



Procuring Contracts

Procedure Reference:		F02a	
Related Policy:		F02	
Effective date:	August 2024	Review date:	August 2027
Approved by P&PRG:		July 2024	
Owner:	Tom Leftley	Job Title:	Head of Finance
To be issued to: (check as needed)			
<input type="checkbox"/> Board of Management <input type="checkbox"/> All Staff <input checked="" type="checkbox"/> ET/SLT <input checked="" type="checkbox"/> Head Office Managers <input type="checkbox"/> Head Office Staff <input checked="" type="checkbox"/> Finance <input type="checkbox"/> Housing <input type="checkbox"/> Asset <input type="checkbox"/> ICT		<input type="checkbox"/> OD <input type="checkbox"/> Compliance <input type="checkbox"/> All Care & Support <input checked="" type="checkbox"/> C&S Managers (RM, OM, CSM) <input type="checkbox"/> C&S Staff <input type="checkbox"/> Contractors <input type="checkbox"/> Agency Staff <input type="checkbox"/> Unite the Union <input type="checkbox"/> Employee Voices Group <input type="checkbox"/> Other: _____	
Method of Delivery (check as needed)			
<input checked="" type="checkbox"/> Learn Pro <input type="checkbox"/> Board Portal <input type="checkbox"/> Line Manager to Share (e.g. Agencies)		<input type="checkbox"/> Policy Owner to Notify (e.g. Contractors) <input type="checkbox"/> Other: _____	
Stakeholder Consultation Completed (check as needed)			
<input type="checkbox"/> Board of Management <input type="checkbox"/> All Staff <input type="checkbox"/> ET/SLT <input type="checkbox"/> Head Office Managers <input type="checkbox"/> Head Office Staff <input type="checkbox"/> Finance <input type="checkbox"/> Housing <input type="checkbox"/> Asset <input type="checkbox"/> ICT		<input type="checkbox"/> OD <input type="checkbox"/> Compliance <input type="checkbox"/> All Care & Support <input type="checkbox"/> C&S Managers (RM, OM, CSM) <input type="checkbox"/> C&S Staff <input type="checkbox"/> Contractors <input type="checkbox"/> Agency Staff <input type="checkbox"/> Unite the Union <input type="checkbox"/> Employee Voices Group <input type="checkbox"/> Other: _____	

Version Control

Date	Owner	Version	Reason for Change
January 2009	Head of Finance	2.0	Procedure due for renewal
June 2011	Head of Finance	3.0	Procedure due for renewal
August 2014	Head of Finance	3.3	Alignment to new procurement legislation
August 2020	Stuart Green	4.0	Transfer to new format, rename, and procedure due for renewal
August 2024	Tom Leftley	5.0	Procedure due for renewal. Renamed, and simplified.

Summary of Changes

Section	Change
Title	Procedure name changed from “Prices, Quotations and Tenders” to “Procuring Contracts”
1.0 Introduction	<p>Removal of “Where another form of procurement is to be used, e.g. partnering, these procedures will not apply. See ‘Partnering’ policy [M03] for examples of where other forms of procurement may apply.” Paragraph as policy no longer in place.</p> <p>Removal of “To ensure fair competition, value for money, and financial probity, these procedures will be followed each time prices, formal quotations, or tenders are required for the supply of goods or services.” Paragraph as point is already covered within this section.</p> <p>Changed “Manager” to “Staff” in the following paragraph: “The term ‘manager’ in this procedure refers to the person authorised to issue quotations or tenders, i.e. authorised to incur expenditure, as detailed in the procedure entitled ‘Incurring and Authorising Expenditure’ [F02b]. Normally this will be the relevant budget holder.” This is because using staff is more appropriate than manager as not every budget holder is a manager.</p> <p>Added: “The Procurement Flow Chart, as documented in section 7.2 of the ‘Procurement’ policy [F02], sets out the contract value thresholds at which we require quotes or tenders on goods and services we intend to purchase.</p> <p>Where existing contracts between Ark and a supplier are in place, staff should use these contracts in the first place to incur expenditure, ensuring relevant authorisation levels are being adhered to, as per Ark’s Scheme of Financial Delegation.”</p>

