 3282.

