

1.0 EXECUTIVE SUMMARY

GWHA's Procurement Strategy (PS) encompasses the process of acquiring goods, services and works from third parties. Recognising that the procurement route is influenced by the scale of the project, decisions are taken in the context of statutory and regulatory requirements, and best value principles.

The PS provides a clear vision for procurement towards 2027, with scope for piloting a range of methods to test VFM¹ and high quality service outcomes; and with regular review to ensure optimum performance, efficiency and value creation. The association's corporate values underpin the PS and apply to both regulated and non-regulated procurement: *Ethical, Inclusive, Efficient, Innovative and Open*.

Where the anticipated annual value of regulated procurement activity is expected to exceed the £5m defined in the Procurement Reform (Scotland) Act 2014 as *significant procurement expenditure*, a procurement activity plan will be published on the association's website by the 31st March; with a subsequent annual report on actual regulated procurement contract award published within Q1 of the following year. (See section 3.15 for further detail).

GWHA will lead procurement activity, including procurement for its commercial subsidiary Glasgow West Enterprises (GWEn). Contracting Notices will stipulate GWHA as the procuring entity, and will also indicate, as a matter of course, that the nominated contracting entity will be GWEn (in properties where factoring services are provided).

2.0 PROCUREMENT STRATEGY

Aligned to the Corporate Strategy under the *Optimum Performance* driver, and with robust procedures, initiatives and PIs, great strides have been made towards the ambitious 2020 aim of "100% Value for Money procurement"². Ongoing participation in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP) has demonstrated an organisational wide approach to robust procurement practices³, including measurable progress against identified initiatives; with GWHA identified as key partner for promoting the PCIP process via case study review; and reference point for other RSL / LA seeking guidance.

Embedding this culture across the organisation will be the focus of this 2022-27 Strategy, and with corresponding emphasis towards optimising the social impact from the community benefits generated through procurement activity.

3.0 STRATEGIC AIMS

3.1 The Corporate Strategy outlines GWHA's strategic aims and objectives. In 2015, a longer-term 2028 strategy was introduced to set out the vision for the association's 50th anniversary: *shaping thriving communities*: and with prudent resource management and organisational agility recognised as being key to enhancing local quality services and local quality, affordable housing.

3.2 With significant procurement activity anticipated within the lifetime of this Strategy, GWHA recognise the potential to progress GWHA's corporate vision, delivering enhanced services for residents, supporting SMEs and Micro-SMEs⁴ where appropriate, and exploring the potential for community benefits, including targeted training and recruitment (TRT). The key underpinning principles of the PS are:

3.2.1 Demonstrating VFM and sustainability, eliminating waste and optimising resource efficiency.

3.2.2 Driving innovation and continuous improvement.

3.2.3 Establishing robust management systems which ensure equality, transparency, proportionality, integrity and accountability.

