

# Procurement Strategy

**2024 –2029**

# Procurement Strategy – 2024-2029

## 1. Executive Summary

This document outlines the procurement strategy for West of Scotland Housing Association for the financial years 2023-2028. The overall aim for the Association is to have a strategy which is sustainable and delivers social, economic and environmental value. The strategy outlines the following key procurement objectives:

- To ensure value for money is being achieved by the Procurement Strategy
- To establish a framework for delivering, monitoring and reporting community benefit
- To ensure tenant involvement in procurement that directly impacts our tenants
- To ensure that we reduce environmental impact where possible
- To effectively monitor and improve contractor and supplier performance
- To ensure a consistent and robust approach to procurement

The strategy also outlines Planned Procurement Activity for 2024-2029.

## 2. Introduction

The Association's mission is not for financial gain; it seeks to make a difference to people's lives and make society a better place to live. This ethos and the values of the Association underpin the Procurement Strategy. It is important to us that the impact of our procurement is greater than the actual transaction and that it supports a wide range of social, economic and environmental agendas.

It is also essential that the Association achieves value for money in all procurement activities.

### Our Vision:

We go further to provide housing you call home

### Our Strategic Aims

WSHA's Strategic aims are to:

- Deliver outstanding service to all our customers
- Maintain and improve our homes and communities and develop new homes to meet local needs
- Be the best we can be for our customers, staff and volunteers
- Work with others to improve tenant's lives and deliver sustainable communities
- Be well managed and financially strong

Through our procurement strategy we want to support the Association to achieve this vision and strategic aims.

Our procurement activity will always be underpinned by the principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality. We will achieve these principles through the implementation of our Procurement Policy and Procedures.

## Values

Our values are:

- Respect
- Inclusive
- Integrity
- Support
- Improvement

Our procurement approach will be based on these values and would also expect any contractor or supplier to adhere to these values in respect of their interaction with us and our customers where they are delivering services directly to customers.

### 3. What is Procurement?

Procurement is defined as “the process of acquiring goods, works and services”

Procurement includes activities and events before and after the issuing of a contract as well as the general management activities associated with a range of contracts.

Effective procurement can deliver the following core benefits leading to increased tenant/end user satisfaction:

- Security of supply
- Reduced life cycle costs
- Reduced risk
- Improved quality
- Greater Added Value
- Increased efficiency
- Reduced environmental impact
- Innovation
- Compliance
- Transparency and integrity of process

In WSHA, procurement is about having a sustainable approach to the supply of goods and services. Sustainable procurement is defined as achieving value for money in terms of life cycle costs, social impact and environmental factors. This approach ensures that we procure goods and services in a way that is aligned to the Association’s vision, mission and values. We will work to continuously improve our approach to procuring the goods and services we need.

We will consider how we might improve the economic, social and environmental wellbeing of our communities prior to every key procurement process. Where possible, we will facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses. We will also consider how we can promote innovation through our procurement processes. An impact assessment will be carried out prior to any key procurement competition to assess how we can comply with the sustainable procurement duty as outlined above.

## 4. Value for Money

One of the key strands of our strategy is to achieve value for money. We will follow the Association's strategy on Value for Money and will support it as a strategic priority for the Association by ensuring that we procure goods and services adopting the 3 'E's principles alongside social and environmental impacts:

**Economy** – the price paid for what goes into providing a service. It is also about minimising the cost of resources of an activity.

