

## Procurement Strategy Annual Report

Marjorie Sloan, Corporate Services Director

### 1. INTRODUCTION

- 1.1. The Procurement Reform (Scotland) Act 2014 Section 18 States that regulated organisations must prepare an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of the financial year.
- 1.2. This is the Association's sixth annual procurement report, covering the period 1 April 2022 to 31 March 2023.
- 1.3. The Association has a Procurement Strategy and Procurement Policy. The Procurement Strategy was first agreed in December 2016 and last updated in February 2023. The Procurement Policy was last reviewed in August 2022. These are both available on the Association's website.
- 1.4. A number of consultants reports were carried out since 2018 which gave recommendations in relation to procurement:
  - Scotland Excel Review
  - Planned Maintenance Overspend – Quinn Internal Audit
  - Governance and Financial Management Review – Altair
- 1.5. These resulted in procurement procedures being improved with the development of a procurement toolkit, which was fully introduced in March 2019. Internal audits took place in summer 2020 and autumn 2022 to assess how fully the toolkit had been embedded in the organisation. These both gave Full Assurance.
- 1.6. Once approved by the Board, this report will be published on the Association's website.

### 2. BACKGROUND

#### 2.1. *Summary of Regulated Procurements Completed*

The Association completed five regulated procurement processes, with a total value of £1.694m. Further details of the individual procurements are included at Appendix 1

#### 2.2. Regulated procurements were awarded as follows:

Public Contracts Scotland website notice	4
Quick Quote Notice	1

## 2.3. The Public Contracts Scotland website was used to advertise a number of opportunities:

Site Contract Notices Published	8
Site Contract Award Notices	5
Quick Quote Notices Published	0
Quick Quote Award Notices	0

This includes a number of contracts with a value of less than £50,000 which are not counted as regulated procurement. Some of the award notices relate to opportunities which were published in 2022/23.

2.4. *Review of Regulated Procurement Compliance*

All regulated procurement exercises complied with Abertay's Procurement Strategy and Policy.

2.5. *Community Benefit Summary*

QAPM, the Association's reactive maintenance contractor, supplied and fitted a new staff kitchen for One Parent Families Scotland at 20 Grampian Gardens.

2.6. *Supported Businesses Summary*

The Association's officers can let contracts to supported businesses without having to resort to full tendering exercises. A supported business is one where more than 50% of the workers are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market. No regulated procurement was awarded to supported businesses.

2.7. *Future Regulated Procurements Summary*

Details of future planned regulated procurement are included at Appendix 2.

2.8. *Sustainable Procurement Duty*

Details of the Association's Sustainable Procurement Duty are included at Appendix 3.

**3. RISK IMPLICATIONS**

- 3.1. Complying with procurement legislation and good practice reduces the risk of challenge.

**4. FINANCIAL IMPLICATIONS**

- 4.1. There are no specific financial impacts associated with this report, but well managed procurement will help to ensure value for money.

**5. EQUALITIES AND HUMAN RIGHTS IMPLICATIONS**

- 5.1. Whilst there are no equality and human rights implications arising from this report, equality and human rights are respected at all times, ensuring compliance with the Public Sector Equality Duty enshrined in the Equality Act 2010.

**6. COMPLIANCE WITH REGULATORY STANDARDS**

- 6.1. Good procurement practice assists in meeting Regulatory Standards 1-6.

**7. CONCLUSION**

- 7.1. Following a number of reports, the Association's procurement practices were improved since 2018/19. Five regulated procurement exercises were carried out within the Association's Procurement Strategy and Policy.

