



FINANCE AND PROCUREMENT

STANDING ORDERS FOR THE REGULATION OF CONTRACTS

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1. OVERVIEW

1.1 The purpose of these Standing Orders is:

- to ensure that uniform contracting procedures of the highest standard are laid down for use throughout the Scottish Fire and Rescue Service (SFRS);
- to secure competition and compliance with the law with respect to all contracts;
- to ensure the SFRS obtains best value in its procurement activity and all resultant contracts;
- to provide a framework for detailed Procurement Procedures which can be made by Senior Officers under delegated powers; and
- to afford protection to the SFRS and its staff.

This will ensure a system of openness, integrity and accountability where the probity and transparency of the process will be beyond reproach. In turn, this will lead to better value for money and give confidence to all concerned that the Board is fulfilling its fiduciary responsibilities.

1.2 Legislation regulates how contracts can be made by or on behalf of the SFRS. In this context, “contract” means any agreement:

- with an individual, company or other organisation;
- for the execution of building and civil engineering works or for the supply of goods, materials or services; and
- which is authorised to be entered into by the SFRS or its Board, usually in writing; or
- which is entered into, either in writing or verbally, by an officer of the SFRS, acting under their delegated powers to do so; and
- which commits the SFRS to the outcome of the agreement and, therefore, is legally enforceable by either the SFRS or the other party or parties to the agreement.

- 1.3 The Police and Fire Reform (Scotland) Act 2012 requires the SFRS:
- to secure best value in the performance of its functions;
 - to balance the quality and cost of the performance of its functions and the cost of SFRS services to service users;
 - to have regard to economy, efficiency, effectiveness, and the need to meet equal opportunity requirements in maintaining that balance; and
 - to discharge its duty to secure best value in a way which contributes to the achievement of sustainable development.
- 1.4 The Standing Orders are subject to the over-riding provisions of public procurement legislation. In addition, all SFRS procurement activity will be undertaken in observance of the requirements of the Scottish Public Finance Manual (SPFM) and all relevant statutory guidance issued by the Scottish Government's Procurement and Property Directorate.
- 1.5 These Standing Orders must be interpreted and applied in accordance with the key principles of transparency, equal treatment, non-discrimination and proportionality.
- 1.6 Public Procurement legislation regulates the making of contracts by the SFRS. The legislative framework seeks to ensure that public sector bodies, such as the SFRS, award contracts in an efficient and non-discriminatory manner. Legislation also sets out general duties for public bodies to follow and more specific duties for specified types of procurement activity. Public Procurement legislation sets out the procedures to be followed at each stage of the procurement process leading to the award of contracts above certain financial spend thresholds (regulated spend thresholds) for works, goods and materials and services, by the SFRS and other public bodies. They take account of modern techniques, such as e-procurement and the provision of framework agreements, as well as the extent to which sustainable

procurement and social, economic and environmental issues can be considered during the procurement process.

- 1.7 These Standing Orders apply to all contracts made by or on behalf of the SFRS on or after 28 April 2022, for the procurement of the execution of works, the supply of goods and material to the SFRS and/or the provision of services. Where the tender process commences prior to the 28 April 2022, the previous Standing Orders will apply.
- 1.8 The SFRS Scheme of Delegations sets out the powers which have been delegated by the SFRS to senior officers. Subject to certain general conditions set out in this Scheme, such as the requirement to follow SFRS policies, the day-to-day running of SFRS is delegated to the Chief Officer, Deputy Chief Officer and Directors in the Strategic Leadership Team. Under this Scheme of Delegations, the authority to contract on behalf of the Service lies with the Chief Officer, the Acting Director of Finance and Contractual Services and the Acting Director of Asset Management, subject to adhering to the SFRS's Standing Orders for the Regulation of Contracts and subject to the Acting Director of Finance and Procurement confirming the appropriate budget provision has been made. These senior officers are also authorised to delegate any of their authority to other officers under their direction and who are appropriately qualified and experienced. This means that, in the context of the making of contracts on behalf of the SFRS, the Chief Officer, the Acting Director of Finance and Contractual Services and the Acting Director of Asset Management will ensure that those officers whom they authorise to perform procurement functions and tasks on their behalf have sufficient training, knowledge, capability and experience to determine relevant procurement issues and are aware of the extent and limitation of their delegated authority. Regardless of any delegations by them, the final responsibility for ensuring compliance with these Standing Orders rests with the "Responsible Officer".
- 1.9 The Responsible Officer for all procurement activity undertaken by the SFRS is the Acting Director of Finance and Procurement.

1.10 The Responsible Officer will:

- ensure compliance with these Standing Orders;
- determine disputes amongst officers engaged in the procurement and contracting process and procedures in accordance with [clause 1.14](#), below;
- ensure that the award of any regulated contract applying to services is advertised within the relevant legislative timescales and contract award notices published;
- include the details of regulated contract awards in the annual statistical returns and Annual Procurement Report to the Scottish Government;
- add details of the contract awards into the SFRS's corporate contract register; and
- comply with provisions of Standing Orders in relation to delegation and training of officers, procurement strategies, use of standard terms of contract, use of the Corporate Contract Register, use of framework agreements and collaborative arrangements, contract monitoring / management and reporting to corporate forums.

1.11 All Designated Officers of the SFRS exercising delegated procurement authority in relation to procurement and contracting functions must comply with these Standing Orders, and with the relevant Procurement Practice Notes as approved by the Acting Director of Finance and Procurement. They must also be aware of the provisions of the Bribery Act 2010, and the SFRS Gifts, Hospitality and Interests Policy and the Anti-Fraud and Corruption Policy. Any failure in or disregard of these requirements may amount to gross misconduct under the SFRS's Disciplinary Code and may result in disciplinary action.

1.12 The SFRS's Corporate Procurement Strategy and Annual Procurement Report must set out the framework by which the SFRS will ensure it

maximises effective service delivery and the provision of best value for money through a corporate and strategic approach to procurement. The Strategy and Annual Report must be aligned to compliance with legislative requirements, particularly those duties stated in the 2014 Act and the pursuit of the Scottish Government's objectives of promoting collaborative procurement opportunities and the implementation of leading practice whilst promoting economic wellbeing, sustainable development and minimising impact on climate change. For the SFRS this will require all procurement activity to be undertaken in accordance with these Standing Orders, Procurement Practice Notes and associated documentation, as issued by the Acting Director of Finance and Procurement.

1.13 Amendment or replacement of these Standing Orders requires a decision of the SFRS Board, except that:

- The Acting Director of Finance and Procurement, in consultation with the Chief Officer, may make minor administrative changes required from time to time to any part of this document without reference to the Board (arising from, for example, minor changes in legislation);
- The issuing of Procurement Practice Notes and/or Work Instruction can be undertaken by the Acting Director of Finance and Procurement without referral to the Board.

1.14 Any dispute arising from the application, operation or interpretation of these Standing Orders and/or Procurement Practice Notes / Work Instructions shall be resolved by a decision of the Responsible Officer after discussion with the appropriate Director / Head of Service and after consultation with the Procurement Manager and Legal Services Manager as appropriate to the nature of the dispute.

