# PROCUREMENT POLICY

APPROVED BY HHP BOARD:
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EFFECTIVE DATE:
March 2026

hebridean housing partnership

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## INTRODUCTION

1.1 This policy governs all Hebridean Housing Partnership (HHP) procurement.

1.2 'Procurement' is defined as our acquisition of goods, services and works from third parties, whether under formal contract or otherwise, in relation to the delivery of affordable homes and our associated support services.

1.3 This can relate to the purchase of routine supplies and services as well as formal tendering processes for larger projects and undertakings.

1.4 Contractors, consultants, suppliers and professional organisations are all referred to within this policy as 'suppliers'.

1.5 This policy describes how suppliers will be selected and awarded contracts by HHP, and how these contracts will be managed.

## AIMS

2.1 This policy seeks to ensure that we comply with the relevant legislation, regulations and guidance regulating our procurement activities, and that we follow best practice wherever possible.

2.2 As part of our Business Plan and Value for Money strategy, we are required to demonstrate value for money and to promote quality, efficiency and effectiveness on an ongoing basis.

2.3 In addition, our procurement process is based on the following principles:

- To treat relevant economic operators equally and without discrimination;
- To act in a transparent and proportionate manner;
- To comply with the sustainable procurement duty;
- To improve the economic, social (reducing inequality) and environmental wellbeing of the islands;
- To use procurement to support our ESG Strategy action plan;
- To facilitate the involvement of small and medium enterprises, third sector bodies and supported business in the process; and
- To promote innovative procurement methods.

2.4 We will seek out and collaborate with other organisations in relation to shared procurement opportunities where there are identified benefits in doing so.

## THE BASIS FOR PROCUREMENT

### PRIMARY PROCUREMENT LEGISLATION

3.1 We are, in relation to procurement, defined as a 'Public Contracting Authority' in Scotland. In this regard, therefore, we are bound by specific legislation. These include:

- The Procurement Reform (Scotland) Act 2014:
- The Public Contracts (Scotland) Regulations 2015;
- The Procurement Scotland Regulations (2016);
- The Public Procurement etc. (EU Exit) (Scotland) (Amendment) Regulations 2020

### OTHER RELEVANT LEGISLATION

- Late Payment of Commercial Debts (interest) Act 1988;
- Health & Safety at Work Act 1974;
- Prevention of Corruption Act 1906; and
- UK General Data Protection Regulation and the Data Protection Act 2018

3.2 The UK Procurement Act of 2023, which came into effect in February 2023, while focusing on England, Wales, and Northern Ireland marked a broader shift away from European-derived legislation than the current Scottish Regulations.

3.3 While the UK Act will not be relevant in the majority of our procurement, we may fall under its jurisdiction in relation to direct UK Government spending and initiatives in Scotland, or through participation in UK-wide frameworks. If there is any doubt, advice should be sought.

### OTHER INTERNAL HHP CONTROLS

3.4 This policy and any procurement process should be read in conjunction with the following HHP policies, strategies and related procedures:

a) Standing Orders
b) Financial Regulations
c) Financial Authorities
d) Entitlements, Payments, and Benefits Policy
e) Procurement Strategy
f) Environmental, Social and Governance Strategy

## PROCUREMENT DEFINITIONS

4.1 In relation to public procurement and this policy the definitions can be found at the end of the policy.

4.2 Details on procurement thresholds can be found at Appendix 1 of this policy.

## HHP'S INTERNAL PROCUREMENT FUNCTION

5.1 We will operate an internal procurement function in order to provide a single point of enquiry for suppliers and to facilitate adequate separation of duties between Procuring Officers and suppliers.

5.2 Responsibility for administration of Procurement lies with the Director of Finance and Corporate Services, with oversight by the Development & Finance Committee.

5.3 We will ensure our internal auditors review the procurement process in each audit plan period to test that our internal control systems are adequate and effective.

5.4 The day-to-day procurement function is carried out by a member of the Corporate Resources Team, hereafter the 'Procurement Administrator'.

## DEFINING PROCUREMENT NEEDS

6.1 A 'Procuring Officer' will normally be the budget manager/officer within HHP within whose remit the item to be procured falls.

6.2 Before starting the procurement process, the Procuring Officer should complete the pre procurement checklist as supplied by the Procurement Administrator, ensuring this is signed by the budget manager or appropriate Director.

