



## Procurement Strategy

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## Contents

Introduction .....	3
Our Aims & Objectives: .....	3
Our Values: .....	4
Purpose of the Strategy .....	4
Improving Supplier Access .....	6
Delivering Savings & Benefits .....	6
Maximising Efficiency & Collaboration .....	6
Embedding Sustainability in All We Do .....	6
Strategic Procurement Objectives .....	7
Compliance with the Procurement Reform (Scotland) Act .....	8
1. Statement on AHA's policy on the use of Community Benefit requirements .....	8
2. Statement on AHA's policy on consulting and engaging with those affected by its procurements.....	8
3. Statement on AHA's policy on the payment of a Living Wage to persons involved in producing, providing or constructing the subject matter of regulated procurements .....	8
4. Statement on AHA's policy on promoting compliance by contractors and subcontractors with the Health & Safety at Work, etc. Act 1974 and any provision made under that Act.....	9
5. Statement on AHA's policy on the Procurement of Fairly and Ethically Traded Goods and Services .....	10
6. Statement on AHA's policy on how it intends to ensure that, so far as is reasonably practicable, the following payments are made no later than the days outlined below after the invoice (or similar claim) relating to the payment is presented .....	10
7. Statement on AHA's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with the sustainable procurement duty .....	10
8. Statement on AHA's policy on how it intends to ensure that its regulated procurements will contribute to the carrying out of its function, achievements of its purpose and deliver value for money .....	11
9. Statement on AHA's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination.....	11
10. Statement on AHA's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with its duty to act transparently and proportionately. ....	12
Annual Reporting .....	13
Scottish Government's Procurement and Commercial Improvement Programme (PCIP).....	14
Appendix 1 – Summary of Key Procurement Objectives .....	15

## Introduction

Angus Housing Association's (AHA) Procurement Strategy is aligned with the Organisation's strategic goals and necessary regulatory compliance with the Procurement Reform (Scotland) Act 2014. Procurement involves acquiring Goods, Services, or Works and is crucial in ensuring that the supplied Goods, Services, or Works are suitable for their intended purpose and obtained at the best possible cost. This ensures AHA's needs are met in terms of Quality, Quantity, Timing, and Location.

Effective and sustainable procurement delivers value for money, not only through cost savings but also by adding value. AHA procures a wide range of Goods, Services and Works which can be categorised into the following areas:

- Development Contracts (New Build Housing Contracts and Section 75 Delivery Packages).
- Repairs & Cyclical Maintenance Contracts.
- Servicing Contracts.
- Corporate Services Contracts.

## Our Aims & Objectives:

- Providing an efficient, responsive and personal Housing Management & Maintenance Service of the highest possible quality.
- Providing good quality homes for rent & shared ownership at an affordable cost to our tenants.
- Maximising housing investment in our areas of operation and exercising prudent control of our funds.
- Ensuring the criteria we use to control access to our houses is based solely on the housing need of applicants.
- Creating the working atmosphere and environment within which our staff are resourced and motivated to maximise their potential.
- Being accountable to the Communities we serve and performing policies which offer a high level of tenant and wider public participation in our decision-making process.
- Promoting Equality of Opportunity across the entire range of our activities.

## Our Values:

- Embracing Innovation & Adaptability.
- Putting Customers First.
- Respect.

For AHA to meet our aims, objectives and values within a Procurement capacity, AHA will ensure that its external expenditure on Goods, Services and Works will provide value for money and adopt best procurement practices. This strategy is intended to provide a framework that ensures that the procurement of Goods, Services and Works follows a consistent and transparent process while ensuring the “triple bottom line” of Corporate Social Responsibility is at the forefront of our minds:

- **Profit** - economic/corporate 'profitability' (profit and loss account).
- **People** - measures the level of socially responsible behaviour in the organisation.
- **Planet** - measures the degree of our environmental responsibility in its current and previous practices.