**Efficiency** – a measure of productivity i.e. how much you get out in relation to what is put in.

**Effectiveness** – measure of the impact achieved, both quantitative and qualitative or a measure of outcomes.

Over the next five years we will evidence and report on value for money to ensure we are achieving this. Our Procurement Strategy very much links with our Value for Money Strategy and one of the key objectives of our VFM Strategy is to:

- Ensure that we procure goods, services and works in the most sustainable economic way possible

## 5. Procurement Objectives

We have identified 6 procurement objectives to ensure sustainable procurement is achieved:

### 5.1 Ensure value for money is being achieved by the Procurement Strategy

It is essential that we ensure that we are achieving value for money through all our procurement activities. This is further underpinned by the Association's Value for Money Strategy. In order to ensure we are achieving value for money we will:

- Implement our Value for Money Strategy and report to customers on impact
- Implementation of Value for Money Impact Assessment process
- Implement an Annual Efficiencies Plan
- Look into public procurement framework options in order to obtain better value for money
- Assess the option to implement whole life costing when going to market for goods and services
- Utilising the Asset Management Strategy Plan, consider how to measure the benefits of collaborative procurement as well as internal procurement against the Association's strategic goals
- Seek joint procurement opportunities with other RSLs

### 5.2 Establish a framework for delivering, monitoring and reporting community benefit

One of the key strands of our Procurement Strategy is to make a difference in peoples' lives and to benefit the wider community in order to achieve this objective we will:

- Ensure community benefit is embedded in all appropriate procurement processes
- Monitor community benefit performance as a key part of overall contract monitoring
- Record and report on community benefit activity
- Engage with current suppliers on community benefit, targeting high or engaged suppliers
- Work in partnership with third sector organisations to provide employment and training opportunities for our communities

### **5.3 Ensure tenant involvement in procurement that directly impacts our tenants**

It is important to the Association that our tenants are involved in procurement particularly where the procurement will directly impact them for example grounds maintenance, day to day repairs, planned repairs and painting contract. To achieve this objective, we will:

- Implement processes to support tenant involvement in procurement activity that directly impacts our tenants
- Work in partnership with TAG (Tenant Advisory Group) to involve tenants in developing the tender specification and service standards
- Obtain feedback from tenants involved in the process
- Involve tenants in pre contract start meetings and contract management where applicable

### **5.4 Ensure we reduce environmental impact where possible**

At West of Scotland Housing Association, we're committed to becoming smarter in the way we consume resources, and to reducing the negative impacts we have on the planet.

We have a Green Strategy in place and are currently developing a new Sustainability Strategy. Once our Sustainability Strategy has been completed, we will review this Strategy and align the objectives of the Sustainability Strategy with this objective. This will include requirements in relation to contractors and suppliers in as part of our procurement and contract management processes.

West of Scotland Housing Association is committed to making our direct and indirect operations less environmentally damaging. Everyone in West of Scotland Housing Association is working internally to reduce our direct operational impact, and we also wish to work with our partners, suppliers and subcontractors to reduce our wider impacts.

We consider these things not only an environmentally responsible thing to do as an organisation, but also things which make great business sense.

We intend to work with all our partners, suppliers and subcontractors of works, goods and services to make sure that all of the work we do has minimal environmental impact. As part of this process, we wish to work together with suppliers and subcontractors to realise continual and measurable, reductions in organisational environmental impacts.

In particular, we will do the following:

- Use procurement as a tool to deliver on green agenda/policy through method statement weighting
- Include Sustainability KPIs in our contract management framework for all appropriate contracts
- Report to the Board on environmental outcomes achieved through community benefits
- Look to purchase that are produced in a sustainable way where possible e.g. energy, paper, minimise packaging etc

### **5.5 To effectively monitor and improve contractor and supplier performance**

We need to ensure that our tenants are receiving the best level of service from all contractors and suppliers. To ensure that this happens we will:

- Establish KPIs for all key contractors and monitor on a regular basis
- Implement post inspection process for all repairs and maintenance contracts
- Analyse and report on in house customer satisfaction survey programme for repairs and planned maintenance
- Formally evaluate and record lessons learned to feed into procurement activity at the end of contracts

### **5.6 Ensure a consistent, robust and transparent approach to procurement**

It is important that we comply with the relevant regulation and legislation and that our procurement is carried out in a correct manner. In order to do this we will:

