

Procurement Strategy

1. Introduction

- 1.1. The purpose of this Strategy is, along with Abertay Housing Association's Procurement Policy, to set out a vision of how the Association will direct its external expenditure on goods, services and works. It provides a framework that ensures that the procurement of goods and services follows a consistent and transparent process whilst supporting the principles of being efficient, effective and socially responsible.
- 1.2. The Association's procurement vision is to achieve excellent procurement performance through sustainable procurement practices for the benefit of the organisation and its stakeholders.
- 1.3. This Strategy recognises and considers the increasingly complex, dynamic and challenging environment the Association operates in and has been designed to support the Association's specific procurement needs ensuring that its working practices align with the significant legislative changes that came into force in April 2016. This strategy aims to comply with the Public Contracts (Scotland) Regulations 2015, Procurement Reform (Scotland) Act 2014, and the Scottish Housing Regulator's Regulation of Social Housing in Scotland, published in 2019.
- 1.4. The strategy also supports the potential benefits derived from the Scottish Model of Procurement¹ and takes into account the wider context of the Scottish Government's Procurement Strategy². This places emphasis on accelerating the pace of change, the delivery of benefits and embedding sustainability in all that we do. At the heart of this Procurement Strategy and the Scottish Government's strategy, is the concept of value for money in procurement - an informed balance between cost, quality and sustainability. The Value for Money triangle illustrates the Scottish Model of Procurement (Figure 1):



Figure 1- "Value for Money Triangle"

2. Background

- 2.1. Procurement encompasses the full range of activities that lead to the purchase of goods,

¹ [The Scottish Model of Procurement](#)

² [Public Sector Procurement in Scotland](#)

services or works. Effective and sustainable procurement ensures best value, both in a cost measured quantitative basis and qualitative benefits through added value.

2.2. The Association's expenditure can be broadly split into the following areas:

- Development;
- Property Maintenance;
- Housing / other direct expenditure; and
- Corporate Services (including Finance & IT).

For the Association this essentially means all spend other than direct employee costs.

3. Key Procurement Objectives

3.1. Responsibilities: Leadership and Governance

The Chief Executive will assume accountability for the procurement function and will ensure that procurement activities reflect and support our core values and corporate objectives. The Chief Executive, with support from appropriate staff, will also:

- Ensure procurement guidance, including policy, procedures and best practice is current, and communicated through all appropriate channels as and when required;
- Continue to update and develop our Procurement Strategy and action plan, together with all attendant documentation, to mirror any changes in legislation or best practice;
- Provide training, as appropriate, and develop the roles and responsibilities of any staff engaged in procurement;
- Manage risks associated with procurement and maintain a comprehensive contracts register;
- Prepare and publish as required an Annual Procurement Report at the end of each financial year which will include a summary of procurements in the previous year;
- Ensure all suppliers meet all relevant legal requirements, business probity and practice requirements both in broad terms and specific to their sector of business;
- Promote compliance by contractors and sub-contractors with the Health and Safety at Work etc Act 1974; and
- Aim to pay our contractors within 30 days of the invoice date or according to the contract terms if sooner and encourage this practice throughout the supply chain.

3.2. Achieving Value for Money

The Association will seek to ensure opportunities for improving value for money (without detriment to standards of quality) are identified and taken. This will ensure that the Association will achieve the optimum combination of cost, quality and sustainability. This will be achieved by effective planning, monitoring and review of all Procurement activities. The Chief Executive, with support from the appropriate staff, will also:

- Evaluate resource implications of the procurement;
- Develop appropriate scoring matrices and criteria; and
- Benchmark as appropriate.

3.3. Innovation and new ways of working

A key objective of this strategy is to promote innovation and new ways of working. The

Association will identify such opportunities such as:

- Using information technology to improve effectiveness and efficiency such as assessing the viability of introducing e-tendering, e-auctions and other e-procurement solutions;
- Online publication of procurement opportunities or statutory reports on procurement as required (eg using Public Contracts Scotland);
- Using online and e-learning opportunities to train relevant employees in relation to procurement legislation and practice; and
- Utilising broader engagement on procurement decisions via resident engagement.

