



Procurement Strategy

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1.0 INTRODUCTION

- 1.1 Southside Housing Association is a public contracting body in terms of Section 15 of the Procurement Reform (Scotland) Act 2014 (the Act), which states that:

A contracting authority which expects to have significant procurement expenditure in the next financial year must before the start of that year prepare a procurement strategy setting out how the authority intends to carry out regulated procurements.

An authority has significant procurement expenditure in a year if the sum of the estimated values of the contracts to which its regulated procurements in that year relate is equal to or greater than £5,000,000.

- 1.2 Southside Housing Association's Procurement Strategy covers the period from 1st April 2024 to 31 March 2025.

1.3 The Public Contracts (Scotland) Regulations 2015

The table below lists updated contract value thresholds, to be applied by Contracting Authorities when considering from 1 January 2024 onwards, whether they must comply with the Public Contracts (Scotland) Regulations 2015. The threshold values used to determine whether a public contract falls within the scope of the Scottish public procurement regulations are updated every two years to ensure that they remain aligned to the threshold values set by the World Trade Organisation's Government Procurement Agreement.

The way the value of a contract is estimated for the purpose of determining whether that contract meets or exceeds the new threshold values changed. **From 1 January 2022 VAT, where applicable, must form part of the calculation.** The standard rate of VAT (currently 20%) should be used to avoid underestimating the contract's value unless the Contracting Authority is able to demonstrate that a lower (or nil) rate of VAT applies to a contract.

Contracting Authority	Public Contracts for	New Threshold (gross VAT)	Indicative Value (Net of VAT)
Registered Social Landlord	Supplies or Services	£214,904	£179,087
	Works	£5,372,609	£4,477,174

1.4 The Procurement Reform (Scotland) Act 2014

This Act imposes separate procurement obligations for contracts with values above the following thresholds. The method for calculating the estimated contract value under this Act has not changed and remains exclusive of VAT.

Contracting Authority	Public Contracts for	Threshold (Net of VAT)
Registered Social Landlord	Supplies or Services	£50,000
	Works	£2,000,000

1.5 Action Required

For procurement processes which commence on or after 1 January 2024 contracting authorities must:

- Apply the revised thresholds laid out above.
- Consider VAT when calculating the estimated value of a procurement for the purposes of determining whether that contract meets or exceeds the new threshold values.
- When calculating the total value of the contract, all lots and contractual options should be included in that calculation.
- When completing relevant forms on PCS which require an estimated contract value to be quoted, VAT must be excluded from the value.

1.6 Planned Procurement Activity – 2024/2025.

During the period of this strategy, Southside Housing Association expects to be involved with the following procurement activities. Note that the estimated contract values are only for the initial contract term and not inclusive of any optional extension periods.

Works/Services	Estimated Contract Value (Incl VAT)	Procurement Details
Lift Replacement	£2.702m	Competitive Tender
CCTV Upgrade	£0.250m	Competitive Tender
Kitchen Replacements	£0.668m	Competitive Tender
Heating Maintenance Contract	£0.150m	Competitive Tender
Common Area Painter Work	£0.100m	Competitive Tender
Window Replacements	£0.250m	Competitive Tender

External Fabric Repairs	£0.135m	Framework Award
Internal Improvement Works (Tenement Flats)	£1.500m	Framework Award
Office Cleaning Services	£0.172m	Competitive Tender
IT Services	£0.120m	Competitive Tender
Insurance Services (Commercial)	£0.144m	Competitive Tender
Insurance Services (Property)	£0.937m	Competitive Tender
Fire Risk Assessments	£0.060m	Competitive Tender
TOTALS	£7.188m	

2.0 THE ASSOCIATION'S STRATEGIC OBJECTIVES

The Association's Business Plan is constructed around four strategic objectives that the Board has set. These are set out below:

1. To deliver excellent services.
2. To provide popular, affordable, well maintained and energy efficient homes.
3. To support inclusive communities and thriving neighbourhoods.
4. To maintain a resilient community organisation with strong local leadership.

3.0 VALUE FOR MONEY

- 3.1 Our regulated procurements will be assessed by means of a balance of quality and price in order to deliver the most economically advantageous tender.
- 3.2 An appropriate balance of quality and price will be set for each contract.
- 3.3 The Association also has access to Framework Agreements via Scottish Procurement Alliance (SPA), Procurement for Housing Scotland (PFHS) and Scotland Excel.
- 3.4 Where the option to award from an existing Framework is chosen, relevant value for money issues will have been addressed prior to the framework appointment.
- 3.5 Any contracts that are the subject of regulated procurements will be advertised on the Public Contracts Scotland portal. The balance of price and quality, the quality scoring criteria, and the scoring calculations to be applied, will be set out clearly in the contract documents.

- 3.6 Where options are available, option appraisals, including the option not to procure, will be conducted to ensure that resources are not wasted and that contracts are subject to regulated procurement processes only when they are required.

4.0 EQUALITIES & NON-DISCRIMINATORY PRACTICES

- 4.1 Our approach to regulated procurements will be to treat tenderers fairly, equally and without discrimination and this in turn, should encourage greater competition, innovation and reputation.
- 4.2 For all regulated procurements we will do this by advertising contracts at each relevant stage on the Public Contracts Scotland Portal (PCS).
- 4.3 The Association will use clear and precise language in our contract documentation and endeavour to use electronic communication at all stages of the procurement process. We will ensure that any questions relating to the procurement are logged in the questions and answers section of the portal, responded to timeously and copied to all potential tenderers.
- 4.4 The Association will promote transparency and proportionality in our procurements to ensure we are operating in an open manner.
- 4.5 The Association will use the PCS portal as much as possible and use the Q&A facilities which will ensure that all parties are simultaneously updated with additional and new information.
- 4.6 All contract documentation will be uploaded directly to the portal and all prequalification and tender returns will be managed via the portal's post box.
- 4.7 Contract award notices will be lodged on the portal and feedback requests from unsuccessful tenderers will be responded to timeously.