## Purpose of the Strategy

This Strategy aims to provide AHA with the direction required to continue achieving the overarching goals of attaining value for money and being able to demonstrate adequate governance and accountability concerning the expenditure of public funds. This Strategy covers the period from March 2025 to March 2029.

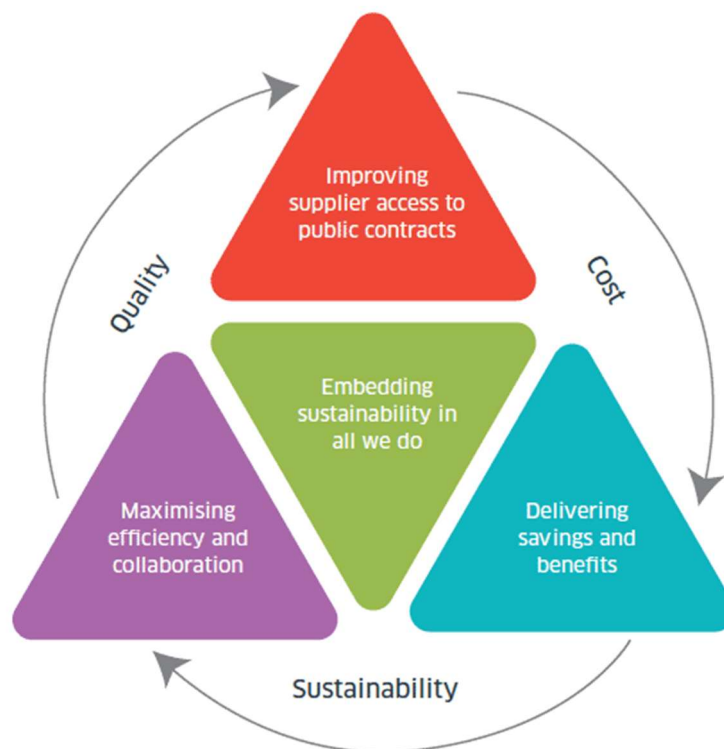
AHA is a 'Contracting Authority' for the purposes of the Public Contracts (Scotland) Regulations 2015 (“the 2015 Regulations”) and the Procurement Reform (Scotland) Act 2014. The 2015 Regulations specify legal procedures which AHA must follow when buying (Goods/Services at or above the value of £214,904 (inclusive of VAT)) and Works (at or above the value of £5,372,609 (inclusive of VAT)). These thresholds are revised every two years to ensure that they remain aligned to thresholds set out in the World Trade Organisation's Government Procurement Agreement (GPA) at the time of writing this strategy, the thresholds are those set out above.

The Act introduces a degree of directive for certain procurements which are below the financial thresholds of the 2015 Regulations. As a result, AHA's procurement requirements

for Goods/Services above £50,000 in value and AHA's procurement requirements for Works above £2 million shall now be 'regulated contracts' for the purpose of the Act.

Where a contracting authority has a likely annual spend of more than £5m on regulated contracts, they are required by the Procurement Reform (Scotland) Act 2014 to prepare and publish a procurement strategy and report against it annually. AHA anticipates that it will have such an annual spend, and this strategy aims to fulfil that obligation, with annual reports being submitted in line with the legislation.

This strategy supports the potential benefits derived from the Scottish Model of Procurement and considers the wider context of the Scottish Government's Procurement Strategy. This emphasises accelerating the pace of change, the delivery of benefits and embedding sustainability in all that we do. At the heart of 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:



## Improving Supplier Access

To simplify procurement for potential suppliers with a focus on enhancing access for local suppliers and SMEs while removing any elements that do not add value. Additionally, to develop effective procurement management information that supports the measurement and improvement of procurement processes, supplier performance, and coordinated procurement planning.