**8. RECOMMENDATIONS**

Board is asked to:

**APPROVE** the Procurement Strategy Annual Report.

**Regulated Procurement****Appendix 1**

Contract Description	Contractor	Contract Start Date	Contract End Date (incl Extensions)	Max Extension (Yrs)	Est Value (£net incl Extensions)	Date Awarded
ICT Support Services	Quest IT Support	01/07/2022	30/06/2027	2	£ 113,237.08	26/05/2022
Bathroom Replacement	QAPM	10/06/2022	31/12/2022	0	£ 93,357.00	10/06/2022
Rewire Contract	RB Grant	04/07/2022	31/03/2023	0	£ 205,012.50	04/07/2022
External Fabric Works	Andrew Shepherd Construction					
		08/08/2022	30/06/2023	0	£ 1,039,011.00	08/08/2022
Kitchen Replacement	Andrew Shepherd Construction					
		17/08/2022	31/03/2023	0	£ 190,109.94	17/08/2022
External Audit	Alexander Sloan	25/11/2022	30/11/2028	2	£ 53,934.43	25/11/2022

## Future Regulated Procurement

## Appendix 2

Contract	Type	Expected Notice Publication Date	Expected Award	Expected Start Date	Expected Value
<b>2023/24</b>					
Gas Central Heating & Air Source Heat Pump Servicing and Maintenance	Renew	05/06/2023	28/07/2023	01/10/2023	£1,200,000
Mossgiel development	New	01/09/2022	01/01/2023	01/03/2023	£6,160,000
External Fabric Works	Renew	14/03/2023	23/05/2023	19/06/2023	£1,000,000
Painterwork	Renew	10/02/2023	07/04/2023	01/05/2023	£500,000
Internal Works	Renew	01/11/2023	31/12/2023	01/04/2024	£200,000
Rewiring	Renew	01/11/2023	31/12/2023	01/04/2024	£200,000
Electrical Testing	Renew	01/11/2023	31/01/2023	01/04/2024	£189,000
<b>2024/25</b>					
Internal Works	Renew	01/11/2024	31/12/2024	01/04/2025	£200,000
Rewiring	Renew	01/11/2024	31/12/2024	01/04/2025	£200,000
Electrical Testing	Renew	01/11/2024	31/01/2025	01/04/2025	£189,000
External Fabric Works	Renew	01/11/2024	31/01/2025	01/04/2025	£1,000,000
<b>2025/26</b>					
Internal Works	Renew	01/11/2025	31/12/2025	01/04/2026	£200,000
Rewiring	Renew	01/11/2025	31/12/2025	01/04/2026	£200,000
Electrical Testing	Renew	01/11/2025	31/01/2026	01/04/2026	£189,000
External Fabric Works	Renew	01/11/2025	31/01/2026	01/04/2026	£1,000,000

## **Sustainable Procurement Duty**

Specifically in the context of addressing organisations' obligations under the Sustainable Procurement Duty, it should be kept in mind that the Scottish public sector approach to sustainable procurement is closely linked to the priorities set out in the [National Performance Framework](#) (NPF) and is underpinned by a range of sustainability indicators, outlined below. Organisations might find it helpful to refer to NPF outcomes and related indicators in their reports:

- Climate change (carbon and energy consumption, carbon in production, adaption, carbon in vehicle emissions);
- Materials (scarcity, security);
- Waste (production, reuse/recondition/remanufacture);
- Hazardous materials/emissions;
- Bio-security
- Bio-diversity (protection and enhancement);
- Heritage (protection and enhancement);
- Water (consumption and production);
- Employment (skills and training, SMEs/social enterprises/supported businesses – this element of compliance directly relates to the distinct reporting obligations in section 5 and 6 of this template);
- Communities;
- Security and crime (impact and improvement);
- Fair and ethical trading (working conditions, conflict materials);
- Equality (protected characteristics);
- Fair work.

Further details on these indicators, including definitions, are available from the [sustainability test](#).

Organisations are able to add any local priorities to the tools when they are employing the approach outlined in the statutory guidance, so may have other elements they need to report on.

By using the tools as advocated in the statutory guidance, organisations should be able to identify and pursue opportunities associated with individual procurement projects.

This approach should allow organisations to meet reporting obligations under the Climate Change (Scotland) Act 2009 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.