- Ensure compliance with procurement policies and procedures
- Deliver regular training for relevant staff on procurement policies and procedures
- Centrally monitor all procurement activity
- Maintain a Contracts Register
- Develop our reporting to interrogate data and utilise the opportunity to review market and contract options at product level
- Carry out PCIP Assessment with Scotland Excel and develop a Procurement Improvement Plan

## **6. Contract Management Approach**

The Association has a Contract Management Policy and Procedure. The policy and procedure supports the objectives set out in the Procurement Strategy. They provide a standard approach and guidance to Contract and Supplier management, defining clear ownership for operational day to day management throughout the life cycle of a contract.

We will achieve this by developing and maintaining close relationships with business partners and key providers and creating a consistent standard contract and supplier management process across the Association. This will allow us to monitor and manage contractor and supplier performance to ensure the Association obtains Value for Money from the contract and the end users receive a good standard of service or works.

## 7. Contractor/Supplier Requirements

### Equalities

It is important that our contractors and suppliers comply with the principles of the Equalities Act 2010, particularly in relation to the services we provide to our customers and approach to our staff and customers. We will include these requirements in our tender documents and will assess the approach by our contractors and suppliers as part of our quality assessment.

### Health and Safety Compliance

Health and Safety is of paramount importance to the Association and any contractors or suppliers that enter into an agreement with the Association must fully comply with relevant health and safety regulation and legislation. Compliance will be assessed as part of the procurement process.

### Customer Care Charter

We have a customer care charter in place which is based on our values. We would expect all contractors and suppliers to deliver services to our customers in line with this charter and to have a customer focused approach at all times.

### Payment of Living Wage

As a minimum, the Association would expect contractors to pay Living Wage as a minimum hourly rate to all operatives for the contracted hours worked on the Association's contract. Proof of payment of the living wage will form part of the procurement process.

### Payment of Invoices

The Association will pay contractors and suppliers within 30 days of being invoiced. The Association requires contractors to pay sub-contracts within 30 days of being invoiced.

### Ethical Trade

The Association requires that all goods and services purchased are traded in an ethical manner and this will be assessed as part of the procurement process.

## Scottish Government Public Procurement Priorities

We have good knowledge and awareness of the Scottish Government's Public Procurement Priorities and consider these as part of our procurement approach:

- Leadership & Visibility
- Sustainable Economic Recovery
- Maximise Impact of the Sustainable Procurement Duty
- Climate Emergency
- Achieving Professional Excellence
- Using Systems to Drive Sustainable Outcomes and Support Reporting

We report annually to Scottish Government on our progress in respect of each of the above priorities.

## 8. Procurement Activity 2023/24

During 2023/24 we procured the following works and services:

<b>Contract Title</b>	<b>Contractor/Supplier</b>	<b>Contract Value</b>	<b>Contract Duration</b>	<b>Procurement Route</b>
Legal Services	TC Young	£200k	5 years	PCS – Open Procedure
Fire Contract	Palmaris	£1m	5 years	PCS Open Procedure
Electrical Inspections	Magnus Electrical	£200k	5 Years	PCS Open Procedure
Legionella	Integrated Compliance	£120k	5 Years	PCS Open Procedure
Gas Quality Assurance	Corgi	£75k	5 Years	PCS Open Procedure
Architect Services (Allander St)	MAST	£176k	Project Completion	Hub West
M&E Services (Allander St)	Rybka	£69k	Project Completion	Hub West
Engineer Services (Allander St)	Cowal Design	£93k	Project Completion	Hub West
Contractor (Allander St)	Connect Modular	£7m	Project Completion	Mini Competition SPA Framework
Contractor (Arlington Drive)	Procast	£620k	Project Completion	Pfh Scotland Framework – Direct Award

## 9. Planned Procurement Activity – 2024/25

Over the next year, we have the following procurement activity planned:



