TO:	Management Committee
PREPARED BY:	Mark Smith (Director of Asset Management)
SUBJECT:	PROCUREMENT POLICY
DATE OF MEETING:	9 December 2025
APPROVED BY:	Paul Martin (CEO)

PROCUREMENT POLICY

MS/DECEMBER 2025/REF P39/Review 2028

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1. MILNBANK HOUSING ASSOCIATION (MHA) STRATEGIC OBJECTIVES

MHA's mission is to provide excellent homes and services in a thriving community. We believe that people living in the MHA community should:

- Have warm, safe, and affordable homes, and receive excellent services from MHA.
- Live in neighbourhoods that are clean and well cared for, with real community pride.
- Have access to opportunities and services that promote a good quality of life.

2. MHA's VALUES

Working as 'One Milnbank' so that we offer the same quality of services, support and housing to all tenants and residents.

3. LEGAL & REGULATORY COMPLIANCE

The Management Committee leads and directs MHA to ensure good outcomes for its tenants and other service users. The Scottish Housing Regulator's Regulatory Framework Financial & Regulatory, Standard 3 states that the RSL ensures its financial well being. MHA adheres to all relevant legal employment requirements associated with this policy.

4. POLICY INTRODUCTION

This Procurement Policy sets out the procedures which Milnbank Housing Association Limited (MHA) will follow when procuring contracts for the supply of services, the supply of goods and materials and/or the execution of works.

All procurements undertaken by MHA must have regard to the terms of the Procurement Strategy which accompanies this Policy and the values, objectives, and Key Performance Indicators (KPIs) set out in the Procurement Strategy, which must be read in conjunction with this Policy.

This Policy must be interpreted in accordance with fundamental general principles of equal treatment, non-discrimination, transparency, and proportionality.

This policy may only be suspended either in whole or in part by a decision of the Management Committee in respect of the proposed award of any contract upon the joint recommendation of the Senior Officer and the Chairperson, provided there are special circumstances justifying the suspension and subject to any suspension remaining compliant with legal requirements.

5. OBJECTIVES OF POLICY

The objectives of this Policy are to:

- Ensure that MHA maximises VFM when procuring contracts.
- Ensure that MHA complies with all legal and regulatory requirements governing procurement and related best procurement practice when procuring contracts.
- Maximise opportunities to jointly procure services on a collaborative basis with colleagues in other local registered social landlords and related organisations where this would be in the interests of MHA and where timescales permit.
- Ensure that MHA makes best use of the commissioning process and that there is sufficient flexibility to ensure expenditure can be increased and decreased as necessary within the financial year.

6. RELATED MHA POLICIES & PROCEDURES

This policy should be read in conjunction with the following key MHA strategies, policies, and procedures:

1. Procurement Strategy
2. Financial Policy
3. Financial Procedures
4. Treasury Management Policy
   and any other related linkage policies.

In the event of any conflict or inconsistency between the terms of this Policy and any provisions in any of the above policies relating to public procurement of contracts, this Policy shall take precedence.

7. OVERVIEW OF PROCUREMENT PROCEDURES

When procuring contracts for goods, services or works, MHA must comply with the Public Contracts (Scotland) Regulations 2015 ('the Regulations"), the Procurement Reform (Scotland) Act 2014

("the Act"), Procurement (Scotland) Regulations 2016, all as amended from time to time, and any other relevant legislation as enacted by the relevant legislature

The procedure for the award of any contract depends upon the estimated value of that contract and if VAT applies, and the applicable rate of VAT. The relevant threshold values and the associated procurement procedure that must be applied are detailed in Table 1 below.

Table 1: Public Procurement (Agreement on Government Procurement) (Thresholds etc) (Amendment) (Scotland) Regulations approved by Scottish Ministers, confirms the new thresholds as of 1 January 2024, to remain in force until 31 December 2025 unless altered before then by Scottish Ministers are as follows:

Contract Type	**Contract Value**	**Procurement Procedure**
Works	£ 5,372,609 inclusive of VAT and above	See Appendix One
Supplies/Services	£139,688 inclusive of VAT and above	See Appendix One
Social and other specific services	£663,540 inclusive of VAT and above	See Appendix One
Works	£2,000,000 to £5,372,609 exclusive of VAT	See Appendix One
Supplies/Services	£50,000 to £214,904 exclusive of VAT	See Appendix One
Supplies/Services	Up to £50,000 exclusive of VAT	See Appendix One
Works	Up to £2,000,000 exclusive of VAT	See Appendix One

The prescribed threshold values set out in the table above will be automatically revised in accordance with any subsequent amendment to the threshold values set by the Scottish Government for supply, services, or works contracts.