5.0 SUSTAINABLE PROCUREMENT

- 5.1 All works and major service contracts will reflect a commitment to the use of sustainable materials and energy and waste management.
- 5.2 This requires the Association to consider, before we start a procurement, how we might:
- Improve the economic, environmental, and social well-being of our area.
 - Facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses.
 - Promote innovation.

- Aspire to meet the Energy Efficiency Targets set by the Scottish Government.
- 5.3 The majority of the Association's contracts involve tried and tested components. The Association, alongside our procurement activities, will research new innovative ideas, e. g. in heating technology, smart building services, energy efficiency and modern methods of construction where possible.

6.0 COMMUNITY BENEFIT REQUIREMENTS

- 6.1 The Association is committed to maximising Community Benefits and social, economic, and environmental value from its procurement activities.
- 6.2 Prior to the commencement of a regulated procurement process, the Lead Officer will consider whether Community Benefit Requirements can be included in the contract.
- 6.3 Under our procurement activity contractors and suppliers will be required to support our social, economic, and environmental objectives relating to participation in training and employment initiatives, supply chain initiatives and other Corporate Social Responsibility contributions, where appropriate.
- 6.4 There is no formal requirement for the consideration of Community Benefits in contracts with an estimated value of less than £4 million, however the Association will consider Community Benefits for each Goods/Services and Works contracts that is subject to regulated procurement and apply these where possible.
- 6.5 Community Benefits will be reported in our annual procurement report.

7.0 LIVING WAGE COMMITMENT

- 7.1 Southside Housing Association is a Living Wage accredited employer.
- 7.2 We believe that those organisations whose staff are well rewarded, well-motivated, well led, and who have appropriate opportunities for training and skills development, are likely to deliver higher quality services. One of the clearest ways an employer can demonstrate that it takes a positive approach to its workforce is by payment of the Living Wage. Therefore, the Association will encourage all contractors appointed through its regulated procurement processes to become Living Wage accredited employers.

8.0 HEALTH & SAFETY

- 8.1 Southside Housing Association will promote compliance by its contractors with the Health and Safety at Work Act 1974 and any provision made under that Act

by ensuring that all Health and Safety documentation, risk assessments and processes relevant and proportionate to the contract are in place before the contract is awarded.

- 8.2 All contractors' previous Health and Safety record will be taken into account as part of any Quality assessment process.
- 8.3 The Association will require all tenderers to provide evidence to demonstrate that they comply with current health and safety legislation and to provide details of how they actively promote and manage good health and safety practice e.g. through training and the communication of relevant information to staff.
- 8.4 Where there are specific health and safety concerns relating to a particular procurement, we will require tenderers to detail, as part of the procurement process, the measures they will implement to respond to the identified risks.
- 8.5 Contractors will be required to respond to specific risks and provide risk management plans, and proposals for managing Health and Safety during the contract term, along with their tender returns.
- 8.6 Monitoring of compliance with Health and Safety requirements during the contract term will be the responsibility of the Contract Manager or Principal Designer where the Construction (Design and Management) Regulations 2015 apply.
- 8.7 At all site meetings and progress meetings relating to works contracts there will be standing agenda item covering Health and Safety.
- 8.8 All contractors will be required to disclose to the Contract Manager or Principal Designer any incidents, near misses, concerns, or newly identified risks arising during the contract term.
- 8.9 The Contract Manager will maintain and update a comprehensive risk management plan for each contract. We will ensure that the measures taken to ensure the promotion of health and safety are relevant, proportionate and not overly burdensome, meeting current legislation as a minimum.

9.0 CONSULTATION AND ENGAGEMENT

- 9.1 The Association will engage with our customers in a variety of ways using for example, focus groups, complaints information and satisfaction surveys after our contracts to understand our customer's views on our products and services.
- 9.2 Where possible, recommendations arising from the consultation process will be included in the contract terms itself or in the contract preliminaries.

- 9.3 Where possible we will consult customers and other stakeholders on the form, content and design of new buildings as part of the planning application and, where required, pre-planning consultation.

10.0 FAIRLY AND ETHICALLY TRADED GOODS AND SERVICES

- 10.1 Where relevant and proportionate to a regulated contract, the Association will encourage fair and ethical trading principles in its procurement requirements.
- 10.2 The Association will seek assurances of fair and ethical practices in supply chains by including (where relevant and proportionate to the subject matter of the contract) contract conditions requiring contractors to comply with relevant social, environmental and employment law.

11.0 REGULATED PROCUREMENTS INVOLVING FOOD

- 11.1 None of our regulated procurements during the period covered by this Strategy involve the provision of food.

12.0 PAYMENTS WITHIN 30 DAYS

- 12.1 The Association is committed to paying our suppliers promptly and will include a clause in its standard terms and conditions stating that Southside Housing Association will pay undisputed invoices within 30 days from receipt.
- 12.2 The Association will ensure effective contract management and monitoring throughout the term of its regulated contracts to ensure that prompt payment continues to be applied throughout the duration of the contract.

13.0 MONITORING AND REVIEW OF STRATEGY

- 13.1 This strategy will be reviewed annually and a report against progress with procurement goals will be presented to the Association's Board following the end of each financial year.
- 13.2 This Strategy will be published on Association's website along with our Annual Procurement Report.
- 13.3 In accordance with the Procurement Reform (Scotland) Act 2014 the Association will forward a copy of this strategy to Scottish Ministers, along with a copy of our Annual Procurement Report.