## Delivering Savings & Benefits

To drive Value for Money by applying effective procurement practices and maximising collaboration opportunities. Collaborating with internal stakeholders and suppliers, we aim to ensure sustained value, effective performance management and minimal risk throughout the contract lifecycle, ultimately benefiting our tenants and the wider community that we serve.

## Maximising Efficiency & Collaboration

To collaborate with board members, internal budget holders, AHA staff members and suppliers to drive innovation and achieve the best value for AHA through ongoing enhancement of efficient and coordinated procurement processes. Additionally, to provide professional procurement training while fostering procurement and contract management skills across the wider organisation.

## Embedding Sustainability in All We Do

To integrate strong Ethical, Social, and Environmental policies into AHA's procurement practices while ensuring compliance with relevant Scottish and other applicable legislation in alignment with the Sustainable Procurement Duty.

Progress toward these objectives can be supported through:

- Participation in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP), and
- the publication of an Annual Procurement Reports.

## Strategic Procurement Objectives

AHA's procurement objectives are as follows:

- Deliver Value for Money through good procurement practice, including involvement in collaborative procurement initiatives and purchasing consortia as required. Our procurement process will enable staff who procure Goods and Services to achieve Value for Money in purchases. It will enable staff to have the tools and guidance on achieving and evaluating Value for Money.
- Support internal departments and colleagues to enhance tenant engagement and experience through good Procurement practices. Ensure that sustainable procurement is a key aspect of all procurement activities within AHA, with a key focus on quality, value for money and, where possible, community benefits. We will ensure that staff have training that is appropriate and relevant to enable them to undertake procurement activity associated with their role.
- Develop a suite of key performance indicators (KPIs) as well as other management information to measure and improve procurement-related activities and supplier performance, assisting key stakeholders across the organisation to meet their requirements.
- Maintain and enhance partnerships within the sector, engaging with other publicly funded and professional bodies, and where suitable, with supply markets that will generate intelligence and innovation, delivering value to procurement users.
- We will maintain a comprehensive policy and procedure (and other associated documents) to ensure that our procurement processes are fully compliant with legislation and best practices.
- We will continue to analyse the way we procure Goods and Services to ensure that we are embracing innovation and new ways of working. We will look to establish our processes in the most advanced methods and systems and ensure that we procure Goods and Services as per AHA's Procurement Policy.

## Compliance with the Procurement Reform (Scotland) Act

Including the following statements in AHA's Procurement Strategy is mandatory to demonstrate how AHA will deliver the Procurement Reform (Scotland) Act requirements:

### 1. Statement on AHA's policy on the use of Community Benefit requirements

For every procurement over £4m, AHA will consider how it can improve the economic, social or environmental well-being of its area potentially through the inclusion of community benefit clauses to assist with its strategic objective of being accountable to the Communities we serve and performing policies which offer a high level of tenant and wider public participation in our decision-making process.

Such improvements could be implemented through the delivery of targeted recruitment and training or subcontracting opportunities within AHA's geographical location. Where appropriate and proportionate, AHA will look to include such clauses in procurements below the £4m threshold. With the input of tenants from the community, we will identify community benefit opportunities and develop our engagement processes to ensure that we maximise social value from our contracts.

### 2. Statement on AHA's policy on consulting and engaging with those affected by its procurements

AHA will establish whether the wider community is affected by the relevant contract/project and will ensure any affected organisations/persons are consulted. Such consultation will always be proportionate to the procurement/project.

### 3. Statement on AHA's policy on the payment of a Living Wage to persons involved in producing, providing or constructing the subject matter of regulated procurements

A contracting authority can contribute towards improving the social wellbeing element of its sustainable procurement duty under section 9 of the Procurement Reform (Scotland) Act 2014 ("the Act") by adopting policies to promote Fair Work practices in relevant public contracts.



Where it is appropriate and proportionate to do so, AHA will strive to implement Living Wage and Fair Work practice principles within our procurements by considering a bidder's overall approach to Fair Work Practices as outlined within the Scottish Government's statutory guidance on Fair Work Practices.