<b>Contract Title</b>	<b>Contract Term</b>	<b>Anticipated Value</b>
Chartered Surveyors	3 plus 2	£30k
Close Cleaning	3 plus 2	£200k per annum
Painting Contract	5 years	£500k
IT Support	3 plus 2	£100k
Warden On Call	5 years	£66k
Meter Billing	5 years	£30k
Preservation Contract	3 years plus 2	TBC
Hoist Maintenance	3 years plus 2	£30k
Internal Audit	3 years plus 2	£150k
External Audit	3 years plus 2	£125k
Wood Pellets	3 years plus 2	£50k
Fire Risk Assessor	3 years	£11k

Please note the above details procurement we have planned. We will be carrying out stock condition surveys over the next few months and this may lead to additional procurement. In addition to this, we will review how we deliver each area prior to procurement to ensure that the service/works is required and what outcome is required.

In order to determine the best procurement route for each of these procurements, we will assess the desired outcomes of the procurement and use the Scottish Government Procurement Journey Planner to determine the best route to achieving these outcomes.

## 10. Planned Procurement Activity – 2024-29

Over the next four years, we have the following procurement activity planned:

<b>Contract Title</b>
Grounds Maintenance
Phone System and Landlines
Kitchens & Bathrooms
Gas Servicing
Replacement Windows and Doors
Medical Adaptations
Insurance
Mobile Phones
Rent Payment System
Roof Anchors & Gutter Cleaning
Pest Control
IT Support
Reactive & Void Repairs
Flooring & Blinds
Treasury Advisors

## 11. Measuring Performance

The table below outlines how we will measure performance against each objective of the strategy:

Strategy Objective	Measurement	Details	Target
To ensure value for money is being achieved by the Procurement Strategy	Reporting	We will report on value for money achieved for every procurement as part of our Annual Procurement Report	Not applicable
To establish a framework for delivering, monitoring and reporting community benefit	Reporting	We will report to on all community benefit opportunities obtained as part of our Annual Procurement Report	Not applicable
To ensure tenant involvement in procurement that directly impacts our tenants	KPI	% of appropriate procurement activities involving tenants	100%
To ensure minimal environmental impact	KPI	We will develop a suite of KPIs for procurement as part of our Sustainability Strategy and include it the Procurement Annual Report.	TBC
To effectively monitor and improve contractor and supplier performance	Customer Satisfaction Indicators and individual contractor indicators	<ul style="list-style-type: none"> <li>- % of satisfaction with repairs and maintenance</li> <li>- % repairs appointments kept</li> <li>- % of repairs completed right first time</li> <li>- % of satisfaction with Planned maintenance</li> <li>- % satisfaction with management of the neighbourhood (Grounds Maintenance)</li> </ul>	As per Charter Indicator targets

## 12. Risk Management

One of our operational risks is in respect of the procurement and management of contracts. Our risk management approach is to identify the causes of this risk, assess what controls we have in place, score the risk in terms of likelihood and impact and identify what if any further actions are required to mitigate this risk

further. We review all operational risks on a quarterly basis. This risk has increased for us and most organisations over the past year or so due to the following:

- Reduced number of contractors
- Increase in costs
- Reduction in labour and materials in certain markets

Our focus over the next year will be to ensure we continue to procure effectively and achieve value for money for the Association and our customers. We have identified a number of actions to take forward to further mitigate this risk.

### **13. Relevant Policies and Procedures**

This strategy is linked to the following WSHA policies and procedures:

- Procurement Policy and Procedures
- Contract Management Policy and Procedure

### **14. Monitoring and Reporting**

The Director of Corporate Services will lead on the implementation of this strategy. Progress on the key strategic objectives will be monitored by CMT.

A report against progress on the strategy will be provided to Board on a 6 monthly basis.

A report on performance against the strategy will be delivered annually in April and published on our website.

If you require any more information regarding this strategy please contact Jennifer Cairns, Director of Corporate Services on 0141 550 5625 or at

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