2.0 What to Consider	<p>New section – moved significant detail from 1.0 Introduction.</p> <p>Added: “This procedure takes a proportionality approach, with processes varying depending on the degree of expenditure/contract value.”</p> <p>Removed “Recruitment and Selection procedure [HR01].” Reference as being required reading in conjunction with this procedure. Policy notes that procurement does not cover staffing, which is sufficient.</p> <p>Added “All financial limits referred to include VAT.” For clarity.</p>
3.0 Learning & Development Requirements	<p>New section. Added “All relevant staff and Board members will review and sign off this procedure on Learn Pro.</p> <p>Procurement is a specialist activity, and the Finance department will support and guide staff in their procurement journey, including ensuring appropriate supporting documentation and guidance notes are in place.”</p>
4.0 Procuring Contracts	<p>Changed section name from “Prices, Quotations and Tenders Procedures”.</p> <p>Removed section titled “Financial Limits for Seeking Prices, Quotes or Tenders” as now referenced in section 1.0 above.</p>
4.1 Up to £1,000	No material change.
4.2 Between £1,000 - £10,000	No material change.
4.3 Between £10,000 - £50,000	<p>Section previously directed users towards the Procurement Journey website (route 1). This was not user friendly for staff and has therefore been replaced with: “Where there is no existing, or suitable, contract in place for goods or services costing between £10,000 - £50,000, Public Contract Scotland’s “Quick Quotes” process should be followed.”</p>
4.4 More than £50,000	<p>Section previously referred to items costing between £50,000 and EU Threshold, and then directed users towards the Procurement Journey website (route 2). This was not user friendly for staff and has therefore been replaced with “Where there is no existing, or suitable, contract in place for goods or services costing more than £50,000, a ‘full’ procurement exercise will be undertaken, ensuring Ark is compliant with relevant legislation. This will include the advertising of tenders on the Public Contract Scotland website.</p> <p>The relevant Head of Department will lead the procurement activity, with support from the Head of Finance.</p> <p>The only exceptions to this would be where there is not capacity within the organisation; or where there is a requirement for more</p>

	<p>specialist expertise. In such cases, use of external consultants will be considered, this must be approved by the Executive Team and services procured in line with the requirements of the Procurement policy [F02].</p> <p>The Head of Finance will support the procurement process by:</p> <ul style="list-style-type: none"> • Giving advice and guidance in relation to the process; • Provide relevant documentation and templates as required; • Ensuring all contract notices and documents are published correctly; • Collate scoring information from the Evaluation Panel; • Ensure that all Intention to Award, Contract Award, and Regret Letters are issued; and • Once awarded, ensure the contract is included in Ark's Contract Register.
Above EU Threshold	Section removed and combined with section 4.4 above. Procurement rules above £50,000 too complex for Ark's routine procurement activity. Policy sets £50,000 as point at which full procurement activity occurs, and notes that Finance should be involved in all activity at this point.
4.5 Specialist Suppliers or Contracts	No material change.
Post Brexit Legislation	Removed as no longer relevant
5.0 Public Contracts Scotland	New section with the following wording added: "The Finance department will retain a range of practical guidance notes and tools to support staff in their use of Public Contracts Scotland, and will maintain user access." This replaces directing staff towards the Procurement Journey website in section 4.
6.0 Implementation and Review	No material change.



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Procuring Contracts

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1.0 Introduction

The purpose of this procedure, and the policy which supports it, Procurement [F02] is to set out our arrangements for procuring contracts that will result in expenditure being incurred. This includes the obtaining of prices, and to the issue, receipt, and acceptance of quotations and tenders.

The Procurement Flow Chart, as documented in section 7.2 of the 'Procurement' policy [F02], sets out the contract value thresholds at which we require quotes or tenders on goods and services we intend to purchase.

Where existing contracts between Ark and a supplier are in place, staff should use these contracts in the first place to incur expenditure, ensuring relevant authorisation levels are being adhered to, as per Ark's 'Scheme of Financial Delegation' [F04].