The updated thresholds above will not affect the thresholds in the Procurement Reform (Scotland) Act 2014 (the 2014 Act). The 2014 Act stipulates that any contracts over £50,000 (for goods and services) or £2 million (for works) must be advertised on the Public Contracts Scotland website. An award notice must also be published on the website when MHA awards a contract with a value that exceeds the thresholds set out in the 2014 Act. These thresholds remain exclusive of VAT.

All other financial limits specified in this Policy shall be subject to review from time to time, including in the event of changes to

thresholds or procedures introduced by either the UK or Scottish Government. MHA employees will be notified promptly of any change to the relevant values.

8. UNREGULATED PROCUREMENTS – CONTRACTS WHICH ARE NOT SUBJECT TO EITHER THE REGULATIONS OR THE ACT DUE TO ANTICIPATED THRESHOLD

Contracts with an estimated value below the thresholds set out in the Regulations and the Act do not require to be procured in accordance with the terms of the Regulations or the Act but must be procured in accordance with the requirements of Section 7 of this Policy.MHA's policy for works and/or services and supplies expected to be in excess of £20,000 and below £50,000 will be to advertise as a Quick Quote via PCS or award via a central Framework Agreement.

The procurement procedures and options to be adopted for such non-regulated contracts- are highlighted in more detail in the table below and are in line with the approved Financial Regulations Policy (FRP):

Table 5.1

Estimated value of contract	Procedure to be followed	Authority
Below £5,000 works and services*	Goods, services and works to be procured in line with the authorisation limits highlighted and approved as part of the Financial Regulations Policy. One quotation from suitable supplier or contractor will suffice.	Leadership Team
Between £5,000 and £10,000 works and services*	Written specification and a minimum of 3 quotes requested for works under £10,000. In the event less than 3 quotes are obtained the contract can be awarded subject to approval by the Head of Department or Chief Executive.	Leadership Team
Between £10,000 and £50,000 for works and goods/services*	Written specification and a minimum of 3 competitive quotes should be requested from competent persons. In the event less than 3 tenders are obtained then the contract can be awarded subject to approval by the Chief Executive. Alternatively, a Framework contract may be utilised.	CEO

Between £50,000 and £2m for works only	A minimum of 3 competitive tenders should be sought from a list through the PCS website either by advertising or by utilising the 'Quick Quote' process. Other appropriate procurement vehicles may be utilised depending on the nature of works or goods/services. Alternatively, a Framework contract may be utilised.	Management Committee

* Excluding any works relating to an existing Measured Term Contract (MTC) if the works are "call-offs" and already priced as part of the MTC/Contractor's Framework.

MHA reserves the right to direct award any contract under the relevant procurement thresholds or conduct a simplified tendering exercise for any contract under the procurement thresholds either in their capacity as an RSL or factor, where appropriate.

9. FRAMEWORK AGREEMENTS

Rather than conducting a stand-alone procurement procedure in respect of a particular requirement, MHA may consider procurement through a Framework Agreement.

What is a Framework Agreement? - An 'umbrella agreement' that sets out the terms (particularly relating to price, quality, and quantity) under which individual contracts ("call-offs") can be made throughout the period of the Agreement (which will be a maximum of 4 years).

Framework Agreements can be set up for one contracting authority to use or can be set up for several contracting authorities to use. MHA is in the process of setting up a Contractor's Framework, in conjunction with another local Housing Association covering a broad range of maintenance contracts for works and supplies.

MHA may also determine that it would be in the best interests of the tenants and the Association to access existing frameworks, such as, the Scottish Procurement Alliance (SPA), PFH, Buying Solutions, Hub West, Wheatley Group, Link Group, and other Framework Agreements set up by other RSLs.

Framework Agreements are either concluded with a single supplier or with multiple suppliers. Often, Framework Agreements are split into lots as is the case with MHA's Contractors Framework.

Advantages of Framework Agreements - If the Framework Agreement has been properly concluded to ensure full compliance with the Regulations and Act, it is understood that MHA does not require following the full FTS procedure in respect of each requirement which is the subject of a call-off, thus reducing costs and timescales. There are also potential benefits of economies of scale.

10. AUTHORITY

Where the expenditure proposed by MHA was included in the approved annual budget, the Committee will delegate authority to incur that expenditure, arrange and manage the procurement exercise, and implement the contract awarded at the conclusion of the procurement exercise to the appropriate member of staff, all as detailed in Appendix 1.