As part of our contractual obligations under the offer of grants from the Scottish Government's Affordable Housing Supply Programme, AHA is committed to the principles and practical application of Fair Work First for every member of our staff team. AHA will achieve this by continuously reviewing and improving the way we work and ensuring our policies reflect our commitment to the principles of Fair Work First.

4. [Statement on AHA's policy on promoting compliance by contractors and subcontractors with the Health & Safety at Work, etc. Act 1974 and any provision made under that Act](#)

AHA is committed to contracting only with suppliers that comply with all appropriate and relevant legislation, including Health and Safety Legislation. Where appropriate, and on a contract-by-contract basis, AHA will assess the Legislation applicable to a procurement and take steps to ensure bidders comply with such Legislation.

5. Statement on AHA's policy on the Procurement of Fairly and Ethically Traded Goods and Services

AHA supports the sourcing of goods that are fairly and ethically traded. Where relevant, it shall make use of appropriate standards and labels in its procurement exercises to take account of fair and ethical trading considerations and will consider equivalent offerings from suppliers in its tenders.

6. Statement on AHA's policy on how it intends to ensure that, so far as is reasonably practicable, the following payments are made no later than the days outlined below after the invoice (or similar claim) relating to the payment is presented

- Payments due by the authority to a repair contractor – 30 days.
- Payments due by the authority to developer contractors – 14 days.

AHA complies with the Late Payment legislation and will review on a contract-by-contract basis whether such obligations should be enforced and monitored further down its supply chain.

7. Statement on AHA's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with the sustainable procurement duty

AHA will undertake regulated procurements in compliance with the sustainable procurement duty. Consideration of Environmental, Social and Economic issues and how benefits can be delivered through the procurement will be made where appropriate and on a contract-by-contract basis. AHA will utilise available tools and systems such as Prioritisation, Life Cycle Impact Mapping, Sustainability Tests and Flexible Frameworks where relevant and proportionate to the scope of the procurement.

AHA will identify appropriate contract areas where it can proactively engage with third-sector bodies and supported businesses.

8. Statement on AHA's policy on how it intends to ensure that its regulated procurements will contribute to the carrying out of its function, achievements of its purpose and deliver value for money

AHA will analyse expenditure to identify 'TED-regulated procurements' previously OJEU (Goods and Services worth more than £214,904 and Works worth more than £5,372,609) and 'lower value regulated procurements' (Goods and Services worth more than £50,000 and Works worth more than £2 million).

Goods, Services and Works are bought through multiple methods including joint purchasing and use of Local, Regional and National Framework agreements.

9. Statement on AHA's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination.

AHA will conduct all regulated procurements in compliance with EU Treaty Principles of equal treatment, non-discrimination, transparency, proportionality, mutual recognition and in line with AHA's Procurement Policy. AHA will utilise portals, including Public Contracts Scotland, to publish its procurement opportunities and shall strive to ensure appropriate use of lotting frameworks, output-based specifications and clear evaluation criteria to ensure the contract opportunity is accessible to as many bidders as possible.

AHA will ensure that it awards regulated procurements only to businesses that are capable, reliable and where relevant, can demonstrate that they meet high ethical standards in the conduct of their business.

10. Statement on AHA's policy on how it intends to ensure that its regulated procurements will be carried out in compliance with its duty to act transparently and proportionately.

In making regulated procurement contract awards, quality, risk, and sustainability factors will be considered along with cost according to declared score weightings on a contract-by-contract basis (Most Economically Advantageous Tender). AHA will make appropriate use of collaborative contracting arrangements (e.g. National, Sectoral or Local Framework Agreements) to deliver improved contract terms, contract and supplier management, sustainable procurement outcomes and value for money. AHA will take steps to make it easier for smaller businesses to bid for contracts.