2. DEFINITIONS AND INTERPRETATIONS

TERM	MEANING
2014 Act	Procurement Reform (Scotland) Act 2014
2015 Regulations	The Public Contracts (Scotland) Regulations 2015
2016 Regulations	Procurement (Scotland) Regulations 2016
Annual Procurement Report	Procurement Reform (Scotland) Act 2014 requires that all Contracting Authorities, who are eligible to prepare and publish a Procurement Strategy, must publish an annual procurement report which reports on actual and planned regulated procurement activities; achievement of community benefits; activity with supported businesses; and any regulated procurement, i.e. above £50,000 for goods and services and £2,000,000 for works contracts, that did not comply with the procurement strategy.
Aggregate Value	See Estimated Contract Value
The Board	The Board of the SFRS
Collaborative Contracts	All contracts (including framework agreements) placed in conjunction with other contracting authorities or other public bodies, by the SFRS or another authority or body, or through joint committees, or in partnership with other parties.
Commodity Strategy	A pre-tender template which is used by Designated Officer leading the procurement process to determine the route to market for regulated tenders. The commodity strategy template is defined, and updated from time to time, in the Procurement Practice Notes.
Competitive Dialogue Procedure	This procedure is similar to the Competitive Procedure with Negotiation, in that there is dialogue (rather than negotiation) with each of the shortlisted suppliers followed by a formal tender stage. An intensive procedure for use with particularly complex contracts.

Competitive Procedure with Negotiation	Similar to the restricted procedure, except crucially negotiations with the bidders are allowed following receipt of initial bids (and an iterative process during which individual bidders may be deselected at each stage is allowed); however, once negotiations are concluded, there has to be a formal final tender stage and those tenders cannot be negotiated upon.
Contract	Legislation regulates how contracts can be made by or on behalf of the SFRS. In this context, “contract” means any agreement: <ul style="list-style-type: none"> • with an individual, company or other organisation; • for the execution of building and civil engineering works; or • for the supply of goods, materials or services; and • which is entered into, either in writing or verbally, by an authorised representative of the SFRS, acting under their delegated powers to do so; and • which commits the SFRS to the outcome of the agreement and, therefore, is legally enforceable by either the SFRS or the other party or parties to the agreement.
Contracting Authority	The term used in public procurement legislation to define those organisations that must comply with it. The SFRS is a Contracting Authority.
Contracts Register	Contracts register required, in line with public procurement legislation, which holds information on regulated contracts and all other contracts awarded by the SFRS.
Corporate Procurement Strategy	Service wide procurement strategy approved the Board.
Delegated Procurement Authority (DPA)	The authority that permits an individual to enter into a contract for goods / services / works on behalf of the SFRS and/or oversee the process leading up to and including the award of a contract and any subsequent contract changes / variations.
Designated Officer	The individual, who through Delegated Procurement Authority, is authorised to undertake any procurement activity on behalf of the SFRS.

<p>Estimated Contract Value</p>	<p>2015 Regs: the estimated aggregate purchase value (total estimated value), including VAT, over the entire term of the Contract and use across the whole SFRS, including all options, permitted extensions and variations.</p> <p>2014 Act: the estimated aggregate purchase value (total estimated value), excluding VAT, over the entire term of the Contract and use across the whole SFRS, including all options, permitted extensions and variations.</p>
<p>Framework Agreement</p>	<p>An agreement or other arrangement between one or more contracting authorities and one or more suppliers which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the supplier will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.</p>
<p>General Duties</p>	<p>Generally applicable principles of fairness, equal treatment, non-discrimination and transparency and compliance with the sustainable procurement duty (Sections 8 – 10 of the 2014 Act).</p>
<p>Innovation Partnership Procedure</p>	<p>The innovation partnership procedure is for the procurement of 'an innovative product, service or works that cannot be met by purchasing products, services or works already available on the market.</p>
<p>Negotiated Procedure without Prior Publication of Contract Notice</p>	<p>This procedure is an accommodation within the rules of the circumstances when the supplier(s) has to be sourced directly (without publication of a contract notice) – usually cases when there is only one possible supplier. There are no prescribed procedural requirements other than the requirement for a contract award notice (in which it has to be stated in Annex D1 which of the derogations for use of this procedure has been relied upon). This is a very high-risk procedure (given the risk of challenge from other potential suppliers which were not known at the time) and can only be used in the strictly defined circumstances in the 2015 Regulations. The courts interpret the derogations strictly; further the burden of proof that the</p>

	circumstances exist to justify the procedure is on the body seeking to rely on them (i.e. contracting authority).
Non-Competitive Action (NCA)	The process whereby competition is not deemed appropriate and a direct award of a contract is made without advertisement. The Acting Director of Finance and Contractual Services has the sole authority to award such process up to a value of £25,000. Contracts above this value require to be submitted to Scottish Government for consideration before they can be approved. NCA is granted only in exceptional circumstances.
Open Procedure	A procedure leading to the award of a contract whereby all interested suppliers may tender for the contract (Regulations 2(1) and 28 of the 2015 Regulations).
Procurement Activity	All activity undertaken within by the SFRS to: <ul style="list-style-type: none"> • procure goods, services or works on behalf of the Service; • promote / co-ordinate strategic procurement; and • development of processes and systems
Public Contracts Scotland	The national advertising website for Scottish public-sector organisations to post contracts, including those that are subject to public procurement legislation. It also allows contracting authorities to invite suppliers to submit quotations electronically via the website's secure tender post box (Section 22 of the 2014 Act).
Public Procurement Legislation	Any legislation that applies to procurement processes in Scotland. It includes any applicable residual European Procurement Legislation and any subsequent law that replaces it, such as a Government Procurement Agreement. In a Scottish context, it means: The Procurement (Scotland) Regulations 2016 The Public Contracts (Scotland) Regulations 2015 Procurement Reform (Scotland) Act 2014
Quick Quote	An online request for quotation facility provided through the Public Contracts Scotland website, used to obtain competitive quotes for low value / low risk procurement exercises or

	procurement mini competitions within framework agreements from suppliers who are registered on the website.
Responsible Officer	The Acting Director of Finance and Procurement with overall procurement responsibility for all the SFRS (works, services, supply of goods and materials).
Restricted Process	A two-stage procedure leading to the award of a contract whereby only those suppliers selected by the SFRS may submit tenders for the contract (Regulations 2(1) and 29 of the 2015 Regulations).
Scheme of Delegations	The record maintained of all powers delegated to SFRS employees by the Board.
Scottish Procurement Document (SPD)	The standard means of pre-qualification used in all relevant procurement activity in Scotland and covers all selection criteria and grounds for exclusion.
Services (and Services Contracts)	The provision of services by a person engaged by the SFRS to do so but not including works or supplies / materials as described in Regulation 2(1) of The Public Contracts (Scotland) Regulations 2015.
Service Provider	Service Provider, also referred to as Supplier and/or contractor in these Standing Orders mean a third-party organisation with whom the SFRS may enter into a contract with.
Standstill Period	The standstill period provides for a short (at least 10 calendar days) pause between the point when the contract award decision is notified to bidders and the final contract conclusion, during which time suppliers can challenge the decision. It is a legal requirement (mandatory) imposed through public procurement legislation. The SFRS can also choose to apply a Voluntary Standstill to minimise risk to the SFRS.
Supplier	Supplier, also referred to as Contractor and/or service provider in these Standing Orders mean a third-party organisation with whom the SFRS may contract.