Where the expenditure proposed by MHA was not included in the approved annual budget, staff members will have delegated authority to incur expenditure, arrange and manage the procurement exercise, and implement the contract awarded at the conclusion of the procurement exercise all as detailed in table 5.1 in section 5 of this policy.

Any proposed expenditure by MHA that was not included in the approved annual budget, and which exceeds £50,000 must be approved by the Committee before any steps are taken to arrange a procurement exercise.

11. EXCEPTIONS TO THE REQUIREMENT TO PUBLICLY PROCURE CONTRACTS

There are certain exceptional circumstances in which tenders are not required for the procurement of contracts for supplies, services, or works which are the above the applicable threshold value under the Regulations or the Act, including:

- Where the tender may only be awarded to a particular supplier for technical or artistic reasons or where a particular supplier has exclusive rights, including, but not limited to, intellectual property rights, which mean they are the only supplier capable of meeting MHA's requirements.

- Where a direct award is made when no suitable tenders were received following an open or restricted procurement exercise.

- Where MHA has already entered a contract with a supplier and requires additional services or works to be supplied which were not

included in the original contract but which, through unforeseen circumstances e.g., health and safety reasons, additional works that could not have been anticipated prior to the contract commencing, such as structural works, have become necessary.

- Where MHA wants a supplier with which it already has a contract to provide new works or services which are a repetition of works or services carried out under the original contract and such new works or services were provided for in the original contract notice; or

- Where (but only if it is strictly necessary) for reasons of extreme urgency brought about by events unforeseeable by MHA, the time limits for one of the standard procurement procedures cannot be complied with.

The above exceptions may only be relied upon in limited circumstances and are subject to a range of specific conditions, including, where necessary, obtaining legal advice before relying on any such exemption.

12. RENEWALS, EXTENSIONS, AND CHANGES TO EXISTING CONTRACTS

MHA will consider, where appropriate, renewing or extending contracts with existing suppliers or contractors for continuity and development of relationships that benefit its stakeholders, so long as it is appropriate and compliant with the procurement legislation.

The possibility and duration of any extension of an existing contract must be indicated on the original procurement documentation.

13. EQUALITY & HUMAN RIGHTS

MHA's is committed to equal opportunities, and we will respond to the different needs and service requirements of individuals, and we will not discriminate against any individual for any reason outlined in Equality & Human Rights Legislation.

14. DATA COLLECTION

MHA will manage all personal data in accordance with our obligations under the GDPR regulations and the Association's Policy.

15. POLICY MONITORING & REVIEW

The Procurement Policy be reviewed by the Management Committee on a triennial basis in line with EVH updates, or as otherwise deemed necessary.

APPENDIX 1: FLOWCHART – STATUTORY REQUIREMENTS

Choice of Procurement Procedure
Guidance on Procurement Flowchart

The attached flowchart has been designed for MHA staff members to determine what statutory requirements apply to procurements.

The relevant legislation is as follows:

- Procurement Reform (Scotland) Act 2014 – the "Act"; and
- Public Contracts (Scotland) Regulations 2015 – the "Regulations"
- Procurement (Scotland) Regulations 2016

Even where a procurement does not fall under the requirements of either the Act or the Regulations, staff must ensure that bidders are treated equally and non-discriminatorily and that MHA acts in a transparent and proportionate manner (the "Principles").

Type of Contract:

- Goods or services
- Works

Goods or Services:
MHA staff must consider the estimated total value of a contract before commencing any procurement exercise. The following must be considered:

- Any amounts payable as part of an option or renewal.
- The estimated value upon commencement of the procurement; and
- The total estimated value of any lots.

Estimated total value of contract is < £50,000 exclusive of VAT – neither the Act nor the Regulations apply. Procurement of goods or services and supplies will be in accordance with procedures set out in Section 7 of the Procurement Policy.

Estimated total value of contract > £50,000 but <£213,477 inclusive of VAT– the Act applies. Procurement of goods and services will be carried out in accordance with Section 6 of the Procurement Policy.

Estimated total value of contract > £213,477 inclusive of VAT - the Regulations apply. Procurement of goods and services will be carried out in accordance with Section 5 of the Procurement Policy.

Estimated total value of contract > £4m – Community Benefit clauses require being incorporated within the procurement process.

If the services to be procured are health or social care services, procurement of such goods and services will be carried out in accordance with Section 8 of the Procurement Policy.

