

Procurement Strategy Annual Report

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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 seventh annual procurement report, covering the period 1 April 2023 to 31 March 2024.
- 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 2024. 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 two regulated procurement processes, with a total value of £1.783m. Further details of the individual procurements are included at Appendix 1

2.2. Regulated procurements were awarded as follows:

Public Contracts Scotland website notice	2
Quick Quote Notice	0

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

Site Contract Notices Published	2
Site Contract Award Notices	2
Quick Quote Notices Published	2
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*

JD Minto carried out Community Benefit works to include supplying labour and materials to upgrade rear garden for the Action for Children, leased property at 16 Arthurstone Terrace. This included replacement of stone chippings with topsoil, fertiliser and grass seed. Some slabbed hard standing areas were also created all for the discounted cost of £1,140 + VAT.

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. Two 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
External Fabric Works	Andrew Shepherd Construction	01/04/2023	31/12/2023	0	£ 561,528.40	22/05/2023
Gas Central Heating, ASHP Servicing and Maintenance Contract	WRB Gas (Contracts) Ltd	01/04/2024	31/03/2030	2	£1,220,989.00	20/12/2023

Future Regulated Procurement**Appendix 2**

Contract	Type	Expected Notice Publication Date	Expected Award	Expected Start Date	Expected Value
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2024/25

Electrical Testing	Renew	01/03/2024	23/04/2024	29/04/2024	£94,500
Bathroom Replacement Programme	Renew	TBC	TBC	TBC	TBC
Kitchen Replacement Programme	Renew	TBC	TBC	TBC	TBC

Years 2025/26 and 2026/27 are subject to Procurement Improvement Programme

2025/26

Mossgiel development	New	01/09/2022	01/01/2023	01/03/2023	£9,000,000
Internal Works	Renew	01/11/2024	31/01/2025	01/04/2025	
Rewiring	Renew	01/11/2024	31/01/2025	01/04/2025	
External Fabric Works	Renew	01/11/2024	31/01/2025	01/04/2025	

2026/27

Internal Works	Renew	01/11/2025	31/12/2025	01/04/2026	
Rewiring	Renew	01/11/2025	31/12/2025	01/04/2026	
Electrical Testing	Renew	01/11/2025	31/01/2026	01/04/2026	
External Fabric Works	Renew	01/11/2025	31/01/2026	01/04/2026	

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.