Supplies (and Supplies Contracts)	The purchase or hire of goods or their siting or installation as defined in paragraph 2(1) of the 2015 Regulations.
Thresholds	<p>Regulated spend thresholds, also known as tender thresholds, are the limits specified in legislation which determine applicable law and procedures (Regulation 5 of the 2015 Regulations) or as updated by Scottish Procurement through Scottish Procurement Policy Notes (SPPNs) from time to time which determine which procurement procedure should be followed.</p> <p>The SFRS also sets internal spend thresholds below the regulated spend threshold values. All thresholds are set out in the Procurement Practice Notes. The thresholds in the Corporate Procurement Procedures will be amended from time to time.</p> <p>The current thresholds are detailed in Appendix 1.</p>
Works (and Works Contracts)	The carrying out of a work or works for the SFRS, or under an arrangement whereby the SFRS engages a person to procure by any means the carrying out for the SFRS of a work corresponding to specified requirements Regulation 2(1) and Schedule 2 of the 2015 Regulations.

3. GOVERNANCE

3.1 Roles and Responsibilities

3.1.1 The Responsible Officer is the Acting Director of Finance and Procurement, who is accountable for all procurement and tendering arrangements for goods, services and works.

3.1.2 Any queries regarding these Standing Orders or their interpretation should be made in the first instance to the Acting Director of Finance and Contractual Services.

- 3.1.3 It is the duty of the Responsible Officer to ensure that all staff engaged in the procurement and contracting process are properly authorised to act, are properly qualified, trained and supervised, understand these Standing Orders and related Procurement Procedures, and that they comply with them. Such individuals will be issued with a letter outlining the scope of their Delegated Procurement Authority (DPA). The Procurement Manager will maintain a register of such individuals who have Delegated Procurement Authority.
- 3.1.4 All Directors (including the Deputy Chief Officer) are responsible for ensuring that all staff within their Directorate understand and comply with these Standing Orders.
- 3.1.5 All staff engaged in procurement activity:
- must be properly authorised to act; and
 - must be properly qualified, trained and supervised; and
 - must understand these Standing Orders and related Procurement Practice Notes and must always comply with them; and
 - must act in accordance with the relevant Procurement Practice Note; and
 - must have regard to the SFRS Corporate Procurement Strategy.
- 3.1.6 All staff involved in procurement activity must have regard to the need to take legal advice and shall ensure that such advice is taken timeously. Staff will be required to record and retain a record of the advice requested and provided.
- 3.1.7 All external legal advice, whether this be procurement or related to any other discipline, shall only be obtained, following consultation with the Acting Head of Finance and Procurement and the Legal Services Manager and as required the Procurement Manager.

- 3.1.8 The Responsible Officer will maintain a corporate contract register, comply with the statutory requirements for annual procurement reports, corporate procurement strategy and comply with publication duties, all in accordance with the 2014 Act.
- 3.1.9 All staff engaged in procurement activity must ensure that all information in relation to a contract or proposed contract is entered as required in the Corporate Contracts Register.
- 3.1.10 All staff undertaking procurement activity on behalf of SFRS or having significant advisory or technical input into the procurement decision making process must be aware of the requirement to adhere to the SFRS Gifts, Hospitality and Interests Policy and Anti-Fraud and Corruption Policy.

3.2 Application and Exceptions

- 3.2.1 These Standing Orders will apply to all contracts and extensions / variations to contracts must be made within the terms of the 2014 Act, 2015 Regulations, 2016 Regulations and all relevant statutory procurement guidance, these Standing Orders and the SFRS Corporate Procurement Procedures (Procurement Practice Notes and Work Instructions). The SFRS duty at all times will be to achieve best value whilst complying with procurement legislation.
- 3.2.2 Framework Agreements may only be used with the prior written / verbal approval of the Procurement Manager for goods and services or where recommended for use and approved in the Commodity Strategy. Framework Agreements for Works may only be used with the prior written / verbal approval of the Property Manager.
- 3.2.3 Pilot Schemes established in accordance with the SFRS Procurement Procedures may only be used where approved by the Responsible Officer and only when a business case has been prepared and the Pilot Scheme provider has been identified following a competitive tender exercise.

- 3.2.4 Any contract for goods or services where the total estimated value of the proposed contract is £49,999 or less. Such contracts will be procured in accordance with [paragraph 4.14](#) and the relevant Procurement Practice Note, as issued by the Acting Director of Finance and Procurement.
- 3.2.5 Any contract for works, where the total estimated value of the proposed contract is £499,999 or less. Such contracts will be procured in accordance with [paragraph 4.15](#) and the relevant Procurement Practice Note, as issued by the Acting Director of Finance and Procurement.
- 3.2.6 Any contract for works, where the total estimated value of the proposed contract is £500,000 but less than £4,000,000. Such contracts will be procured in accordance with [paragraph 4.16](#) and the relevant Procurement Practice Note, as issued by the Acting Director of Finance and Procurement
- 3.2.7 Any contract where the total estimated value is £25,000 or less and which is awarded by the Non-Competitive Action process. Such contracts will be procured in accordance with [paragraph 4.17](#) and the relevant Procurement Practice Note, as issued by the Acting Director of Finance and Procurement.
- 3.2.8 Any contract for the purchase of second hand goods or materials.
- 3.2.9 These Standing Orders must apply to the placing of any contract with the exception of the exemptions listed below:
- Except where prohibited by legislation, the Acting Director of Finance and Procurement may decide that these Standing Orders, or parts of them, shall not apply to a specific contract or to a specific class or category of contract, if it is satisfied that there are circumstances, such as arising from geographical, sole provider, technical, artistic or urgency factors, to justify the exemption.

- Any contract of employment, however, where agency staff are required the Standing Orders will apply to the call-off from the Agency Framework and/or appointment of an Employment Agency.
- Any spend where the total estimated value is £4,000 or less. This requirement shall be undertaken in such manner as the relevant Head of Service may determine where it is not cost effective to arrange a formal contract. Such spend must not be repetitive, nor should the same supplier continually be being used. Single Supplier should be treated as an NCA ([paragraph 4.17](#)).
- Partnership Arrangements entered into with third parties, so long as such arrangements are exempt from procurement legislation. However, the Standing Orders will apply to any goods, services or works that require to be procured by or on behalf of the SFRS in furtherance of the Partnership.
- Any contract for the acquisition or disposal of heritable property held by or vested in the Board which must be the subject of an individual report to the Board where not otherwise covered by the Scheme of Delegated Functions.