3.4. Delivering Sustainable and Ethical Procurement

Sustainable procurement takes account of the environmental, social and economic impacts and benefits of the procurement process and looks to optimise the outcomes for the local community and wider environment. The Association recognises that sustainability in procurement involves an overarching ethos of economic efficiency and environmental protection in pursuit of social and corporate objectives. The Association will ensure that wherever practicable the following will be taken into account during the procurement process:

- Products and services to be procured will be examined to see if there is a better more sustainable alternative;
- Products and services to be procured will be examined to see if there is an equivalent fairly traded or more ethical alternative;
- The procurement of goods or services will contribute to the sustainability objectives and ethos of the Association;
- Consideration will be given to whole life costing;
- Preference will be given where feasible to supported businesses. (A supported business is defined by the Scottish Government as one whose primary aim is the integration of disabled or disadvantaged persons, and at least 30% of its employees are disabled or disadvantaged.)
- The manufacturing impact of the product on the environment will be minimised;
- Greater credence will be given to organisations which can prove their sustainable credentials and performance;
- Encouragement will be given as appropriate to suppliers actively seeking to pay all direct and indirect staff the living wage as defined by the Living Wage Foundation; and
- Opportunities for local sourcing to support SMEs and Social Enterprises.

3.5. A framework for monitoring and reporting performance: community benefit; stakeholder outcomes and key performance indicators (KPI's)

Community benefits are a means of providing opportunities to bring a social and local economy dimension to tender activity. This strategy identifies those aspects of community benefits that can be derived from all forms of procurement made by the Association. This may mean the introduction of clauses within tenders for outcomes that directly link to a social and local economic dimension:

- Ensure there is an understanding of all stakeholder requirements and expected outcomes;
- 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 all areas of activity, including community benefit; and
- Consider working in partnership with other third sector organisations to provide employment and training opportunities for our communities wherever possible.

3.6. Promoting Equality and Diversity

As part of the Association's commitment to equality and diversity, we will consider our equality commitments when tendering for contracts. The Association will also seek to monitor the impact of the procurement on equality and diversity across all aspects of the operation and service. Other actions will include:

- Only appointing contractors and consultants who are able to demonstrate their commitment to equality and diversity;
- Providing advice and guidance via a number of channels on equalities for all individuals or organisations doing, or wishing to do, business with the Association; and
- Working with other organisations to develop training and employment initiatives designed to encourage people from traditionally under-represented groups to work, by way of example, in the construction industry.

4. **Summary**

4.1. In implementing this strategy, the Association will monitor and review the implementation of this strategy at least annually, measuring how each of the key objectives below have been met, and how this has impacted on the operation as a whole:

- Responsibilities: Leadership and Governance
- Achieving Value for Money
- Innovation and new ways of working
- Delivering Sustainable and Ethical Procurement
- A framework for monitoring and reporting performance: Community Benefit; Stakeholder outcomes and Key Performance Indicators (KPI's)
- Promoting Equality and Diversity

Each of these objectives is consistent with, and complements our own organisational objectives, complies with current legislation and strives to maximise the benefits of our internal and external stakeholders.

5. **Risk Management Statement**

5.1. The risks associated with Procurement are incorporated within the Association's Risk Management Framework.

6. **Equality and Diversity Statement**

6.1. The protected characteristics enshrined in the Equality Act 2010 are respected when ensuring compliance with the Association's obligations in relation to Procurement.

7. **Policy Monitoring and Review**

7.1. The Chief Executive will monitor the implementation and operational effectiveness of the Procurement Strategy.

7.2. The Procurement Strategy will be reviewed every year before 31 March or as and when deemed necessary.

Procurement Strategy

Date of previous review by Management Committee 3 March 2021

Date of review by Board 23 February 2022

Date of next review by Board February 2023