3.2.4 Ensuring legislative compliance, mitigating risk.

3.3 Achievement of Aims

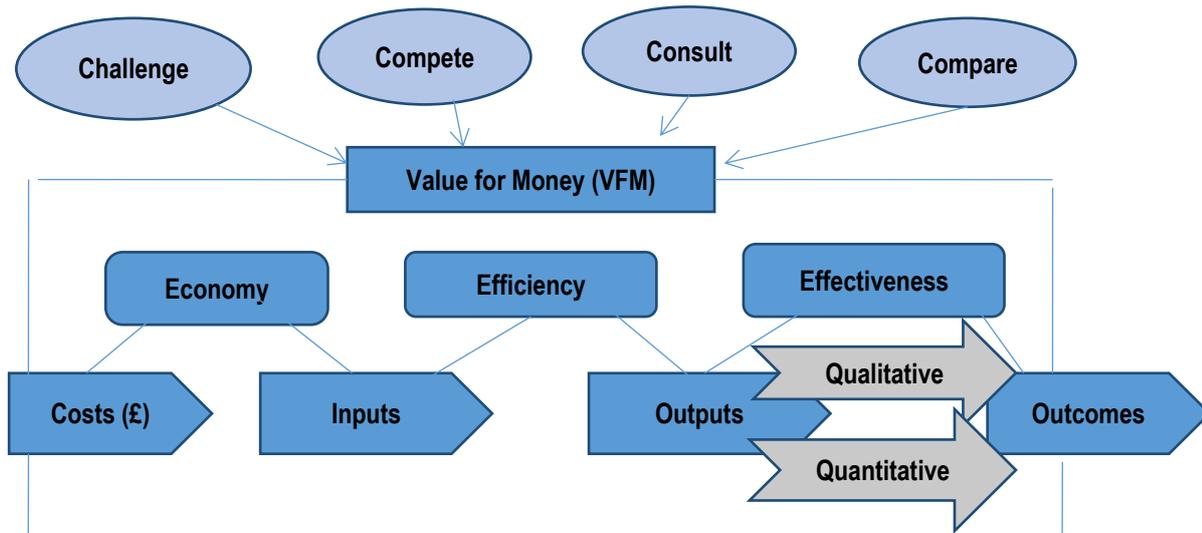
3.3.1 The PS will be considered as part of the annual strategy review cycle, with a robust business case, demonstrating legislative compliance, and focussing on achieving a balance between the "three E's" (economy, efficiency and effectiveness), required to validate the proposed projects for the forthcoming year.

¹ Value For Money

² 2020 Strategy

³ ASC 23/11/21 R8

⁴ UK Companies Act 2006+European Commission (2005): Micro <10 employees; Small 10-50; Medium 50-250



3.3.2 Mechanisms that enable residents and other service users to genuinely influence the PS and service delivery decisions will continue to be developed, with existing consultative approaches (as outlined in the Service Engagement Strategy, and including the Annual Tenants Conference and Consumer Panel) fully exploited for obtaining views on customer’s expectations and priorities. For new build housing developments, consultation will take place during the planning process, and for major repairs/investment works in mixed tenure developments, in line with the Deeds of Conditions.

3.3.3 The development of new ideas for improved efficiency and effectiveness will be encouraged, driving a culture of VFM and performance excellence throughout the organisation. Current and new practices will routinely be subjected to the Best Value test: Challenge/Compare/Consult/Compete through the business case approval process, and a positive attitude and a “right first time” approach will be promoted in all aspects of service delivery and procurement.

3.3.4 Procurement documentation will contain clear and measurable outcomes to ensure efficient, timely and cost-effective delivery, with routine compliance monitoring and reporting by the appointed Project Co-ordinator.

3.4 Value for Money

3.4.1 GWHA continues to build on its culture of prudent resource management, with the Efficiency Strategy adopted in 2015 (reviewed 2021) capturing the commitment to value and efficiency (commonly referred to as VFM) within a lean framework to support GWHA’s drive to eliminate waste, at all levels. This PS endorses a range of different procurement methods as outlined in Procurement Guide Appendix 1a, with the aim of testing VFM in the context of *robust governance* and with the aim of delivering *enhanced customer services* and *optimum performance*.

3.4.2 Appropriate BQP (balance of quality and price) ratios will be set out in the procurement documents in line with the Scottish Government *Procurement Journey* guidance; and informed through business case review of the optimum price : quality balance based on the nature of the contract and market place evaluation.

3.4.3 The Price : Quality evaluation statement included in the procurement documents will set out minimum threshold requirement for quality submissions, with clear guidance on scoring methodology, guidance for clarifying areas of bids that are unclear (including interview), and inclusion of abnormally high / low exclusion criteria. Each of these tools supporting Vfm procurement rather than simply lowest price.

