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| COR24 | ADOPTED: 26.04.17 | REVIEWED: 29.04.20, April 2021, 28.6.23 |
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PROCUREMENT STRATEGY

1.0 INTRODUCTION

This Procurement Strategy allows Prospect Community Housing (Prospect) to ensure that our procurement activities comply with legislation, best practice, deliver value for money and contribute to the overall achievement of our broader aims and objectives.

The Procurement Reform (Scotland) Act 2014 (The Act) provides a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice. The Procurement (Scotland) Regulations 2016 give effect to provisions of The Act and were effective from 18 April 2016.

These regulations ensure the rules applying to lower value contracts regulated by The Act are comparable with the equivalent rules for higher value contracts, which will be regulated by the Public Contracts (Scotland) Regulations 2015.

The Scottish Government has a clear purpose, which is to focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. The Government believes that good procurement is vitally important to public services, businesses and communities alike.

Prospect supports this purpose and our procurement strategy provides an overview of how we will meet these aims and objectives and deliver value for money, including how we intend to carry out our regulated procurement for the year ahead.

2.0 THE SCOTTISH SOCIAL HOUSING CHARTER

The relevant standards and outcomes of the Scottish Social Housing Charter for the Procurement Strategy are:

Outcome 13: Value for money

Social landlords manage all aspects of their businesses so that:

- Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

Outcome 15: Rents and Service Charges

Social landlords manage all aspects of their businesses so that:

- Tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

3.0 OBJECTIVE

This procurement strategy will underpin our vision of “*Providing homes and building communities together*” and support our strategic objectives as identified in our current Business Plan of:

| | |
|-------------------------------|---|
| Independence | Our procurement activities shall contribute to our continued existence as independent organisation |
| Planned Property Improvements | Our procurement activities shall contribute towards ensuring our planned property improvements provide value for money and lasting benefit to our homes |
| New Housing Provision | We shall continue to explore opportunities within our area to enhance our community if the opportunity arises |
| Affordable Rents | Our procurement activities shall provide value for money and contribute towards ensuring our rents remain affordable |
| Customer Service | We will ensure that any supplier or contractor appointed to work with ourselves will continue to provide our tenants with an excellent service |
| Community Projects | By continuing to deliver value for money through our procurement activities we will be able to expand our support for community projects that we deliver or are delivered through our partner organisations |

4.0 PROCUREMENT DUTIES

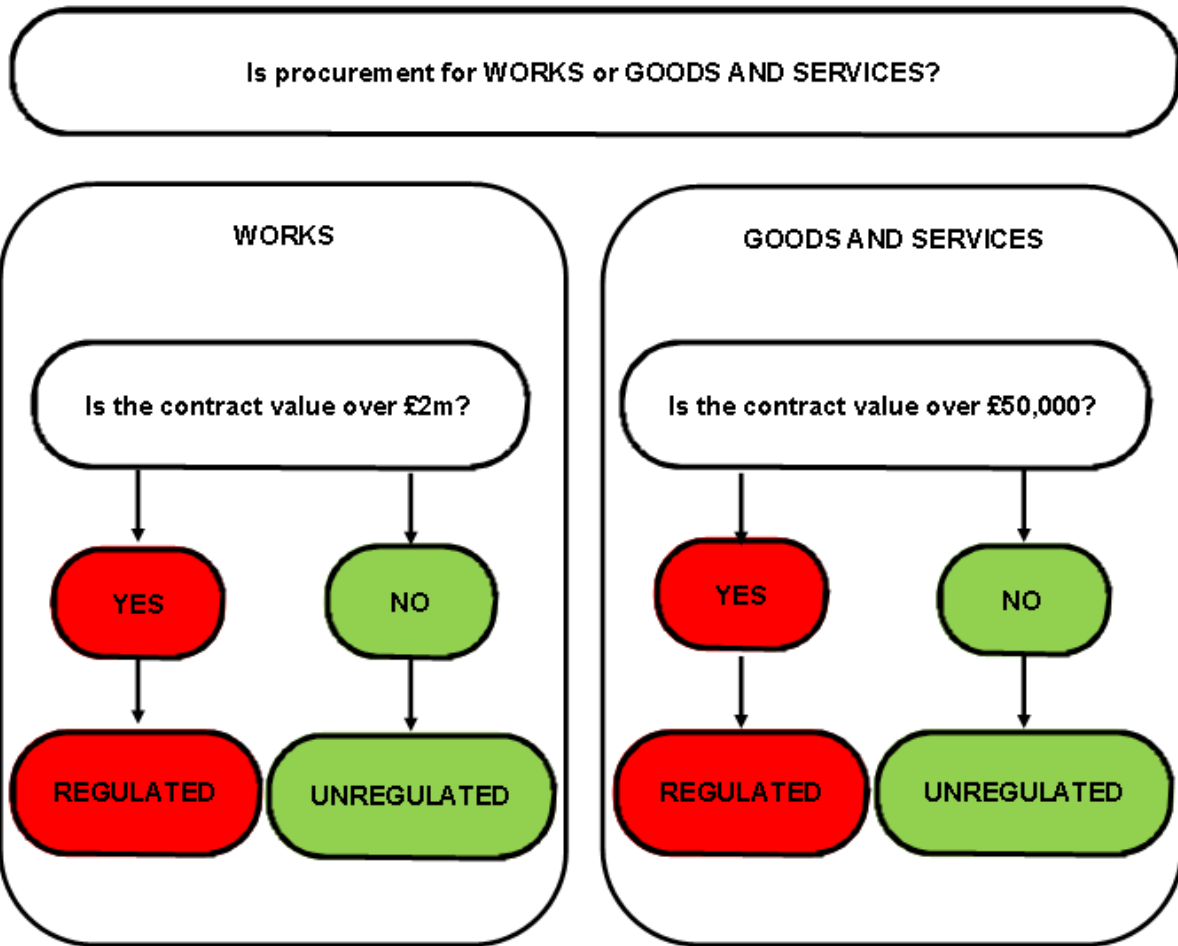
The Act places certain duties on ourselves to consider prior to undertaking any regulated procurement, including the fact that we will:

- treat all suppliers and contractors equally;
- consider how we can improve the economic, social and environmental wellbeing of our local area;
- deliver value for money;
- ensure we pay our suppliers and contractors no later than within 30 days and ensure that they also make similar payments to their sub-contractors.

These will also be taken into consideration when undertaking any procurement.

5.0 REGULATED AND UNREGULATED PROCUREMENT

The Act sets out financial thresholds which allow us to identify the procurement activities that will be regulated and those that will be unregulated. This flow chart highlights which route we will take for each type of procurement. Further details will be provided in the procurement procedures.



6.0 WORKING WITH LOCAL COMPANIES

We have demonstrable evidence that our current procurement arrangements provide favourable benefits to ourselves and our tenants. This is evident in high satisfaction rates from our tenants, our low maintenance costs, the excellent response times from our suppliers and contractors, their flexibility and adaptability and their willingness to continue to work with us. Developing and fostering excellent working relationships with our suppliers and contractors, which are mutually beneficial, is something that we want to ensure continues.

We have a statutory duty related towards regulated procurement to consider how we can boost SME involvement in the procurement process. We will also ensure the opportunities for us to work with local companies, who are general SME's, sole traders or small limited companies is not hindered by the procurement being regulated.

To this end we will ensure our suppliers and contractors are fully informed of our procurement requirements, legislative changes and where appropriate, contracts may be broken into smaller Lots to encourage participation. This will be achieved through our close working relationships with existing suppliers and contractors and where required additional training events and support will be provided.

Much of our procurement will not be regulated. This will include the majority of our reactive maintenance work that is defined as 'works' under the procurement legislation, and has a higher regulated value of £2million. We will procure our routine unregulated work through Quick Quotes on the Public Contracts Scotland website, and will work with existing suppliers and contractors to ensure that they are registered and can therefore be invited to price for work. We may use other methods to get a competitive price for unregulated procurement.

7.0 COMMUNITY BENEFITS

When we are planning to let a contract valued at £4m or above we must formally consider, during the design stage, whether to impose community benefit requirements. As the opportunity for undertaking such large contracts is low we will ensure through our existing procurement activities we provide community opportunities to benefit our areas of operation and the communities in which we work.

Due to the scale of work that we carry out, we would not be able to get community benefits included in contracts for no additional cost. We could insist on community benefits at an additional cost, but this would not necessarily deliver benefits that are consistent with the needs of our community.

As an alternative to our suppliers and contractors including community benefits, whilst ensuring our community still directly benefits through our procurement activities, we will identify an amount each year that will contribute towards improving the economic, social and environmental wellbeing of our local area. Our procurement procedures will set out a mechanism for calculating this, and the proposed budget amount will be considered each year through the budget process and budget working group.

8.0 FAIR WORK FIRST

Prospect will take cognisance of the Scottish Government's Fair Work First guidance and look at areas where this can be implemented. This guidance is designed to encourage and support employers such as ourselves to adopt fair work practices within our organisation, and with the contractors that we work with.

9.0 REPORTING ON STRATEGY

In accordance with The Act we are not obliged to produce an annual report on our procurement activity. However, in line with best practice we will produce this annual report in order to be as open and transparent as possible. This will set out the regulated procurement carried out, and compare this with the procurement that we intended to carry out as set out in this Strategy. This will include the community benefits that have been achieved through our procurement activity.