2.0 What to Consider

This procedure takes a proportionality approach, with processes varying depending on the degree of expenditure/contract value. It should be read in conjunction with the following:

- Standing Orders [G03], in particular the delegated levels of authority;
- Procurement policy [F02]; and
- Incurring and Authorising Expenditure procedure [F02b];

To ensure that we always provide a high standard of service, the Board of Management, Chief Executive, Directors, and any staff involved, will take the following factors into account during the decision-making process - from the initial supplier discussions or invitations to tender, through to the formal acceptance of a quote or tender:

- Fair and equal treatment of suppliers;
- Value for money;
- References (where appropriate);
- Performance standards/track record (where appropriate);
- Previous working relationships (where appropriate);

The term 'staff' in this procedure refers to the person authorised to incur expenditure, as detailed in the procedure entitled 'Incurring and Authorising Expenditure' [F02b]. Normally this will be the relevant budget holder.

All financial limits referred to include VAT.

3.0 Learning & Development Requirements

Procurement is a specialist activity, and the Finance department will support and guide staff in their procurement journey, including ensuring appropriate supporting documentation and guidance notes are in place.

4.0 Procuring Contracts

The following sections set out the process to follow when an existing contract between Ark and a supplier[s] **is not** in place for the goods or services in question, and a framework agreement is not being utilised. The scope of the procurement activity will depend on the expenditure/contract value identified.

Note, if the purchase is likely to be repeated, the aggregated potential spend, over a relevant period (generally between three to five years), should be considered when calculating the contract value.

4.1 Up to £1,000

Where there is no existing, or suitable, contract in place for goods or services costing up to £1,000, goods or services may be purchased from an appropriate supplier without the need to obtain formal quotations or tenders.

The staff member may choose to obtain several formal quotations and if they do so, will follow the procedures at 4.2 below.

4.2 Between £1,000 - £10,000

Where there is no existing, or suitable, contract in place for goods or services costing between £1,000 - £10,000, a minimum of two written quotations will be obtained.

The staff member may choose to obtain several formal quotations via Public Contract Scotland's "Quick Quotes" process, and if they do so, will follow the procedures at 4.3 below.

4.3 Between £10,000 - £50,000

Where there is no existing, or suitable, contract in place for goods or services costing between £10,000 - £50,000, Public Contract Scotland's "Quick Quotes" process should be followed.

4.4 More than £50,000

Where there is no existing, or suitable, contract in place for goods or services costing more than £50,000, a 'full' procurement exercise will be undertaken, ensuring Ark is compliant with relevant legislation. This will include the advertising of tenders on the Public Contract Scotland website.

The relevant Head of Department will lead the procurement activity, with support from the Head of Finance.

The only exceptions to this would be where there is no capacity within the organisation; or where there is a requirement for more specialist expertise. In such cases, use of external consultants will be considered, this must be approved by the Executive Team and services procured in line with the requirements of the Procurement policy [F02].

The Head of Finance will support the procurement process by:

- Giving advice and guidance in relation to the process;
- Provide relevant documentation and templates as required;
- Ensuring all contract notices and documents are published correctly;
- Collate scoring information from the Evaluation Panel;
- Ensure that all Intention to Award, Contract Award, and Regret Letters are issued; and
- Once awarded, ensure the contract is included in Ark's Contract Register.

4.5 Specialist Suppliers or Contractors

The only exception to the items above will be where there are only one or two specialised suppliers or contractors available.

Where there are at least two, we will seek to obtain two quotes or tenders. Where there is only one, we will seek to negotiate a price that can be justified as 'best value'.

The reasons for any deviation from normal procedures will be fully recorded and retained, to provide an audit trail if required. Quotes or tenders from specialist suppliers or contracts will follow the usual approval limits, as noted in Ark's 'Procurement' [F02] policy.

5.0 Public Contracts Scotland

The Finance department will retain a range of practical guidance notes and tools to support staff in their use of Public Contracts Scotland, and will maintain user access.

6.0 Implementation and Review

6.1 Implementation

The Head of Finance will ensure that this procedure is followed by all employees involved in the process for procurement through the provision of expert advice and guidance.

6.2 Review

The Head of Finance will ensure that this procedure is reviewed at least every three years.