3.5 Equal Treatment and Non-Discrimination

- 3.5.1 A commitment to equality is embedded in GWHA's culture and is underpinned by an inclusive core value. Mainstreaming equality and reflecting diversity continues to be the focus of the 2021 Equalities and Human Rights Strategy⁵, and demonstrated by a comprehensive equalities audit in 2015 leading to CIH Equalities Chartermark in 2016. All stakeholders participating in GWHA procurement processes are expected to demonstrate equalities compliance.
- 3.5.2 GWHA will treat all potential tenderers equally and without discrimination; with the aim of facilitating greater competition, promoting innovation, and encouraging a wider range of tenderers to participate in procurement projects.
- 3.5.3 The PCS portal (and FTS⁶, where required) will be utilised for the purposes of advertising all directly procured contracts > £25k, with the Procurement Plan on the association's website facilitating early market engagement prior to the issue of contract notices. PINs⁷ will be issued for all FTS advertised contracts.
- 3.5.4 Whilst the contracts within the PS are deemed to be within the capacity of SMEs and Micro-SMEs, the scope for greater value through development of project specific frameworks, or division to smaller lots will be routinely considered as part of procurement business cases: to minimise burdens on smaller tenderers, and to facilitate wider and more equitable access to procurements.
- 3.5.5 Contract documentation will be in clear and precise language, with electronic communication via the PCS portal ensuring questions receive a timeous response and are copied to all potential tenderers. To avoid barriers to participation, contract documentation, including PQQ⁸, quality questionnaires and contract conditions will be tested to ensure the requirements are proportionate to the scale of the project being procured. In general, and unless otherwise dictated by procurement regulations, a minimum of 10 working days will be allowed for each of the stages in the procurement process, with a robust business case required if a shorter period is proposed.

3.6 Transparency and Proportionality

- 3.6.1 GWHA operate within a code of governance that encourages the highest standards of integrity and ensures decisions are informed, transparent, and in the best interests of current and future tenants. These principles apply to decisions taken in the context of the PS.
- 3.6.2 Transparency and proportionality will be promoted to encourage competition, achieve better VFM and ensure inclusive practices. In line with the PS, contract opportunities will be advertised via the association's website and via PINs and Contract Notices on the PCS portal. All contract documentation will be uploaded directly to the portal and communication will be via the question and answer section of the portal.
- 3.6.3 MC Members will be alerted to tender returns, and will be entitled to attend to witness either in person or virtually the opening and recording of tender submissions where appropriate.
- 3.6.4 Tenders received after the closing date/time will not be considered.
- 3.6.5 For BQP returns, the quality and price submissions will be separated, and price information will not be released under any circumstances until the quality assessment is completed and verified by Chief Exec.
- 3.6.6 With flexibility to reflect pandemic contingency measures, including remote working or social distancing controls, the following will apply in all instances of PCS electronic procurement, either:
- a) The opening will be carried out virtually, utilising screen share technology such as Microsoft Teams.
 - b) The information held in the "PCS Notepad" in relation to the number of documents submitted will be captured in a table format for each submission. Or,
 - c) Where office based tender opening occurs, the PCS "Notebooks" will be printed and signed by the Manager observing the post-box opening to confirm all documents are downloaded/printed

⁵ MC 07/09/21 R8

⁶ Find a Tender Service – Equivalent to Official Journal of European Union, effective 1st Jan 2021 following UK departure from EU.

⁷ Prior Information Notices

⁸ Pre-Qualification Questionnaires

- d) MC Tender reports will confirm procedural compliance; with the print-off of signed Notepads / records included as appendices.
- e) Signed “Notepads” / records will be held electronically with Tender information / MC papers.

3.6.7 In exceptional traditional tendering (hard-copy envelopes), the following robust procedures will remain in place:

- a) Specific instructions, including closing date/time, will be provided to all tenderers.
- b) Receipt of completed tender documentation will be recorded at reception and held, unopened in a secure safe, until the tender closing date/time. Tenders received after the closing date/time will not be accepted at reception and, if received through the post, will be returned unopened to the tenderer.
- c) Tender opening will be directed by the Corporate Officer, in the presence of two MC⁹ Members, overseen by a Manager. Quality questionnaires will immediately be separated from Cost information and will be passed to the Project Co-ordinator to facilitate the quality assessment. Cost information will be recorded in the Tender Register and will not under any circumstances be disclosed until the quality assessment is completed, as verified by the relevant Director to the Chief Exec.
- d) The Chief Exec will issue instruction for release of cost information to the Project Co-ordinator.