3.3. Financial Thresholds

- 3.3.1 The thresholds which are stated in the 2015 Regulations are ultimately set by the Government Procurement Agreement (GPA) of the World Trade Organisation (WTO) and expressed in SDRs (Special Drawing Rights). The equivalent values in Euros are calculated and rounded down to the nearest 1000. For states that do not participate in the Euro (such as the UK) the Euro values are converted to the respective domestic currency.
- 3.3.2 These thresholds are revised every 2 years, taking effect on 1 January of each alternate year (even numbered year). Where the Euro values need to

be converted from Euros to a state's domestic currency, the calculation is based upon a two-year average exchange rate with the Euro up to the end of the August proceeding the January in which the new thresholds take effect. From 1 Jan 2022, these thresholds are now inclusive of VAT.

- 3.3.3 The threshold for works contracts is much higher than that for supplies and services (which both have the same threshold). It should be noted that the SFRS is classified as a "Schedule 1 Body" and that there are lower thresholds applicable to such bodies. This distinction stems from the GPA.
- 3.3.4 The thresholds which are applicable to procurement exercises covered by the 2015 Regulations are listed in [Appendix 1](#).
- 3.3.5 The 2014 Act defines "Regulated Procurement" and states thresholds where contracts are deemed to be "regulated" and require to be undertaken in accordance with the 2014 Act. These thresholds are stated in [Appendix 1](#) and can be amended by Scottish Ministers as considered appropriate. The threshold values of the 2014 Act are not revised every two years and the method for calculating the estimated contract value of procurement which falls under the Act has not changed and remains exclusive of VAT.
- 3.3.6 It is not permitted to deliberately divide (disaggregate) any potential contract into two or more contracts if the intention in doing so is to avoid the application of any financial threshold in the Standing Orders, the 2014 Act, 2015 Regulations or the 2016 Regulations.
- 3.3.7 The total estimated value of a proposed contract must be calculated taking into account the aggregated value of similar goods, services or works, depending on their nature and whether they are regular or recurring in nature across the SFRS.
- 3.3.8 The estimated value of any contract will be the total value inclusive of all extension options and not simply the annual value of the proposed contract.

- 3.3.9 Where it is likely that the provision of goods, services and works will be required on a continuing basis over a number of years, for example, with maintenance contracts, the estimated value will be calculated taking into account the anticipated duration and similarity of the continuing supply.
- 3.3.10 Proposed contracts may be split into Lots if it is determined that this is in the interest of achieving best value. However, the estimated value of such contracts, will be the total estimated value of all Lots for similar goods, services and works.

3.4 Scottish Public Finance Manual

- 3.4.1 The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance on the proper handling and reporting of public funds. Guidance is contained within the SPFM relating to the procurement activity of organisations to whom the SPFM is directly applicable.
- 3.4.2 The SFRS procurement governance model accounts for such guidance.

3.5 The Procurement Journey

- 3.5.1 The Scottish Government has published the best practice toolkit, “The Procurement Journey”.
- 3.5.2 The Procurement Journey provides a structured process which details each step taken in a procurement exercise from the identification of a need or requirement to the management of the contract and supplier.
- 3.5.3 The SFRS procurement governance model reflects best practice as detailed in the Procurement Journey.

3.6 Procurement Practice Notes and Work Instructions

3.6.1 These Standing Orders are supplemented by Procurement Practice Notes and Work Instructions, as issued from time to time by the Acting Director of Finance and Procurement. These Procurement Practice Notes and Work Instructions must be effective from date of issue and must be complied with as if they formed part of the Standing Orders. They may be varied or revoked by the Acting Director of Finance and Procurement as required.

3.7 Construction Manual

3.7.1 The Construction Procurement Manual, published by the Scottish Government and consisting of the Project Initiation and Business Case Handbook, the Contract Management Handbook, the Asset Management Handbook and the Construction Procurement Handbook, is mandatory guidance for all organisations to which the Scottish Public Finance Manual is directly applicable.

3.7.2 The handbooks provide guidance on the processes and governance as well as policy direction and legislation.

3.7.3 The guidance contained within the Manual will require to be followed for all relevant procurement activity.

3.8 Sustainable Procurement Duty

3.8.1 The Procurement Reform (Scotland) Act 2014 requires SFRS to consider, before carrying out a regulated procurement, how in conducting the procurement process it can act with a view to securing improvement in a way which will:

- secure improvement to the economic, social and environmental wellbeing (reducing inequality) of the “authority’s area;

- facilitate the involvement of SMEs, third sector bodies and supported businesses;
- promote innovation.

3.8.2 An authority's area is the area by reference to which the "contracting authority primarily exercises its functions, disregarding any areas outside Scotland".

3.8.3 As such any procurement exercise with a value in excess of the 2014 Act thresholds ([Appendix 1](#)) must consider the requirements of Section 9 of the 2014 Act.

3.8.4 In addition, the 2014 Act, Section 24-26 states a statutory duty to consider the inclusion of community benefit requirements in all procurement exercises which have a value equal to or greater than £4,000,000.

3.8.5 However, in support of the aims and objectives detailed in the Corporate Procurement Strategy 2021-24, the SFRS will also aim to consider community benefit requirements in procurement exercises greater than £1,000,000, where deemed relevant.

3.8.6 For those procurement exercises which are equal to or greater than £4,000,000, then the contract notice must include the following:

- A summary of the community benefit requirements that will be included in the contract; or
- Where SFRS does not intend to include any such requirement, a statement of its reasons for not including community benefit requirements in the procurement process.

3.8.7 Where SFRS includes a community benefits provision within the procurement process, then SFRS will include in the award notice a statement of the benefits it considers will be derived from those provisions.

3.8.8 In all relevant procurement exercises, due cognisance must be taken with regard to the inclusion of sustainable procurement issues in accordance with the Directive, the Regulations, the Reform Act, SFRS's Procurement Strategy, Procurement Practice Notes, Environmental Strategy and Climate Change Action Plan.

3.9 Innovation and the Use of the Innovation Partnership Procedure

3.9.1 The SFRS Corporate Procurement Strategy states a clear commitment to innovation which is one of the core values of the Service and plays a key role in improving firefighter safety and wider service delivery such as reducing the impact of climate change.

3.9.2 Our procurement processes aim to encourage innovation when sourcing goods, services and works in support of this commitment.

3.9.3 Where possible, the use of the Innovation Partnership Procedure, detailed in the 2015 Regulations, will be encouraged in all relevant procurement activity.

3.9.4 The aim of the innovation partnership, through the appointment of one or several partners who conduct separate research and development activities funded through the contract, is to develop 'an innovative product, service or works' and to subsequently purchase 'the resulting goods, services or works' (provided that they correspond to the performance levels and maximum costs agreed between the contracting authority and the participants).

3.10 Procurement Strategy

3.10.1 As required by the 2014 Act, SFRS is required to publish a Procurement Strategy which must, as a minimum be made publicly available on the internet and in any other such manner as it considers appropriate.