## THE PROCUREMENT JOURNEY

7.1 We may use several formal procedures depending on complexity. The Procurement Administrator will offer guidance on appropriateness:

| Category | Description |
|---|---|
| **Unregulated** | Direct awards allowed for items below £2K with budget manager sign-off.<br>Use 'Quick Quotes' via PCS to at least three suppliers. |
| **Open Procedure** | Any interested supplier may submit a tender; no initial selection stage. |
| **Restricted Procedure** | Two-stage process; only pre-qualified suppliers invited to tender. |

| | |
|---|---|
| **Competitive Procedure with Negotiation** | Used for complex needs; negotiation of initial tenders to refine outcomes. |
| **Competitive Dialogue** | Used for highly complex projects; solution developed through dialogue with bidders. |
| **Innovation Partnership** | For development and purchase of goods/services not yet on the market. |
| **Non-Competitive Action (NCA)** | Direct award without competition in exceptional cases (e.g., urgency, sole supplier). |
| **Frameworks** | See relevant framework arrangements for additional procurement routes. |

7.2 Other procurement, such as Developer led land proposals, do not follow standard 'public procurement legislation for goods, works or services and so must follow specific legislative guidance. On a case-by-case basis (See also para. 12.4).

7.3 Guidance on the tendering periods and standstill times to be used for our regulated procurement can be found at Appendix 2.

7.4 We are permitted to employ agents to handle procurement activities, however this should only generally apply if the necessary expertise is not available in-house. They will report to the Procuring Officer, and strict rules apply to ensure accountability and legal compliance:

| Compliance | Description |
|---|---|
| **Formal Public Contract** | The appointment of an agent must itself be treated as a formal public contract. |
| **Compliance Obligations** | The agent must be contractually required to follow all relevant public procurement rules and HHP polies and procedures. |
| **Clear Responsibilities** | There must be a clear allocation of roles and responsibilities between the HHP and the agent. |
| **Indemnity** | Agents are typically required to provide indemnity to HHP against any costs resulting from a failure to comply with the legal procurement framework. |

## FRAMEWORKS

### COLLABORATIVE PROCUREMENT

8.1 Procuring officers should check to see if there is already an existing national or sectoral frameworks for procurement in operation.

These could be:

| Category | Description |
|---|---|
| **Category A** | National contracts for common goods/services (e.g., utilities) managed by the Scottish Government. |
| **Category B** | Sector-specific contracts (e.g., for housing associations via Scotland Excel). |
| **Category C/C1** | Local or regional contracts between one or more specific public bodies |

### HHP FRAMEWORKS

8.2 Frameworks can be an effective way of securing suppliers efficiently and quickly.

8.3 HHP may choose to put a Framework Agreement of its own in place where it considers this appropriate.

8.4 Scenarios may include:

| Category | Description |
|---|---|
| **No Existing Arrangements** | When there are no current frameworks available through Scottish Procurement or other collaborative procurement routes that cover the specific goods or services you need. |
| **Repeated Requirement** | When we have a recurring need for goods or services over a period, but the exact quantities or delivery timings are unknown at the outset. |
| **Best Value for Money** | If our procurement analysis demonstrates that a bespoke framework tailored to our specific technical or geographic needs would deliver better value than using a generic multi-user framework. |
| **Specific Compliance or Technical Needs** | When our requirements involve unique technical standards, brand guidelines, or specific local issues or community benefits that are not adequately addressed by existing broad-scope frameworks. |

## COMMUNITY BENEFIT/SOCIAL VALUE

9.1 If we are procuring a regulated contract worth more than £4M we must consider whether to impose any community benefit or social value requirements as part of the contract. The below table provides some examples:

| Category | Examples of Benefit |
|---|---|
| **Skills & Employment** | Providing apprenticeships or training opportunities; Hiring long-term unemployed people, care leavers, or disabled individuals; Prioritising SMEs and VCSEs in the supply chain. |
| **Community Support** | Staff volunteering hours to local causes; Donating to local charities or community projects; Sponsoring youth clubs or neighbourhood initiatives; Supporting biodiversity. |
| **Wellbeing & Inclusivity** | Supporting physical and mental health initiatives; Offering training or job opportunities for disabled individuals. |
| **Environmental Sustainability** | Proposing carbon reduction solutions (e.g., EV fleets); Reducing waste and single-use plastics; Using sustainable materials; Improving biodiversity and tree-planting. |
| **Ethical Sourcing** | Ensuring sustainable supply chains; Requiring staff and subcontractors to comply with Fair Work commitments. |

9.2 We will include a statement on either the community benefits we expect to be delivered, or our community benefit methodology, via the contract in the tender notice.