Whilst legislative constraints prevent preferences for only local suppliers. AHA will ensure that through the structure of its tender documentation, the use of Public Contracts Scotland, and the publication of a contracts register to highlight contracts for which local organisations may be interested in bidding for, provides information to smaller, local providers and assists them to build capacity to be able to bid for these requirements.

AHA will also promote the use of the Supplier Development Program - SDP helps businesses that have little or no experience of tendering and are often too small to have dedicated bid/tender resources to contemplate bidding for Public Sector contracts. SDP aims to help such businesses become "tender ready" for contracts, which improves their prospects when competing throughout Scotland where there is an annual public spend of £12.6 billion.

In conjunction with other public bodies, SDP delivers this support through a Programme of free training and events which can be booked via the SDP website. AHA will also, where appropriate to do so, engage with local SME's and carry out Procurement training if the demand and up take is available. We will also engage with other Public Sector Bodies and participate in any wider Meet the Buyer Events that may be organised.

## Annual Reporting

AHA will produce an annual report on progress against the Procurement Objectives outlined within this strategy and publish this on AHA's website. This report, produced as soon as practicable after the end of the financial year, will also describe how AHA has complied with its obligations under the Procurement Reform (Scotland) Act and how it has exercised discretion and judgment as permitted by the public procurement rules to secure strategic objectives in compliance with the Act.

The Annual Report will also include -

- A summary of the regulated procurements that have been completed during the year covered by the report,
- A review of whether those procurements complied with AHA's Procurement Strategy,
- To the extent that any regulated procurements did not comply, a statement of how AHA intends to ensure that future regulated procurements do comply,
- A summary of any community benefit requirements imposed as part of a regulated or non-regulated Procurement that were fulfilled during the year covered by the report,
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- A summary of the regulated procurements AHA expects to commence in the next two Financial years,
- Such other information as the Scottish Ministers may by order specify.

## Scottish Government's Procurement and Commercial Improvement Programme (PCIP)

The Scottish Government's Procurement and Commercial Improvement Programme (PCIP) assessment can be carried out by Scotland Excel on behalf of the Scottish Government. PCIP focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver. The PCIP assessment provides a means of measuring and reporting on the procurement and commercial capability of organisations through the provision of evidence based on a series of set questions and other evaluation methods. The key points of the process are as follows:

- Organisations are assessed every two years
- There is a national question set used by all assessors
- National scoring and performance bandings are used to support consistency and reporting
- The assessment methodology provides for significant information to be submitted and assessed in advance of the assessment day

As part of our ongoing contractual obligation under the Affordable Housing Supply Programme AHA is committed to supporting and engaging with the PCIP assessment.

## Appendix 1 – Summary of Key Procurement Objectives

<b>1. Deliver value for money through good procurement practice including involvement in collaborative procurement initiatives and purchasing consortia as required. Our procurement process will enable staff who procure goods and services to achieve value for money in purchases. It will enable staff to have the tools and guidance on achieving and evaluating value for money.</b>			
<b>Action</b>	<b>Notes</b>	<b>Timeline</b>	<b>Lead Officer</b>
Products and services to be procured for AHA will be evaluated prior to tendering to determine if the products or services are required and to evaluate if there are any suitable alternatives.	Ongoing basis	Ongoing basis	Asset Management Director (AMD) Procurement Lead & Development Officer (PDO) Senior Maintenance Officer (SMO) Senior Housing Officer (SHO) Senior Finance Officer (SFO) Development Officer (DO)
Enable staff who procure goods and services to achieve value for money in purchases.  It will enable staff to have the tools and guidance on achieving and evaluating value for money.	Circulate procedures to appropriate staff. Staff Training  Post purchase appraisal.	Ongoing basis	PDO





**2. Support internal departments and colleagues to enhance tenant engagement and experience through good Procurement practices. Ensure that sustainable procurement is a key aspect of all procurement activities within AHA with a key focus on quality, value for money and where possible, community benefits.**