3.10.2 The Procurement Strategy will set out how SFRS's regulated procurement will:

- contribute to the carrying out of SFRS's functions;
- deliver value for money;
- be in compliance with the Reform Act's General Duty and Sustainable Procurement Duty.

3.10.3 The Procurement Strategy will also include SFRS's general policy:

- on the use of community benefit requirements;
- on consulting and engaging with those affected by its procurements;
- on the payment of a living wage to persons involved in regulated procurements;
- on promoting compliance with the Health and Safety at Work etc. Act 1974;
- on the procurement of fairly and ethically traded goods and services;
- in respect of contracts involving the provision of food:
 - how it will improve the health, wellbeing and education of communities in their area; and
 - promote the highest standards of animal welfare;
- ensuring prompt payment (within 30 days) of invoices for public contracts.

3.11 Annual Procurement Report

3.11.1 The Annual Procurement Report, as required by the 2014 Act, will be brought before the Strategic Leadership Team and the Board for approval prior to publication.

3.12 Statutory Guidance and Scottish Procurement Policy Notes (SPPNs)

- 3.12.1 Scottish Procurement and Property Directorate issue and update Statutory Guidance relating to matters covered under the 2014 Act.
- 3.12.2 SFRS must consider this guidance as issued and amend its procurement governance model as considered appropriate.
- 3.12.3 Scottish Procurement Policy Notes (SPPN) are issued on a regular basis by the Scottish Procurement and Property Directorate and require to be considered and actioned by the SFRS to ensure that procurement activity is undertaken in accordance of the SPPN.

3.13 Joint Responsibility in Collaborative Procurement

- 3.13.1 Where SFRS agrees to undertake a joint procurement, which in its entirety, is carried out jointly and in the name of all the public bodies concerned, then all involved must be jointly responsible for ensuring that they comply with the requirements of the Scottish Regulations.
- 3.13.2 In such circumstances where SFRS agrees to undertake a joint procurement cross border, it must conclude a collaboration agreement with all parties prior to the commencement of the Procurement. This collaborative agreement must set out the responsibilities of the parties and the relevant applicable national procurement law provisions; and the internal organisation of the procurement process, including the management of that process, the distribution of the services to be provided and the conclusion of Contracts.
- 3.13.3 This requirement must also apply in those instances where SFRS is participating in a joint procurement where one body manages the procedure, acting on its own behalf and on the behalf of the other public bodies concerned.

3.13.4 Where the procurement procedure is not in its entirety carried out in the name and on behalf of the public bodies concerned, the bodies must only be jointly responsible for those parts carried out jointly.

3.13.5 In such circumstances, SFRS must have sole responsibility for complying with the legislation in respect of the parts it conducts in its own name and on its own behalf.

3.14 Non-Discrimination

3.14.1 Before entering into a Contract, the SFRS must obtain from the Contractor an undertaking in writing that, to the best of their knowledge and belief, the contractor is not unlawfully discriminating within the meaning and scope of all relevant statutory requirements.

3.15 Breach of Standing Orders

3.15.1 Employees, upon discovering a possible breach of these Standing Orders, must report the matter immediately to the Acting Director of Finance and Procurement and to their own Director.

3.15.2 The Acting Director of Finance and Procurement will investigate any breach of the Standing Orders.

3.15.3 Failure by any employee to comply with these Standing Orders or, in the case of staff with appropriate supervisory responsibilities, failure to ensure compliance may give rise to disciplinary procedures.

3.16 Appropriate Contract Provision

3.16.1 Where contract arrangements are in place, employees must place orders against such contracts which have been entered into by the SFRS Board or to which the SFRS may utilise through approved Consortia arrangements, collaborative ventures or Central Government contracts.

3.16.2 Where appropriate, the advice and approval of the Procurement Manager must be sought before any consortia, collaborative or central government contracts or frameworks are considered and/or used.

3.17 Governing Law

3.17.1 Except where otherwise agreed between the Acting Director of Finance and Procurement, the Procurement Manager and the Legal Services Manager, all contracts entered into by the Board must be in writing and must be subject to Scots Law and to the exclusive jurisdiction of the Scottish Courts.

3.18 Freedom of Information

3.18.1 All tender documentation or contracts must not prohibit the disclosure of information which would otherwise be disclosed in compliance with the Freedom of Information (Scotland) Act 2002. No tender documentation or contract must contain a condition that restricts unjustifiably the disclosure of information held by the Service in relation to the tender documentation or contract.

3.19 Code of Conduct

3.19.1 The SFRS expects a high standard of conduct from all its employees. In all procurement exercises, due cognisance must therefore be taken of the Code of Conduct for Employees, the Gifts, Hospitality and Interests Policy, the Anti-Fraud and Corruption Policy and all relevant Procurement Practice Notes.

4. THE PROCUREMENT PROCESS

4.1 Before Commencing the Procurement Process

4.1.1 The individual leading the procurement process (Lead Officer) must determine:

- The nature of the contract (wholly works, wholly supplies and services, or, where the contact must include both, the category into which it falls);
- Whether or not the Contract Value will be greater than £50,000 (goods and services / £500,000 (works) but less than 2015 Regulations threshold;
- Whether or not the Contract Value will be greater than the relevant legislative threshold;
- Whether there is a requirement for wider advertising despite the value of the contract being below the relevant legislative threshold;
- The potential for inclusion of sustainability criteria and/or community benefits;
- Whether there are any existing, forthcoming or potential collaborative contracts or framework agreements, internal or external, which may be utilised;
- Where an existing collaborative contract or framework agreement is identified which may be utilised, then this must be considered as an option in the development of the commodity strategy.

4.1.2 Where an existing collaborative contract or framework agreement is identified, which may be utilised, then this must be considered as an option for service delivery in the development of the Commodity Strategy, providing that it is compliant with legislative requirements and presents best value.

4.1.3 A Commodity Strategy must be prepared for all projects where the aggregated value is £50,000 or more. The Commodity Strategy will be

developed as outlined in the relevant Procurement Practice Note, by involving all key stakeholders at the outset and must be approved prior to the publication of any contract notice advertising the requirement or any call-off from a framework agreement. A Commodity Strategy is not required for Works Contracts. [Appendix 2](#) details who can approve Commodity Strategies.

- 4.1.4 The Designated Officer will prepare such documentation as is necessary for each procurement exercise. The documentation will be prepared and issued in accordance with these Standing Orders and all relevant Procurement Practice Notes.
- 4.1.5 The Designated Officer will also be responsible for the drafting and development of the Evaluation Model which will be used.
- 4.1.6 The Quality Review process, as outlined in the relevant Procurement Practice Note, must be observed in all relevant procurement activity for goods, services and works.

4.2 Board Approval

- 4.2.1 The Acting Director of Finance and Procurement is responsible for submitting to the Board for consideration and approval, a report detailing the process to be undertaken for those projects which are considered key strategic goods / services / works prior to the placement of any contract notice or call-off exercise from an existing framework or collaborative contract.