9.3 If a community benefit/social value requirement is deemed appropriate, then the basis for this and how it is to be evaluated and weighted within the tender documentation should be made clear.

9.4 If we do not intend to include any community benefit/social value requirements, we should still ask tendering parties for a summary of what they are doing (if anything) in relation to the environment or sustainability.

9.5 A Community Benefit register, as part of our regulated procurement, will also be shown on our website, and the benefit will be promoted through our social media channels and through our tenant newsletter.

## SUSTAINABLE PROCUREMENT DUTY

10.1 The sustainable procurement duty requires that any Procuring Officer undertaking a regulated procurement must consider:

- how we can improve the social, environmental and economic wellbeing of the area in which we operate, with a particular focus on reducing inequality

- how our procurement processes can facilitate the involvement of SMEs, third sector bodies and supported business
- how public procurement can be used to promote innovation

## FAIR WORK FIRST

11.1 All HHP regulated procurement processes will incorporate and implement the Governments 'Fair Work First' (FWF) principles and use them where relevant and proportionate in all contract evaluation and monitoring.

11.2 The principles of FWF relate to businesses bidding for a public contract, and asks them to commit to adopting and evidencing the following:

a) Providing appropriate channels for effective voice, such as trade union recognition;
b) Investing in workforce development;
c) Making no inappropriate use of zero hours contracts;
d) Taking action to tackle the gender pay gap and create a more diverse and inclusive workplace;
e) Providing fair pay for workers (for example, payment of the real Living Wage);
f) Offering flexible and family friendly working practices for all workers from day one of employment;
g) Opposing the use of fire and rehire practices.

11.3 The FWF principles also apply to any agency or sub-contractor workers involved with the contract delivery.

## EMERGENCIES & LIMITED SUPPLIER AVAILABILITY

12.1 In exceptional circumstances, the Procuring Officer can look to invoke a non-competitive action (NCA) where a direct appointment of a supplier is made out with the normal tendering process due to an emergency situation that must be dealt with expediently.

12.2 An exceptional situation could include one that could have an immediate potential to impact on our organisation financially or reputationally, such as where an immediate resolution is required to comply with an Emergency Statutory Instruction or to prevent one being imposed; or where there could be a serious adverse impact on life or property in terms of Health & Safety.

12.3 Any such use of an NCA will require the approval of the Chief Executive or nominated deputy. A full written case will be required to be approved, and evidence should be provided as to why this alternative procedure was required.

12.4 When no bids or suitable tenders are received in a regulated procurement exercise, or where we can evidence that there are no suitable suppliers for our procurement, we can award contracts under strictly controlled procedures in the legislation:

| Category | Description |
|---|---|
| **A Negotiated Procedure without Prior Publication (NPwPP):** | This allows us to award a contract directly to a supplier without re-advertising. It is permitted if no tenders, no suitable tenders, or no requests to participate were submitted in response to an initial open or restricted procedure. The initial tender requirement (e.g., specifications, value) must not be "substantially altered". |
| **Direct Award** | We may award a contract directly if there is only one possible supplier |
| **Switching to Competitive Dialogue** | If only "irregular" or "unacceptable" tenders were received (e.g., bids exceeding the budget or failing selection criteria), we may opt to switch to a Competitive Dialogue or Competitive Procedure with Negotiation without re-advertising, providing we include all the original tenderers who met the selection criteria. |

## REGULATED PROCUREMENT

13.1 The procurement journey required will depend on the procurement type and its value. See para. 4.1 and Appendix 1 for further information.

13.2 If the estimated value of a contract falls on the borderline between two thresholds, the procedure for the higher value threshold should be used.

13.3 For all tenders and quick quotes a contract specification, pricing document, quality questionnaire (if required) and standard SPD (if required) should be used.

13.4 For all contracts with a value over £50,000 all contract terms must be included within the tender documents.

13.5 A form of tender must be completed which will include a statement that the tenderer will provide and complete the whole of the works described in accordance with the Brief, conditions of contract, form of tender and declaration.

## TENDER SCORING

14.1 The breakdown and weighting of scoring between price, quality and sustainability/social benefit scoring should be reviewed on a procurement-by-procurement basis and should reflect the factors relating to that procurement and its value.