Action	Notes	Timeline	Lead Officer
Encourage relevant involvement in organisational procurement exercises where it is appropriate and proportionate to do so and where the procurement affects tenants and or the wider public.	Early engagement is required when dealing with projects that involve close liaison and a big impact on tenants and communities	Ongoing basis	Relevant officers involved in the project
Encourage and implement Community Benefits in all procurement exercises regardless of contract value.	Primarily Improvements/Planned and Cyclical Maintenance and Development projects	Ongoing basis	SMO PDO DO AMD
Engage with external contractors who also embrace and demonstrate a commitment to work towards sustainable procurement, for example, living wage commitments.	Identify in terms and conditions of the contract and/or quality scores as part of the best value assessment	Early in the procurement process	SMO PDO DO AMD

We will ensure that staff have training that is appropriate and relevant, to enable them to undertake procurement activity associated with their role.	Ongoing basis	Ongoing basis	PDO

**3. Develop a suite of key performance indicators (KPIs) as well as other management information to measure and improve procurement-related activities and supplier performance assisting key stakeholders across the organisation to meet their requirements.**

<b>Action</b>	<b>Notes</b>	<b>Timeline</b>	<b>Lead Officer</b>
Produce targets for ensuring timeously payments are made to local contractors as per policy.	Include in the terms and conditions of the contract	Ongoing basis	MO SMO PDO DO AMD
Establish reporting links with Scotland Excel/other Frameworks in respects of frameworks that AHA may adopt and how contractor performance on the frameworks are.	Ongoing basis	Ongoing basis	PDO DO SMO

**4. Sustain and further develop partnerships within the sector, with other publicly funded and professional bodies, and appropriately with supply markets that will produce intelligence, innovation and deliver value to users of procurement.**

<b>Action</b>	<b>Notes</b>	<b>Timeline</b>	<b>Lead Officer</b>
Encourage collaborative working partnerships with other	Ongoing basis	Ongoing basis	AM

RSL's and share good procurement practices			
Provide training to SME's in relation to public sector procurement.	Ongoing basis as and when opportunities are identified	Prior to any tendering that would involve local businesses	AM PDO
Encourage and promote innovation throughout our supply chains	Raise and encourage through invitations to quote/tenders predominantly as part of quality assessments	Early consideration as part of pre-tender procurement	AMD PDO SMO

**5. We will maintain a comprehensive policy and procedure (and other associated documents) to ensure that our procurements processes are fully compliant with legislation and best practice.**

<b>Action</b>	<b>Notes</b>	<b>Timeline</b>	<b>Lead Officer</b>
Ensure that staff are kept up to date on current Procurement Legislation and training.	Ongoing basis	As appropriate concerning the legislation changes	PDO
Attend procurement training as and when appropriate to do so provided by sector bodies / organisations	Ongoing basis	Whenever training becomes available	AMD PDO SMO DO

i.e Scottish Government			
Ensure AHA's Procurement Policy is kept up to date with current legislation.	Ongoing basis	Ongoing basis	AMD PDO

**6. We will continue to analyse the way we procure goods and services, to ensure that we are embracing innovation and new ways of working. We will look to establish our processes in the most advanced methods and systems and ensure that we procure goods and services as per AHA's Procurement Policy.**

Action	Notes	Timeline	Lead Officer
Ensure that all staff who will be procuring goods, services and works are trained on the use of Public Contracts Scotland.	Through training sessions internally and externally	Ongoing basis	PDO

**7. We will establish a framework for monitoring and reporting performance including community benefits, stakeholder outcomes and key performance indicators**

<b>Action</b>	<b>Notes</b>	<b>Timeline</b>	<b>Lead Officer</b>
Adopt and maintain contract register.	Ongoing basis	Updated regularly and reviewed annually	PDO
Create community benefit register where appropriate and proportionate to do and record all community benefit activity within the register.		Updated regularly and reviewed annually	PDO