4.3 Issuing Documentation and Advertising

- 4.3.1 Contract documents and invitations to tender for all relevant tender activity must be issued in accordance with the requirements of the 2014 Act, 2015 Regulations, 2016 Regulations and SFRS's Procurement Practice Notes.

- 4.3.2 For any procurement process undertaken in compliance of the Scottish Regulations, then the Invitation to Tender and all other associated documentation must be uploaded to electronic tender system for immediate download on the publication of the Notice, whether this be the Open Process or Restricted Process. The individual leading the procurement process is required to account for this requirement in the drafting of the procurement timetable for the project.
- 4.3.3 Contract documentation must utilise the relevant set of the SFRS standard Terms and Conditions of Contract, and any departure from them must be approved in writing by the Procurement Manager (Goods and Services) / Property Manager (Works) in consultation with the Legal Services Manager.
- 4.3.4 Public Contract Scotland will be utilised for all tender exercises and quick quotes where this is practically possible, subject to the provisions of [paragraph 4.3.5](#).
- 4.3.5 The Acting Head of Finance and Procurement may authorise the use of electronic auction processes where appropriate.
- 4.3.6 E-Tendering and/or E-auctions must only be undertaken using an e-tendering / e-auction system approved for use by the Acting Head of Finance and Procurement. In approving such a system, the Acting Head of Finance and Procurement must have regard to security issues, such as access control, data encryption, verification of supplier identity and measures to minimise risks from viruses and hacker attack. The Acting Head of Finance and Procurement must take advice as necessary from the Head of ICT.
- 4.3.7 In undertaking an e-tendering and/or e-auction process, it must be ensured that the same level of controls is applied that would normally be applied to a paper based process, in accordance with these Standing Orders for Contracts and the Procurement Practice Notes, as issued by the Acting Director of Finance and Procurement.

4.4 Receipt of Quotations and Tenders

- 4.4.1 All tenders / quote must be received and opened in accordance with the relevant Procurement Procedure.
- 4.4.2 All tender / quote returns will be received through Public Contracts Scotland portal. Paper copies or copies received directly by email to any SFRS employee undertaking the procurement process will not be accepted by the SFRS.
- 4.4.3 Tender returns received after the date / time set by the SFRS will not be accepted. A statement to this effect will be included in all Invitations to Tender issued by the SFRS.
- 4.4.4 In the case of unsatisfactory performance or conduct by any person submitting a tender before a decision is made as to which should be accepted, the Acting Head of Finance and Procurement, in consultation with the Acting Director of Finance and Procurement, may disqualify that person from further participation or reject the quotation or tender, after considering any representations made and taking account of legislative parameters.

4.5 Evaluation

- 4.5.1 All quotes / tenders issued must, for transparency purposes, contain full details of the evaluation model to be used in evaluation, including evaluation criteria and weightings.
- 4.5.2 Quotations and tender returns must be evaluated by a group of nominated individuals in accordance with the relevant Procurement Practice Note.
- 4.5.3 Quotations and Tenders must be evaluated in accordance with the quotation or tender award criteria and the agreed strategy for the proposed procurement, and on the basis of establishing which offer is the most

economically advantageous tender based on the published evaluation criteria.

- 4.5.4 The SFRS must identify the most economically advantageous tender on the basis of the best price-quality ratio, which “must be assessed on the basis of criteria linked to the subject matter of the public contract in question and must include the price or cost using a cost effectiveness approach” as defined in legislation.
- 4.5.5 For contracts to be awarded under the Regulations, SFRS will require tenderers to explain the price or costs proposed in the tender where they appear to be abnormally low. This requirement will apply to all abnormally low bids received. A mechanism will be stated within the tender documents as to what is considered an abnormally low bid.
- 4.5.6 The SFRS may not use price only or cost only as the sole award criteria.
- 4.5.7 Issues relating to the validity of any tender submission will be brought to the attention of the Procurement Manager before any decision is made with regard to its inclusion or exclusion from the evaluation process. Such a decision will be made with reference to the relevant Procurement Practice Note and Procurement / Legal Protocol as necessary.
- 4.5.8 SFRS is required to reject a tender where it has established that the tender is abnormally low because a tenderer has not complied with the environmental, social and labour law listed in the 2015 Regulations.
- 4.5.9 A written record must be maintained outlining the evaluation process, recording the process followed and the criteria applied, and detailing the reasons for the decision. Full details of the reporting requirements for contracts under the 2015 Regulations are detailed in [paragraph 4.7](#).

4.6 Acceptance of Bids

- 4.6.1 A report detailing the outcome of the quote and tender process must be submitted for approval for all procurement activity undertaken.
- 4.6.2 The report will normally be completed by the Designated Officer who undertook the procurement exercise
- 4.6.3 A quality review process requires to be under taken for all tender process in excess of £50,000 (goods and services) and £2,000,000 (works) prior to the reports being submitted for approval. The Quality Review process is described fully in Work Instruction 1.
- 4.6.4 [Appendix 2](#) details the individuals with the authority to approve outcome reports and letters of award.

4.7 Reporting and Documentation Requirements – Public Contracts (Scotland) Regulations 2015

- 4.7.1 For every contract or framework agreement that the SFRS establishes under the 2015 Regulations, SFRS will draft a written outcome report, using standard template which must include at least the following:
- The name and address of SFRS, the contract / framework agreement value and subject matter;
 - Where applicable, the results of the qualitative selection and/or reduction of numbers, namely:
 - The names of those suppliers invited to participate in the procurement process and the reasons for their selection;
 - The names of those participants who were subsequently excluded from the bidding process or who bid but were not successful and the reasons for their rejection;
 - The reasons for the rejection of tender found to be abnormally low;

- The name of the successful tenderer and the reasons why its tender was selected;
- Where known by SFRS, the share (if any) of the contract or framework agreement which the successful tenderer intends to subcontract to third parties and the names of the main subcontractors (if any);
- Where competitive procedures with negotiation and competitive dialogues, the circumstances which were stated to justify the use of those procedures;
- For negotiated procedures without prior publication, the circumstances which justify the use of this procedure;
- Where applicable, the reasons why the contracting authority has decided not to award a contract or framework agreement;
- Where applicable, the reasons why means of communication other than electronic means have been used for the submission of tender; and
- Where applicable, conflicts of interests detected and subsequent measures taken.

4.7.2 SFRS will document the progress of all procurement procedures and will retain sufficient documentation to justify decisions taken in all stages of the procurement process such as:

- Communications with suppliers;
- Internal deliberations;
- Preparation of the ITT documentation;
- Dialogue or negotiation (if any);
- Selection and award of the contract.

4.7.3 For all other Regulated Procurements and quote process, the Designated Lead will utilise standard reporting templates developed for this purpose and observe the requirements of the relevant Procurement Practice Note(s).