14.2 Clear guidance on the criteria to be used for scoring should be included in the tender.

14.3 Detail of how we manage standstill periods can be found at Appendix 2.

14.4 After due evaluation and consideration, contracts may be awarded and the relevant parties notified.

14.5 If we do not find a supplier who meets all the required criteria, we reserve the right to cancel and re-run the process, again after duly notifying parties with the reasons for doing so.

## TENDER AWARDS

15.1 The Procuring Officer is responsible for lodging the tender award with the Procurement Administrator, who will then update the award on the Public Contracts Scotland portal. The Procuring Officer will also deal with any appeals or requests for feedback.

15.2 We will provide feedback within 30 days to any tenderers excluded from a regulated tendering process and will give all unsuccessful tenderers:

- the names of the economic operators who have not been excluded;
- the criteria used to exclude the tenderer; and
- our scoring against those criteria.

15.3 After awarding a contract we will provide all tenderers with:

- the name of the successful tenderer;
- the criteria used to award the contract; and
- our scoring, against those criteria, of the unsuccessful tenderers and the successful tenderer.

15.4 If we receive requests for further information within 30 days of these notices, we will provide unsuccessful tenders, within 30 days, those reasons why they were excluded from tendering or why their tender was unsuccessful, and the characteristics and relative advantages of the successful contractor’s tender.

15.5 After awarding the contract the Procuring Officer is responsible for ensuring any contract is signed by both HHP and contractor representatives before any work on the contract starts.

15.6 It is not sufficient to rely on contract terms included for information in the tender documents.

15.7 Our Standing orders state which members of staff are authorised to procure or sign a contract on behalf of the Partnership.

15.8 Contracts will usually be in writing, although electronic contracts and signatures are legally recognised and increasingly standard, though their use is governed by specific regulations to ensure validity and security. Procurement Officers have the discretion to define requirements here, based on the risk and value of the contract.

15.9 Suppliers will be notified that goods, services and works should only be provided on receipt of an appropriate contract or purchase order.

15.10 Payments for contracts will be made within the agreed terms, on the basis that the goods or services have been provided. Where no prior payment terms are agreed, within 7 working days of receipt of a valid invoice following delivery of the relevant goods or service.

## CONTRACT REGISTER

16.1 We maintain a register of those contracts we have entered into as a result of a regulated procurement.

16.2 Our contracts register will be updated to add new or to remove completed or terminated contracts.

16.3 Our Contracts Register is published on the HHP website.

## POST AWARD CONTRACT MANAGEMENT

17.1 The Procuring Officer will be responsible for both implementing the procurement and for managing the contract once it is signed.

17.2 The Procuring Officer will be responsible for ensuring compliance with:

- Contract Delivery Requirements;
- Regular Insurance and other supporting checks as defined in contract;
- Budget Management;

- the holding of regular (as appropriate) Contract Management meetings (and at least annually) over the lifetime of the contract; and
- reporting any identified risks or contract issues to their Director.

## REVIEW OF POLICY

18.1 The Procurement Policy will be reviewed every 3 years or earlier if there is any relevant updated guidance or legislation.

18.2 Periodically the Scottish Government will update regulations and issue notifications such as updated tender value thresholds. We will comply with such changes from the date that they come into effect and automatically amend our policy and processes to comply.

## INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

| WORD | INTERPRETATION |
|---|---|
| *We/Our* | Hebridean Housing Partnership |
| *Board* | Means the Board of the Hebridean Housing Partnership |
| *Board Members* | All Members of the Board including co-opted Members |
| *RFQ* | Request for Quotation |
| *ITT* | Invitation to Tender |
| *FWF* | Fair Work First |
| *Standstill Period* | A mandatory pause, typically at least 10 calendar days, between notifying bidders of a tender award decision and officially signing a contract. It allows unsuccessful bidders to review feedback and, if necessary, challenge the decision before the contract is finalized |
| *Goods* | Tangible items purchased to support operations.<br><br>Examples: Boilers, smoke alarms, IT equipment, stationery, staff uniforms. |
| *Services* | Purchase of professional time, skills, or expertise.<br><br>Examples: Grounds maintenance, legal advice, architectural design. |
| *Works* | Major physical construction, refurbishment, repair, or installation activities.<br><br>Examples: Estate-wide kitchen replacements, installation of heating systems. |
| *Construction* | A subset of Works involving new build projects or major structural alterations, often combining works, goods, and services.<br><br>Example: Building a new block of energy-efficient flats. |
| *Contract Value* | All contract values are calculated net of VAT. The estimated contract value is the total expected payable amount over the contract lifetime, including any extension periods. |
| *Unregulated Procurement* | Applies to goods and services below £50,000 (ex VAT) and works below £2 million (ex VAT). |
| *Regulated Procurement* | Applies to goods and services above £50,000 (ex VAT) and works above £2 million (ex VAT). |
| *Government Procurement Agreement (GPA)* | Applies when procurement value exceeds international threshold levels, triggering post-Brexit WTO GPA obligations. Thresholds reviewed periodically (most recently January 2026). |

