

## Community Regeneration Funding

### Procurement Best Practice

<b>PUBLIC SECTOR APPLICANTS</b>	<b>OTHER APPLICANTS</b>
<p>For applicant organisations subject to the Public Contracts (Scotland) Regulations, public sector procurement rules apply for the purchases of any goods and services funded under CRF.</p> <p>To check if your organisation is subject to public procurement rules get in touch with Scottish Government procurement - <a href="mailto:SPOEprocurement@scotland.gsi.gov.uk">SPOEprocurement@scotland.gsi.gov.uk</a></p> <p>Listed below are some organisations that are subject to public procurement rules:</p> <ul style="list-style-type: none"> <li>●Local Authorities</li> <li>●Architecture &amp; Design Scotland</li> <li>●Crofting Commission</li> <li>●Food Standards Scotland</li> <li>●Health Boards</li> <li>●Health Improvement Scotland</li> <li>●Health &amp; Social Care Partnerships</li> <li>●Historic Environment Scotland</li> <li>●National Library of Scotland</li> <li>●National Museums of Scotland</li> <li>●Scottish Further &amp; Higher Education Funding Council</li> <li>●NatureScot</li> <li>●Scottish Fire &amp; Rescue Service</li> <li>●Police Scotland</li> <li>●National Park Authorities</li> <li>●Organisations established by any of the above (or combination)</li> <li>●Organisations financed wholly or mainly by a contracting authority</li> <li>●Organisations subject to supervision by another contracting authority (or where more than half of the board of directors/members/individuals are appointed by a contracting authority;</li> </ul>	<p>All other applicants will be required to demonstrate how they have achieved value for money in relation to their project costs.</p> <p>Applicants will usually be expected to select the lowest quote but, if the cheapest quote is not selected, applicants will be expected to provide a written explanation. Applicants may wish to utilise independent expertise to justify choices – e.g. Chartered Surveyors.</p> <p>As a rule, the CRF team will assess reasonableness of costs against the procurement guidelines overleaf.</p> <p>If applicants are not able to meet these procurement guidelines they must agree an alternative in writing with the CRF team in advance of any purchasing or commissioning</p> <p><b>IMPORTANT NOTE:</b> The onus is on the applicant to justify/evidence reasonableness of costs and to provide all relevant supporting documentation to the satisfaction of CRF.</p> <p>Adopting an unacceptable approach to procurement may prevent CRF grant payments from being released.</p>

## Procurement Threshold/Guidelines

Goods/Services	Capital Works	Guidelines for goods/services and capital works
All aggregated project costs from one supplier <b>totalling to below £10,000</b>	All aggregated project costs from one supplier <b>totalling to below £50,000</b>	Direct award (i.e. single quotation) however CRF would expect applicants to consider reasonableness of costs and achieving best value  <b>NOTE: it would be best practice for the applicant, where applicable, to seek a 2<sup>nd</sup> quote.</b>
All aggregated project costs from one supplier <b>totalling between £10,000 - £49,999</b>	All aggregated project costs from one supplier <b>totalling between £50,000 - £1,999,999</b>	CRF would expect applicants to evidence value for money by seeking at least 3 quotes
All aggregated project costs from one supplier <b>totalling more than £50,000+</b>	All aggregated project costs from one supplier <b>totalling more than £2,000,000+</b>	CRF would expect applicants to evidence value for money by providing evidence of formal tendering including a copy of the tender advert and all tender documents
<b>Recruitment of staff</b>	CRF would (unless otherwise agreed in advance) expect applicants to provide evidence of having openly advertised and selected staff posts through an interview process.	

**NOTE 1:** There may be occasions when fewer than the required number of quotes can be obtained. For example, the item may be a particularly specialised piece of equipment, which is only produced by one or two suppliers. In such circumstances, the applicant will be asked to provide an explanation as to why the required number of quotes have not been provided. A decision will then be made on the legitimacy of that explanation. That decision will have to take into account a number of considerations, including the reason for the shortfall and the reasonableness and proportionality of insisting on the correct number of quotes.

**NOTE 2:** Applicants will usually be expected to select the lowest quote provided. However, if the cheapest quote is not selected, applicants are required to provide a written explanation for the quote selected. Circumstances for not selecting the cheapest quote include, but are not limited to: Where the applicant could save money through utilising a maintenance or repair contract which they currently hold with the nominated supplier; The location of the supplier: for example if the supplier is close to the town in which the project is based thereby reducing travel time if problems occur; If a particular company provides an aftercare service deemed desirable for the item; or If a company is offering a make or model which is already utilised by the applicant and the cheaper quotes cannot. In deciding whether it is appropriate for a higher priced quote to be selected, applicants should have regard to general procurement policy and the focus on value for money, which means “the optimum combination of whole-life cost and quality to meet the user’s requirements.” Other factors to be taken into account when considering the suitability of the quote selected include: Quality; Price; Technical merit; Aesthetic and functional characteristics; Environmental characteristics; Running costs; Cost effectiveness; After sales service; Technical assistance; Delivery date and period; and Period of completion.