3.6.8 Reflecting procurement route taken for respective projects; subject to MC reporting approvals and/or delegated authorities, notices of contract awards and all associated correspondence will be lodged via the PCS portal.

3.7 Sustainable Procurement

3.7.1 GWHA is committed to delivering sustainable procurement through effective forward planning to manage demand, ongoing contract management, and dealing with supply chain risks and impacts. Initiatives and PIs ensure a clear direction and paced progress towards better, more sustainable procurement.

3.7.2 For relevant procurements, the business case, and subsequent documentation will outline how the process will ensure compliance with the sustainable procurement duty, namely:

- a) Improve the economic, social and environmental well-being of the area
- b) Facilitate the involvement of SMEs, 3rd sector bodies and supported businesses (including possible direct award if criteria met)
- c) Promote innovation

3.7.3 In addition to the Community Benefit requirements outlined at section 3.8, GWHA will support the involvement of SMEs, (and third sector bodies and supported businesses) through the general measures outlined at section 3.5 of the PS, and with scope for the following specific measures to be considered where appropriate:

- a) Consortia bids where the scale of the project is outside the scope of a single tenderer.
- b) Encouraging main contractors to publicise sub-contracting opportunities.

3.7.4 GWHA recognise that innovation is an ongoing process and will encourage creativity and knowledge-sharing to ensure opportunities for product and process innovation are exploited through the PS, where there is evidence that such will support value creation.

3.8 Community Benefit Requirements

3.8.1 For the purposes of procurement, Community Benefits (CB) are defined as contractual requirements relating to training and recruitment, or the availability of sub-contracting opportunities, or opportunities which are otherwise intended to improve the economic, social and environmental wellbeing of the public body’s areas, in a way which is additional to the main purpose of the contract in question. Examples may include:

Social: Jobs, Work Experience, Training, Apprenticeships and Mentoring

Economic: Use of SMEs/Social Enterprises/Voluntary Sector, community consultation, young person engagement and community sponsorship

Environmental: Community improvement projects, resources for community environmental initiatives and physical infrastructure

⁹ Management Committee

3.8.2 In furtherance of this objective, GWHA will require a method statement from tenderers outlining how CB will be delivered in all procurement, without cost to the association. As a general rule of thumb, CB initiatives will represent a minimum 2% of the contract value. The following principles will apply:

- a) CB expectations will be clearly defined in procurement documents
- b) The measures will be proportionate to the contract and linked to the “subject matter” of the contract
- c) CB initiatives will be capable of measurement

3.8.3 Where a financial contribution is made, this will be held for the delivery of initiatives that improve the economic, social and environmental wellbeing of GWHA’s communities. The strategic approach to this will be informed by 2022/23 Corp Plan initiatives relating to Future Services Survey, and Community Benefit Frameworks.

3.8.4 Where targeted recruitment and training (TRT) is the agreed CB, the tenderer will be expected to outline proposals that take account of the following principles:

- a) For each £1m in contract value, a minimum 78 person weeks of employment for a trainee recruited from a source agreed by GWHA.
- b) The equivalent of 26 person weeks per £1m in contract value available as unwaged work experience opportunities for people provided by an organisation that has undertaken appropriate pre-work preparation and risk assessment.
- c) Proposals to assist achievement of appropriate qualifications, with arrangements for on-site training, assessment and recording where relevant.
- d) Commitment to trainees to pay at least the industry norms, with terms and conditions of employment that are at least equivalent to workers with equivalent skills and experience.
- e) Measures for the management and monitoring of TRT commitments

The Tenderer will also be expected to confirm commitment to:

- f) Provide GWHA with a TRT Performance Statement within 4 weeks of completion of each 13 week period following implementation of the contract
- g) Review the remuneration of trainees in line with their experience and productivity.
- h) Within 13 weeks of appointment, provide GWHA with evidence of a Local Employer Partnership, or an equivalent agreement, to recruit people who are disadvantaged in the labour market.
- i) Notify agencies nominated by GWHA for each vacancy, including those with sub-contractors, with candidates identified by these agencies to have an equal opportunity in the selection process.