## APPENDIX 1 – PROCUREMENT THRESHOLDS

A.1 The thresholds below are net of VAT and the GPA (Government Procurement Agreement) thresholds are updated every two years (shown as at 1st January 2026)

| | Goods & Services | Works |
|---|---|---|
| **Scottish Regulated Procurement Thresholds (SRPT)*** | £50,000 | £2,000,000 |
| **GPA thresholds (GPAT)*** | £173,100 | £4,327,500 |

### GOODS & SERVICES

| Value Range | Procurement Journey |
|---|---|
| **£0 – £1,999** | 1 written quotation |
| **£2,000 – £24,999** | 2 written quotations |
| **£25,000 – £50,000 (SRPT)** | Route 1 (Quick Quote or Simplified PCS Tender) |
| **£50,000 (SRPT) – £173,100 (GPAT)** | Route 2 (Full PCS Tender) |
| **Over £173,100 (GPAT)** | Route 3 (Full PCS tender, bespoke contracts requiring enhanced governance) |

### WORKS

| Value Range | Procurement Journey |
|---|---|
| **£0 – £24,999** | 1 written quotation |
| **£25,000 – £349,999** | 2 written quotations |
| **£350,000 – £499,000** | Quick Quote issued to min. 3 suppliers |
| **£500,000 – £1,999,999 (SRPT)** | Route 1 (Quick Quote or Simplified PCS Tender) |
| **£2,000,000 – £4,327,500 (GPAT)** | Route 2 (Full PCS Tender) |
| **Over £4,327,500 (GPAT)** | Route 3 (Full PCS tender, bespoke contracts requiring enhanced governance) |

### CONSTRUCTION

| Value Range | Procurement Journey |
|---|---|
| **£0 – £349,999** | PCS Quick Quotes (CPR 1A) |
| **£350,000 – £1,999,999 (SRPT)** | PCS Tender Process (CPR 1B) |
| **£2,000,000 – £4,327,500 (GPAT)** | PCS Tender Process (CPR 2A) |
| **Over £4,327,500 (GPAT)** | PCS Tender Process (CPR 2B) |

## APPENDIX 2 - MANDATORY MINIMUM TENDER TIMESCALES IN RELATION TO THE 2015 REGULATIONS

1.1 Reduced timescales limit the opportunity for suppliers to participate, so should be avoided wherever possible. A statement explaining any reduction should be provided by the Procuring Officer.

1.2 These timescales apply to all our regulated tenders and begin from the date the contract notice is submitted for publication, and available to suppliers on the PCS website.

| **Procurement Type** | **Standard Minimum Tender Period** |
|---|---|
| Open Procedure: | 35 calendar days. (30 days if tender submitted electronically) |
| Restricted Procedure (Two-stage): | |
| Stage 1 | (Request to Participate): 30 calendar days. |
| Stage 2 | 30 calendar days (25 days if tender submitted electronically) |
| Competitive Procedure with Negotiation: | |
| Stage 1 (Request to Participate) | 30 calendar days. |
| Stage 2 (Initial Tender): | 30 calendar days (can be reduced to 25 days if electronic). |
| Competitive Dialogue / Innovation Partnership: | |
| Min. request to participate period: | 30 calendar days. |
| **Accelerated Procedures - In cases of duly substantiated urgency where standard limits are impractical, "accelerated" timescales apply.** | |
| Accelerated Open: | **15 calendar days.** |
| Accelerated Restricted/Negotiated: | |
| Stage 1: | **15 calendar days.** |
| Stage 2: | **10 calendar days.** |
| **Post-Award Timescales** | **Minimum Periods** |
| **Standstill Period - A mandatory pause before contract signature to allow for challenges.** | 10 calendar days if the award notice is sent electronically. |
| | 15 calendar days if the notice is sent by other means (e.g., post). |
| **Contract Award Notice:** | Must be sent for publication within 30 calendar days of the contract award. |