Works:
MHA must consider the estimated total value of a contract before commencing any procurement exercise. The following must be considered:

- Any amounts payable as part of an option or renewal.
- The estimated value upon commencement of the procurement.
- The total estimated value or any suppliers and services necessary for executing the works; and
- The total estimated value of any lots.

Estimated total value of contract < £2m exclusive of VAT– neither the Act nor the Regulations apply, Procurement of works will adhere to the procedures outlined in Section 7 of the Procurement Policy.

Estimated total value of contract > £2m exclusive of VAT but <£5,336,937 inclusive of VAT – the Act applies. Procurement of works will adhere to the procedures outlined in Section 6 of the Procurement Policy.

Estimated total value of contract > £4m but < £5,336,937 inclusive of VAT – the Act (Community Benefits) apply in accordance with Section 6 of the Procurement Policy.

Estimated total value of contract > £5,336,937 inclusive of VAT – the Regulations apply, and the Act (Community Benefits) apply as outlined in Sections 5 and 8 of the Procurement Policy.

Procurement of goods, services or works subject to the Act ("Regulated procurements")
The Sustainable Procurement Duty means it is the duty of MHA as a contracting authority to consider how the procurement can: (i) improve social, economic, and environmental wellbeing of MHA's area; (ii) facilitate the involvement of SMEs, third sector bodies and supported business in the procurement process; and (iii) promote innovation; and that the procurement process will be carried out with a view to securing such improvements.

Publication of a contract notice (excluding call-offs under framework agreements unless the call-off is above the thresholds) will be subject to a Contract Award notice on PCS.

Where MHA decides to exclude a supplier from participating in a procurement process before a tender has been submitted, it must notify that supplier of the decision and include: (i) the names of the excluded suppliers; (ii) the exclusion criteria used; and (iii) MHA's scoring (if any) used against the criteria.

Upon deciding to award a contract, MHA must notify all unsuccessful tenderers of the name of the successful tenderer, the award criteria used, and MHA's scoring against those criteria, of the unsuccessful tenderer(s) and the successful tenderer. Requirement for technical specifications to be set out in the tender documents.

Procurement of works subject to the Act (Community Benefits)
The requirements set out in section 4 above and the principles apply.

Before undertaking the procurement, MHA must consider whether to impose Community Benefit requirements as part of the procurement exercise. Community Benefit requirements relate to training and recruitment, availability of sub-contracts, or improvements to the economic, social, or environmental wellbeing of MHA's area.
The contract notice must contain:

- a summary of the community benefit requirements intended to be included in the contract; or
- a statement of reasons for not including any community benefit requirements.

Where requirements are included in a contract, the Contract Award notice must state the benefits which MHA considers to be derived from the requirements and should always be proportionate in terms of the type, scale, and value of the procurement exercise.

Procurement of goods or services subject to the Regulations
The principles apply.

The tender requires to be published in the FTS and one of the defined procedures set out in the Regulations must be followed:

- Open or restricted procedure.
- Negotiated procedure without prior publication.
- Innovation partnership.
- Competitive procedure with negotiation; or
- Competitive dialogue.

Specific requirements include:
- technical specifications to be set out in the tender documents.
- tender documents must be available electronically and free of charge from the date of publication of the contract notice.
- mandatory and discretionary grounds for excluding tenderers – maximum turnover requirement of two times the value of the contract.
- selection and award criteria; and
- self-declaration for tenderers under the Single Procurement Document.
-

Procurement of goods, services or works under the Regulations and the Act (Community Benefits)
The requirements in sections 5 and 6 above apply.

Framework Agreements
If a Framework Agreement is required, the procedures set down in the Regulations apply. The term of a framework agreement must not exceed four years, including any extensions.

Single supplier Framework Agreement – a contract based on that agreement must be awarded in accordance with the Framework Agreement and MHA may write to the supplier to supplement its tender as necessary for the award of such a contract.

Multi-supplier Framework Agreement – there are specific provisions within the Regulations in terms of awarding contracts under the Framework Agreement, either without or by reopening competition.