10.0 IMPLEMENTATION, MONITORING, REPORTING AND REVIEW

The Director has overall responsibility for ensuring this strategy is implemented throughout the organisation. Each Manager is responsible for implementing the strategy within the areas for which they are responsible.

The Property Services Manager is responsible for producing an Annual Report on our Regulated Procurement activity.

This Strategy and the Annual Report will be published on our website.

The Director will ensure this strategy is reviewed by the Management Committee at least every three years.

Reviewed by the Management Committee : 28 June 2023

Next review due by: 2026

APPENDIX 1

DEFINITIONS/GLOSSARY OF TERMS

Procurement – this term is used to cover everything we buy and pay for including services, goods and the work of contractors. Examples of our procurement activities includes buying stationery, energy costs, legal services, consultants and maintaining and improving our properties.

Scottish Model of Procurement:



Scottish Model of Procurement



This model is not just about cost and quality but about the best balance of cost, quality and sustainability.

Sustainable Procurement Duty

Sustainable Procurement Duty is the duty of Prospect, before carrying out a regulated procurement, to consider how, in conducting the procurement process, we can:

- i. Improve the economic, social and environmental wellbeing of the local area (when discussing wellbeing we include, in particular, reducing inequality in the area);
- ii. Facilitate the improvement of SME's 3rd sector bodies and supported businesses in the process and promote innovation and in carrying out the procurement, to act with a view to securing such improvements as a result a (i);
- iii. We must consider under (i) above only matters that are relevant to what is proposed to be procured and in doing so consider the extent to which it is proportionate in all circumstances to take those matters into account.

SME's

Small and Medium-sized Enterprises – organisations that typically employing less than 250 employees.

Unregulated Contracts

All Service and Supplier contracts under £50,000 and all Works contracts under £2m.

Regulated Contracts

All Service and Supplier contracts over £50,000 and all Works contracts over £2m.

Works Contracts

Examples of such contracts are:

- Construction of new build housing
- Restoration and common repairs
- Reactive and day to day repairs
- Building installations works such as electrical and plumbing installations

Services Contracts

For the supply of services. Examples of such contracts are:

- Service of equipment such as central heating, fire alarms and lifts
- Landscaping and grounds maintenance
- Consultants such as QS, Architect, Engineers, Solicitor

Supplies Contracts

A public supply contract is a contract for the purchase, hire or lease of goods.

Examples of such contracts are:

- IT equipment
- Stationery supplies
- Cleaning product supplies

Lots

The means by which a procurement activity, or requirement, can be broken into smaller requirements to achieve the same end result. These smaller 'chunks' may be more attractive for smaller businesses to tender for.

Quick Quotes

The Quick Quote facility within the Public Contracts Scotland website allows buyers to ask for competitive quotes for low value/low risk procurement exercises from suppliers who are registered on Public Contracts Scotland. A Quick Quote request is created online and sent to a selected list of suppliers. Only those suppliers selected to quote can access the details of the quote and submit a bid.

PROSPECT EQUALITY IMPACT ASSESSMENT RECORD

| | | |
|--|------------------------------|--|
| Title of policy/ practice/ strategy | Procurement Policy | |
| Department | Property Services | |
| Who is involved in the EQIA? | Neil Munro | |
| Type of policy/ practice/ strategy | New <input type="checkbox"/> | Existing <input checked="" type="checkbox"/> |
| Date completed | 16 th May 2023 | |

Stage 1: Screening Record

What is the main purpose of the strategy/policy?

In line with The Procurement Reform (Scotland) Act 2014, accompanying Regulations and best practice we have developed our Procurement Strategy which sets out how these legislative changes will be dealt with.

Who will the policy benefit and how?

This strategy will benefit our suppliers and contractors by providing an annual report and contract register of our procurement activity and it will also benefit our tenants by delivering value for money.

For each equality group, does or could the policy have a negative impact?

| Protected characteristic | Negative | Positive/no impact | Don't know |
|--|--------------------------|-------------------------------------|--------------------------|
| Age | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Disability | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Gender reassignment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Marriage & civil partnership | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Pregnancy & maternity | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Race | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Religion or belief (including no belief) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Sex | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Sexual orientation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If you answered negative or don't know to the above question you should consider doing a full EQIA.

Are there any potential barriers to implementing the policy?

No

| | Yes | No |
|---------------------------------|--------------------------|-------------------------------------|
| Is a full EQIA required? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If you answered no to the above question explain why a full EQIA is not required:

| | |
|--|-------------------------------------|
| No impact on equalities identified: | <input checked="" type="checkbox"/> |
| Other: We aim to treat all contractors and suppliers equally the procurement process will ensure a consistent approach is applied. The Scottish Government has carried out an equalities impact assessment on the Procurement Reform (Scotland) Act 2014. | |