4.8 The Standstill Period and Debrief

- 4.8.1 For every contract to be awarded or framework agreement to be concluded, which are covered by the 2015 Regulations, that SFRS must allow a period of at least the relevant standstill period to elapse between the date of despatch of the notice informing all relevant parties of the decision to award a contract or conclude a framework agreement and the date on which the SFRS enters into the contract or concludes the framework agreement.
- 4.8.2 There is no requirement for a standstill period if there is only one tenderer and no remaining 'concerned' candidates (i.e. candidates excluded at the selection stage that haven't been given reasons for the exclusion decision and are therefore still 'concerned' with the procedure).
- 4.8.3 The SFRS will send such notification by electronic means and, as such, the standstill period is a period of 10 days ending at midnight at the end of the 10th day after that on which the last notice is sent.
- 4.8.4 The detail to be included in the notice referred to in [paragraph 4.8.1](#) is detailed in Paragraph 85 of the 2015 Regulations and included in Appendix 3.
- 4.8.5 Call-off contracts under a framework or a dynamic purchasing system (DPS) are exempt from the mandatory requirement for a standstill letter / standstill period. However, by observing a standstill voluntarily for an above-threshold call-off contract under a framework following a mini-competition or under a DPS, the application of the ineffectiveness remedy (contract being stopped by the Courts) can be removed. This is because one of the 3 grounds for ineffectiveness is where either of these call-off processes is conducted in breach of the regulations. Where there is a voluntary standstill process (without a challenge during the standstill period), then the remedy of ineffectiveness is removed.

- 4.8.6 A voluntary standstill will be observed as necessary in any relevant procurement activity, with a recommendation as to whether this requires to be observed in the award report.
- 4.8.7 There is no requirement to observe either a mandatory or voluntary standstill for contracts below the threshold values applicable to the 2015 Regulations. However, there is a requirement to issue a debrief as detailed in Paragraph 32 of the 2014 Act and included in Appendix 4. Debriefs will be undertaken in accordance with the relevant Procurement Practice Note, as issued by the Acting Director of Finance and Procurement.

4.9 Contract Management

- 4.9.1 The Designated Officer, in conjunction with the Client Department / Directorate, will ensure that the performance of the contract is monitored and reviewed in accordance with the relevant Procurement Practice Note, and must maintain a record of those processes which is proportionate considering the value, duration, subject matter and complexity of the contract.
- 4.9.2 In a case of unsatisfactory performance or conduct by a contractor following the award of a contract, the Responsible Officer may, in consultation with the Legal Services Manager, take action in terms of the contract to terminate the contract.

4.10 Modification of a Contract during its Term (including Extension and Renewal)

- 4.10.1 Subject always to compliance with the 2015 Regulations, contracts can be varied, modified or extended (but only where the contract allows the SFRS those options) or renegotiate any part of a contract to achieve best value for the SFRS.

- 4.10.2 For contracts covered by the 2015 Regulations, paragraph 72 (Appendix 4) sets out the parameters under which any modification must consider before any change to the contract is approved.
- 4.10.3 For all other contracts, variations, modifications or extensions can only occur when these are described in the contract documents.
- 4.10.4 A written business case justifying the reasons for this course of action together must be prepared and submitted to the relevant signatory, as detailed in [Appendix 2](#), for written approval before proceeding.
- 4.10.5 A detailed written record of all negotiations and discussions with the contractors must be maintained and retained.
- 4.10.6 A written business case justifying the reasons for any modification progressed on any of the grounds listed above must be prepared and submitted to the relevant signatory as detailed Acting Head of Finance and Procurement for written approval before proceeding.

4.11 General Record Keeping and Reporting

- 4.11.1 The Acting Director of Finance and Procurement must submit a report on a quarterly basis to the Good Governance Board, noting the contracts awarded in the preceding quarter.
- 4.11.2 The Acting Director of Finance and Procurement must submit a report to the Good Governance Board at the beginning of the financial year, detailing the programme of work which will be undertaken during the period.
- 4.11.3 SFRS must be required to keep copies of all concluded contracts, whether these are awarded under the Reform Act or the Scottish Regulations for at least the duration of the contracts.

4.11.4 The Acting Director of Finance and Procurement will present the Annual Procurement Report to the Board prior to publication.

4.12 Contracts Register

4.12.1 The SFRS will maintain a Contract Register which will detail the contracts which have been awarded by the Service. Such detail will be inclusive of NCAs, quotations and all regulated procurements whether goods, services or works.

4.12.2 As a minimum, the Contracts Register must include the following details on each contract awarded by SFRS:

- The date of the award;
- The name of the contractor;
- The subject matter;
- The estimated value of the contract;
- The start date;
- The end date provided for in the contract or the circumstances in which the contract will end;
- The duration of any extension period.

4.12.3 SFRS will make its Contracts Register publicly available on the internet and by such other means as it considers appropriate.

4.12.4 The published Contract Register will be refreshed on a quarterly basis.

4.12.5 The Designated Officer is responsible for the uploading of information to the Contracts Register upon award of a contract.

4.13 Register of Insurance

4.13.1 A Register of Insurance must be maintained by the Risk and Audit Manager so that renewal certificates are obtained where necessary.

4.14 Non-Regulated Goods and Services Contracts (Below £50,000)

4.14.1 Where the estimated contract value is £4,000 or more but less than £50,000 for goods and services, the procurement will be undertaken by using Quick Quote on Public Contracts Scotland and a minimum of three (3) quotations must be sought. Where possible, at least one of these quotations should be from an SME.

4.14.2 Quick quote on PCS utilises firms already pre-registered on the system and involves no advertisement of the requirement.

4.15 Non-Regulated Works Contracts (Below £2,000,000)

4.15.1 Where the estimated contract value is less than £500,000, the procurement will be undertaken by using Quick Quote on Public Contracts Scotland and a minimum of four (4) quotations must be sought. Where possible at least one of these quotations should be from an SME. The procurement process will be conducted in observance of the relevant Procurement Practice Note(s) and the Construction Manual – Construction Route 1A.

4.15.2 Quick quote on PCS utilises firms already pre-registered on the system and involves no advertisement of the requirement.

4.15.3 Where the estimated contract value is £500,000 or more but less than £2,000,000 for works, the procurement will be undertaken by advertising the requirement on Public Contracts Scotland and a minimum of four (4) bids must be sought. Where possible, at least one of these bids should be from an SME. The procurement process will be conducted in observance of the

relevant Procurement Practice Note(s) and the Construction Manual – Construction Route 1B.

4.16 Regulated Works Contracts in excess of £2,000,000 or more but less than 2015 Regulations Threshold

4.16.1 Where the estimated contract value is £2,000,000 or more but less than the current threshold for works for the 2015 Regulations, the procurement will be advertised on Public Contracts Scotland and a minimum of five (5) bids must be sought. Where possible, at least one of these bids should be from an SME. The procurement process will be conducted in observance of the relevant Procurement Practice Note(s) and the Construction Manual – Construction Route 2A.

4.17 Non-Competitive Action (NCA)

4.17.1 Non-Competitive Action (NCA) refers to the process whereby competition is not deemed appropriate and a direct award of a contract is made without advertisement. An NCA must be approved in advance of any contract being placed.

