



# **Procurement Strategy**

**2020-2025**

## Procurement Strategy – 2020-2025

### 1. Executive Summary

This document outlines the procurement strategy for West of Scotland Housing Association for the financial years 2020-2025. 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 minimal environmental impact
- 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 2020-2025.

### 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 customers in all our communities
- Actively manage our assets and develop new homes to meet local needs
- Be the best we can be for our customers
- Work with others to improve tenant's lives
- Be well governed 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.

### 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:

- Consult with tenants and review our VFM Strategy
- Develop and implement a framework that identifies financial and non financial efficiencies
- Develop and implement a process which assists us to monitor and report on Value For Money
- Consider increased use of public procurement frameworks in order to obtain better value for money
- Consider implementing 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

### **5.4 Ensure minimal environmental impact**

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.

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 goods and services to make sure that all of the work we do is done with 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.

### **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:

- Audit implementation of Contract Management Policy
- Establish KPIs for all key contractors and monitor on a regular basis
- Implement post inspection process for all repairs and maintenance contracts
- Further develop customer satisfaction processes to allow us to gain customer feedback on our key contractors
- 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 use of the new system to interrogate data and utilise the opportunity to review market and contract options at product level

## 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

### 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.

### 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.

### 8. Procurement Activity 2019/20

During 2019/2020 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>
Dundas Hill – New Build Contract	CCG (Scotland) Ltd	£19.7m	Build Contract	WSHA Development Framework
Springfield Cross – New Build Contract	CCG (Scotland) Ltd	£6.8m	Build Contract	HubWest Framework
Pre 1919 Consultant	John Gilmour Architects	£65k	Short Term Contract	Quick Quote
Gas Quality Assurance	Amber Gas	£30k	3 Years	Quick Quote
Legionella	Total Engineering	£170k	3 years plus 1 plus 1	Open Tender through PCS
Hoist Maintenance	Assured Healthcare	£20k	3 years	Quick Quote
Out of Hours Service	SPS Doorguard	£110k	3 years	Open Tender through PCS
Internal Auditors	BDO	£170k	3 years plus 1 plus 1	Open Tender through PCS
Print & Mailing	L&S Print	£75k	3 years	Open Tender through PCS
Customer Satisfaction Survey	Research Resource	£58k	3 years	Open Tender through PCS
Heat & Light	Gas - Avanti Gas Electricity Opus	£240k	2 years	Tender process carried out by Citrus Energy
Pest Control	Procurement Underway	£90k	3 years	
Wood Pellets	Procurement underway	£30k	3 years	

## 9. Planned Procurement Activity – 2020/21

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

Contract Title	Contract Term	Procurement Route	Anticipated Value
<b>Development</b>			
Consultants Framework (Development & Asset Management)	4 Years	Tender for framework	
<b>Asset Management &amp; Compliance</b>			
Door Entry Systems – Repairs	3 years plus 2	Competitive Tender	TBC
Door Entry Systems - Installation	Short Term Contract	Competitive Tender	£180k
Satellites and Aerials	3 years plus 2	Competitive Tender	£400K
Painting Contract	5 years	Competitive Tender	£500k
Planned Maintenance	3 Years plus 2	Competitive Tender	£3m
Reactive and Void Contract	To be confirmed	Options Appraisal to be carried out	£1.5m per annum
Fire Risk Assessments	3 Years plus 2	Competitive Tender	£100k
Windows and Doors	3 Years plus 2	Competitive Tender	£2m
Gas Servicing	3 Years plus 2	Competitive Tender	£6m
Fire Contract (option to extend current contract to 2022)	3 Years Plus 2	Competitive Tender	£184k
Lift Maintenance (option to extend current contract to 2022)	3 Years Plus 2	Competitive Tender	£65k
Medical Adaptations (option to extend current contract to 2022)	3 Years Plus 2	Competitive Tender	£1m
Roof Anchors and Gutter Cleaning	3 Years Plus 2	Competitive Tender	£500k
Preservation	3 Years Plus 2	Competitive Tender	£250k



Contract			
Roof repairs, Kilsyth	Short Term Contract	Quick Quote	£50k
Demolition works, Gourlay Street	Short Term Contract	Quick Quote	£25k
Repairs to bay windows, Hillcrest	Short Term Contract	Competitive Tender	TBC
Removal of cavity fill, Hillcrest	Short Term Contract	Quick Quote	£50k
Covert office to flat, 1 Yate Grove	Short Term Contract	Competitive Tender	£90k
<b>Corporate Services &amp; Finance</b>			
Landlines	3 years	Competitive Tender	£180k
Phone System	5 years	Competitive Tender	£50k
Office Photocopiers	5 years	Consider Framework	£75k
IT Support	5 years	Competitive Tender	100k
External Auditors	3 Years plus 2	Competitive Tender	£90k
Treasury Management Advisors	3 years plus 2	Quick Quote	£45k
<b>Housing Management</b>			
Janitorial Services	To be confirmed	Options Appraisal to be carried out	£50k per annum

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.

### 10. Planned Procurement Activity – 2021-2025

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

<b>Contract Title</b>	<b>Contract Term</b>	<b>Procurement Route</b>	<b>Anticipated Value</b>
Insurance	5 Years	Competitive Tender	£1.5m
Legal Services	5 Years	Competitive Tender	£300k
Meter Billing	5 years	Quick Quote	£30k
Rent Payment System	5 years	Framework	£60k
Warden On Call System	5 years	Framework	£66k
Electrical Inspections	5 years	Competitive Tender	£150k

<b>Contract Title</b>	<b>Contract Term</b>	<b>Procurement Route</b>	<b>Anticipated Value</b>
Grounds Maintenance	3 years plus 2	Competitive Tender	£1.5m
Customer Satisfaction Surveys	3 Years Plus 2	Competitive Tender	£100k
Print & Mailing	3 Years Plus 2	Competitive Tender	£100k
Internal Audit	3 Years Plus 2	Competitive Tender	£175k
Gas Quality Assurance	3 Years Plus 2	Quick Quote	£30k
Legionella	3 Years Plus 2	Competitive Tender	£170k
Hoist Maintenance	3 Years Plus 2	Quick Quote	£35k
Heat & Light	2 – 3 years	Broker Tender Process	£240k

## 11. Key Performance Indicators

The key performance indicators and targets for procurement are as follows:

<b>KPI</b>	<b>2019/2020 Target</b>
Tender processes being carried out in line with the tender programme	95%
% of savings achieved through procurement processes	30%
Customer satisfaction with key contractors and suppliers	95%
Number of community benefit opportunities	1 per procurement

## 12. Risk Management

In order to ensure that we comply with legislation, carry out procurement activity consistently across the Association and mitigate risk in this area. We will do the following:

- Continue to develop our people and skills around procurement to ensure that we have a breadth of knowledge across all Managers in the Association who are involved in procurement.
- Implement our Annual Procurement Improvement Plan
- Maintain central records in relation to procurement to ensure compliance across the Association

- Continue Reduce reliance on external consultants for the administration of procurement exercises by use of frameworks and using in house resources

### **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 Head 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 May and published on our website.

If you require any more information regarding this strategy please contact Jennifer Cairns, Head of Corporate Services on 0141 550 5625 or at [Jennifer.cairns@westscot.co.uk](mailto:Jennifer.cairns@westscot.co.uk).