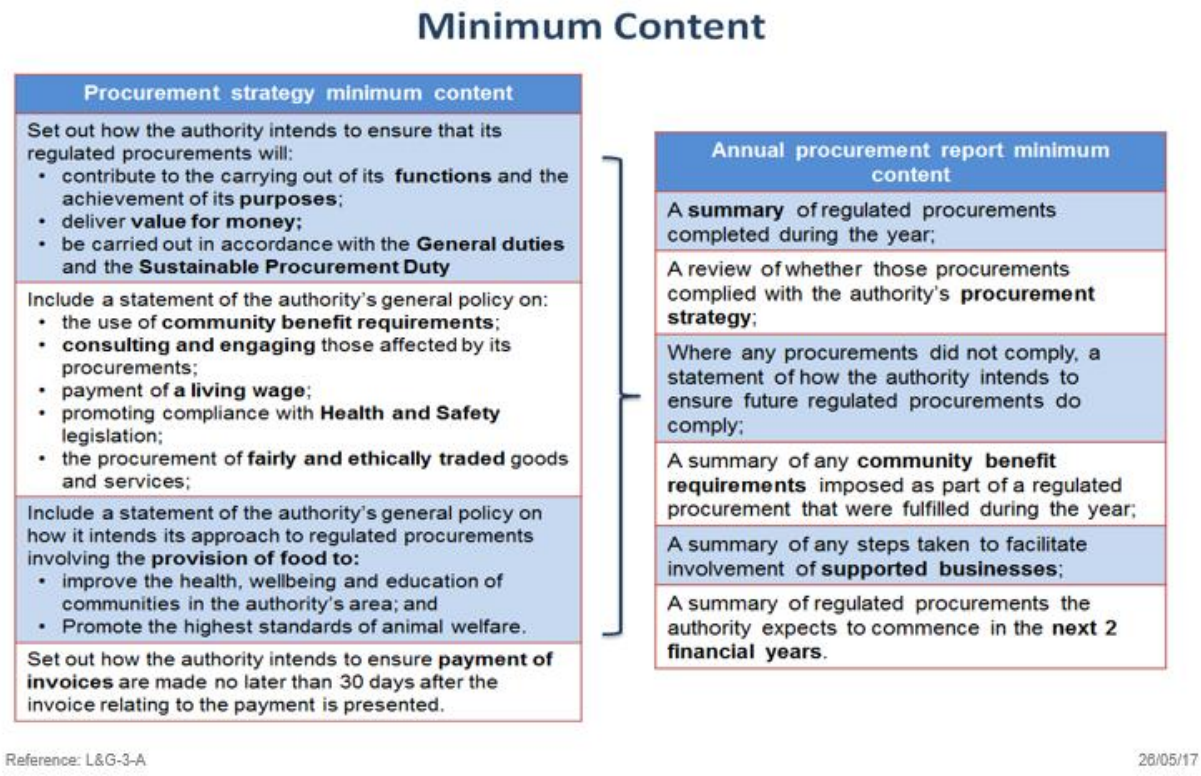
Dynamic purchasing systems
This type of procurement is completely electronic and is governed by the Regulations.

Health or social care services
If the total estimated value of the contract is < £663,540 inclusive of VAT, then MHA may award a contract for health or social care services without seeking offers. However, if the total estimated value of the contract exceeds £663,540 then the procurement is subject to the light touch regime under the Regulations, which set out certain principles for procurement contracts of this nature.

Procurement Strategy
Where MHA's total value of regulated procurements is £5m or more within a financial year, a Procurement Strategy must be prepared and published online before the start of that financial year in accordance with the Act. If MHA's total value of regulated procurements is less than £5m but it becomes apparent during the financial year that this threshold will be exceeded, MHA must prepare and publish online, a Procurement Strategy for that financial year. MHA will produce an annual Procurement Strategy regardless of the amount of Regulated Procurement, within that financial year which should be read in conjunction with this Policy.

Annual Sustainable Procurement Report
If MHA has prepared (or revised) a Procurement Strategy for a financial year and has reached the £5M regulated procurement threshold for that financial year, an annual Sustainable Procurement Report on regulated procurements will be prepared, published online, and include the following minimum content.

Section 18 of the Procurement Reform (Scotland) Act 2014 sets out the minimum content that an annual procurement report must include. The image below illustrates the minimum content that an organisation must provide in its procurement strategy and annual procurement.



As part of the Annual Procurement Strategy, MHA will monitor its Procurement Objectives by reporting to Services Committee on the following Key Performance Indicators (KPIs):

Procurement Strategy KPI 1: Target 100% compliance with all statutory duties under "the Regulations" and "the Act" for all regulated procurement activities.

Procurement Strategy KPI 2**:** Target 100% of regulated and unregulated procurement contracts (where appropriate) have considered the Sustainable Procurement Duty. (e.g., improving the social/economic, environmental well-being of the wider Milnbank community, facilitation/involvement of SMEs, 3rd sector bodies and supported businesses and the promotion of innovation etc).