3.8.5 Where appropriate, the placement of trainees may be within GWHA offices.

3.9 Consultation and Engagement

Customer engagement, embedded within our equalities ethos, is a crucial element of GWHA’s *enhanced customer service* strategic driver. The Service Engagement Strategy and annual plans outline key initiatives and a variety of measures for this engagement, and for enabling genuine consultation and involvement of customers in shaping GWHA’s future services and strategies.

3.10 Payment of the Living Wage

As a Living Wage Employer, GWHA encourage similar of partners. For all procurement, tenderers will be asked to confirm via the TQQ, whether they are Living Wage Employers, with an appropriate weighting identified in the TQQ.

3.11 Compliance with Health and Safety (H&S) legislation

3.11.1 H&S legislation imposes duties on employers and employees. GWHA expect all tenderers to demonstrate compliance with statutory duties, and to conduct business in such a way that the H&S of employees and visitors is not put at risk. With a specific approach to covid -19 best practice and legislative requirements, this includes:

- a) A safe working environment for all employees, free from risks to health, and with adequate provision with regard to the facilities and arrangements for their welfare at work.
- b) The provision and maintenance of machines, equipment and systems of work that are safe and without risk to the health of employees, contractors and any other person who may be affected with regard to any premises or operation under the employer's control.
- c) Arrangements for use, handling, storage and transport of articles and substances for use at work are safe and without risks to health.
- d) Adequate information is available with respect to machines and substances used at work detailing the conditions and precautions necessary to ensure that when properly used they will be safe and without risk to health.
- e) Employees are provided with such instruction, training and supervision as is necessary to ensure their health and safety, including but not limited to Asbestos Awareness – all of which training must be demonstrable upon request.

3.11.2 The tenderer's commitment to H&S, previous H&S record and measures for the management of the project H&S will be a key element of the procurement quality assessment. H&S will be a standard Agenda item for contract meetings, with responsibility for the monitoring of compliance during the contract to be decided at tender stage, and likely to be within the remit of the Project Co-Ordinator, Contract Manager or Principal Designer where the CDM Regulations apply.

3.12 Fairly and Ethically Traded Goods and Services

During the course of this current PS, GWHA will aim to develop measures that ensure, as far as possible in the procurement of contracts, that fair and ethical trading principles are applied in a relevant and proportionate manner.

3.13 Regulated Procurements involving the Provision of Food

GWHA procurement is not envisaged to involve the provision of food.

3.14 Prompt Payment

All public bodies have a legal duty to pay commercial debt within 30 days. At the time of writing, following departure from the EU, there have been no published Scottish Procurement Policy Notes (SPPN) in relation to this requirement. It is unclear of relevant alternative legislation to the European Directive 2011/7/EU which allows interest and recovery costs to be claimed if invoices are not paid on time.

Notwithstanding the above GWHA is alert to the potential impact of late payment and is committed to ensuring the prompt and efficient processing and payment of authorised invoices. GWHA will encourage compliance with these conditions for all sub-contracting arrangements.

3.15 Publishing Procurement Strategies and Reports

3.15.1 *All public bodies with an annual regulated procurement spend of £5 million and above must produce a procurement strategy under section 15 of the 2014 Act. The Act requires a public body which is obliged to prepare or revise a procurement strategy in relation to a financial year to publish an annual report on their regulated procurement activities as soon as reasonably practicable after the end of that financial year.*

3.15.2 *"publishing procurement strategies and annual procurement reports as a legal obligation under the 2014 Act, public bodies to whom these legal obligations do not apply are encouraged to publish strategies and reports as a matter of good practice".*

3.15.3 Annually in June each year GW will publish in line with the requirements of the 2014 Act, an Annual Report which reflects the Regulated Procurement contracts awarded in the preceding financial year.

3.15.4 Recognising good practice, and in the interests of transparency, additional detail will be included for non-regulated procurement where value is > £50k awarded via route 2 of our Procurement Guide.