4.17.2 It is the general policy of the SFRS that goods, services and works must be bought by genuine and effective competition. NCA is only granted in **exceptional** circumstances. It is strictly limited to situations where competition is not deemed appropriate and is dealt with on a case by case basis.

4.17.3 The Acting Director of Finance and Contractual Procurement (or their Designee) has the sole authority to approve the NCA process up to a value of £25,000 (excluding VAT). All requests to proceed with NCA for procurements over £25,000 must be approved in advance by Scottish Government.

- 4.17.4 The individual making the request for an NCA to be considered, must complete the required paperwork for submission to the Procurement Manager for consideration. Submission of paperwork does not guarantee approval. Where the Procurement Manager is satisfied that the case for direct award through the NCA process is justified, then the submission will be forwarded to the Acting Director of Finance and Procurement for consideration and approval.
- 4.17.5 Procurement will keep a record of all NCAs submitted and approved. NCAs that are approved will be published on the Contract Register.
- 4.17.6 Where NCA submissions are in excess of the 2015 Regulations thresholds, consideration will be given to the use of the Negotiation Procedure without the Prior Publication of a Notice under the 2015 Regulations.

4.18 Use of Consultants

- 4.18.1 SFRS must observe Scottish Government policy (link below) that robust procedures must be followed for the engagement of consultancy services to ensure that these resources are used sparingly, appropriately and effectively.

<https://www.gov.scot/publications/use-of-consultants-guidance/>

- 4.18.2 As such and before any procurement process takes place, a business case must be prepared and approved based on the amount that the SFRS expects to pay for the requirement. The following table details the threshold approval amount:

Value	Approver
Up to £2,000	Head of Function
£2,000 - £100,000	Acting Director of Finance and Procurement
Over £100,000	Scottish Government

4.18.3 After approval has been granted, the procurement exercise to identify the most competitive provision of service must, in all instances, be progressed by the Procurement Section in accordance with this Procurement Practice Note.

4.19 Disposals

4.19.1 The Acting Director of Finance and Procurement, in consultation with the Acting Director of Asset Management and the Acting Head of Finance and Procurement, will be responsible for disposing of all assets and materials (including land and buildings) which are not needed on behalf of all SFRS.

4.19.2 All disposals of assets and materials must be undertaken in accordance with the SFRS Disposals Policy, as approved by the Board or issued by the Acting Director of Finance and Procurement under delegated powers.

5. ASSOCIATED DOCUMENTS / REFERENCES

Annual Procurement Report
Anti-Fraud and Corruption Policy
Code of Conduct
Disciplinary Policy and Procedure
Gifts, Hospitality and Interests Policy
Live Contracts Register
Procurement Strategy 2021-2024
Scheme of Delegations

Bribery Act 2010

Freedom of Information (Scotland) Act 2002

Health and Safety at Work etc. Act 1974

Police and Fire Reform (Scotland) Act 2012

Procurement Reform (Scotland) Act 2014

Procurement (Scotland) Regulations 2016

Public Contracts (Scotland) Regulations 2015

Scottish Government, Construction Procurement Manual

Scottish Government, The Procurement Journey

Scottish Government, Scottish Public Finance Manual

APPENDIX 1a – PROCUREMENT THRESHOLDS AND VAT INCLUSION IN ESTIMATED CONTRACT VALUE: SPPN 8/2021

<https://www.gov.scot/publications/procurement-thresholds-and-vat-inclusion-in-estimated-contract-value-sppn-8-2021/>

The SPPN 8/2021 provides details on the new procurement thresholds and the inclusion of value added tax (VAT) in calculating the estimated value of contracts from 1 January 2022.

Key Points

- The new threshold values are relevant to procurement exercises which commence on, or after, 1 January 2022;
- There will be a change to the way the value of a contract is estimated for the purpose of determining whether that contract meets or exceeds the new threshold values. From 1 January 2022, VAT, where applicable, must form part of the calculation;
- SFRS is a Schedule 1 Body;
- The main thresholds applicable to the SFRS are shown in the table below:

Category	Old Thresholds 1st Jan 2020 – 31st December 2021 (exclusive of VAT)	New Thresholds 1st Jan 2022 – 31st December 2023 (inclusive of VAT)
Goods (Supplies)	£122,976	£138,760 (Indicative value excluding 20% VAT £115,633)
Services	£122,976	£138,760 (Indicative value excluding 20% VAT £115,633)
Light Touch Services	£663,540	£663,540 Indicative value excluding 20% VAT £552,950

Works	£4,733,252	£5,336,937 (Indicative value excluding 20% VAT £4,447,447)
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Procurement Reform (Scotland) Act 2014

The threshold values of the Procurement Reform (Scotland) Act 2014 are not revised every two years and have not changed, remaining £50,000 for goods and services, and £2 million for works contracts. Likewise, the method for calculating the estimated contract value of procurement which falls under the Act has not changed and remains exclusive of VAT.

APPENDIX 1b – SFRS INTERNAL THRESHOLDS

Supplies and Services

Procurement Type	Aggregated Estimated Contract Value	Advertising Requirements	Minimum No of Quotations / Tenders Sought
Low Value	£0 - £3,999	Not Applicable	Requirement to ensure best value
Quick Quote	£4,000 - £49,999	Not Applicable	3
Tender	£50,000 -£138,759 (Indicative value excluding 20% VAT £115,632)	PCS	4
Tender	£138,760 (Indicative value excluding 20% VAT £115,633)	PCS	5

Works

Procurement Type	Aggregated Estimated Contract Value	Advertising Requirements	Minimum No of Quotations / Tenders Sought
Quick Quote	Below £500,000	Not applicable	4
Tender	£500,000 - £2,000,000	PCS	4
Tender	£2,000,000 – £5,336,936 (Indicative value excluding 20% VAT £4,447,446)	PCS	5
Tender	£5,336,937 (Indicative value excluding 20% VAT £4,447,447)	PCS	5

APPENDIX 2 – APPROVAL LEVELS

1. Approval of Contract Award Reports and Letters of Award

Role	Value
Acting Director of Finance and Procurement	All contracts of any value
Acting Director of Asset Management	Works contracts to a value of £5,336,937 ((Indicative value excluding 20% VAT £4,447,446))
Acting Head of Finance and Procurement	All contracts of any value
Procurement Manager	Goods / Services contract of any value
National Property Manager	Works contracts to a value of £500,000
Asset and Performance Manager	Works contracts to a value of £500,000
Property Development Manager	Works contracts to a value of £500,000
Category Lead	Goods / Services up to £138,760
Procurement Specialist	Goods / Services up to £138,760
Head of Function / Director / Assistant Chief Officer	Goods / Services up to £49,999

2. Approval of Commodity Strategy

Role	Commodity Strategy
Acting Director of Finance and Procurement	All Goods / Services Strategies
Acting Head of Finance and Procurement	All Goods / Services Strategies
Procurement Manager	All Goods / Services Strategies
Category Lead	All Non-Strategic Goods / Services