Procurement Strategy KPI 3**:** Target 100% of all contracts procured are included on a Contracts Register and anticipated procurement activity is also included for the current financial year. All Regulated Procurement information will be available online.

Flowchart

The following flowchart has been designed for MHA staff members to determine what statutory requirements apply to procurements. The relevant legislation is as follows:

- Procurement Reform (Scotland) Act 2014 – the "Act"; and
- Public Contracts (Scotland) Regulations 2015 – the "Regulations"; and
- Procurement (Scotland) Regulations 2016

Even where procurement does not fall under the requirements of either the Act or the Regulations, MHA staff must ensure that bidders are treated equally and non-discriminatorily and that MHA acts in a transparent and proportionate manner (the "Principles").

MHA Policy – Unregulated Procurement

Contract Value	Contract Value	Contract Value
Below £5k for works and goods/services	Between £10k and £50k for works and goods/services	Between £50k and £2m for works and goods/services
Departmental Discretion • One quotation from suitable and competent supplier or contractor will suffice. • To be approved in accordance with Financial Regulations Policy • Leadership team have the Authority to approve.	• Written Specification • Minimum 3 Competitive quotes from suitable and competent supplier or contractor will suffice. • To be approved in accordance with Financial Regulations Policy • External Framework can be utilised.	• A minimum of 3 competitive tenders should be sought from a list through the PCS website either by 'Quick Quote' process (Route 1) or Regulated Procurement (Route 2). • Other appropriate procurement vehicles may be utilised depending on the nature of works or goods/services. • To be approved in accordance with Financial Regulations Policy • External Framework can be utilised. • Management Committee has the Authority to approve.

MHA Policy – Regulated Procurement

Contract Value	Contract Value	Contract Value (inc. VAT)
More than £50k and up to £214,904	More than £2m and up to £5,372,609	More than £214,914 for Goods & Services
Regulated Procurement Route 2 • Advertise on PCS Website (Open or restricted) • To be approved by Management Committee	Regulated Procurement Route 2 • Advertise on PCS Website (Open or restricted) • To be approved by Management Committee	Regulated Procurement Route 2 • Advertise on PCS Website (Open or restricted) • To be approved by Management Committee

APPENDIX 2: PROCUREMENT TIMESCALE

Timescales per the Regulations and generally adhered to for procurements subject to the Act

Type of procedure	Standard timescales	Options for MHA to reduce timescales	Tenders submitted electronically	Requirement urgent, longer time limit is impractical	PIN published no more than 12 months & no less than 35 days from despatch of contract notice
Open	Despatch of contract notice to receipt of responses – 35 days Standstill period – 10 days if notice issued electronically / 15 days if by other means	5-day reduction	Period reduced to 15 days		.
Restricted	Despatch of contract notice to receipt of responses – 30 days ITT to receipt of tenders – 30 days Standstill period – 10 days if notice issued electronically / 15 days if by other means	May agree time-limit with tenderers – in absence of agreement minimum period is 10 days	5-day reduction	Period reduced to 15 days Period reduced to 10 days	Period reduced to 10 days
Competitive dialogue	Despatch of contract notice to expressions of interest – 30 days Standstill period – 10 days if notice issued electronically / 15 days if by other means				
Competitive with negotiation	Despatch of contract notice to expressions of interest – 30 days ITN to receipt of tenders – 30 days Standstill period – 10 days if notice issued electronically / 15 days if by other means	May agree time-limit with tenderers – in absence of agreement minimum period is 10 days	5-day reduction	Period reduced to 10 days	Period reduced to 10 days

APPENDIX 3: LIST OF SERVICES COVERED BY THE NEW LIGHT-TOUCH REGIME

SCHEDULE 3 of the Public Contracts Regulations 2015

Regulations 5(1)(d) and 74
SOCIAL AND OTHER SPECIFIC SERVICES

CPV Code	Description
75200000-8; 75231200-6; 75231240-8. 79611000-0; 79622000-0 (Supply services of domestic help personnel); 79624000-4 (Supply services of nursing personnel) and 79625000-1 (Supply services of medical personnel) from 85000000-9 to 85323000-9; 98133100-5, 98133000-4; 98200000-5; 98500000-8 (Private households with employed persons) and 98513000-2 to 98514000-9 (Manpower services for households, Agency staff services for households, Clerical staff services for households, Temporary staff for households, Home-help services and Domestic services)	Health, social and related services