



## **Annual Procurement Strategy 2024-2025**

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## **1. Introduction**

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The purpose of this procurement strategy is to set out how New Gorbals Housing Association (NGHA) intend to carry out its regulated procurements and ensure that regulated spend supports the aims and objectives of the Association. The strategy will set a strategic focus for all regulated procurement activities and ensure that procurement processes and approaches support, and contribute, to NGHA strategic objectives, comply with Scottish procurement legislation and deliver best value for money.

The strategy sets out the approach to be taken in relation to all regulated procurement activity, the vision, and a summary of forecasted regulated procurement spend for 2024/25. The strategy will:

- demonstrate NGHA's strategic objectives
  - ensure we are compliant with procurement legislation and best practice
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## **2. Procurement Vision**

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The strategic objectives of NGHA are set out in the business plan. These are:

- Complete the physical regeneration of the Gorbals.
- Keep rents affordable and support tenants in dealing with welfare cuts and high costs.
- Provide high quality, value for money services, and managing our assets effectively.
- Strengthen our engagement and communication with tenants and the wider community.
- Make Gorbals a Thriving Place.
- Ensure we are a cost-effective and well-managed organisation, achieving high standards of governance, financial probity and competence.

The procurement aims and goals which will support the delivery of this vision are:

- Deliver continuous improvement in relation to our own procurement knowledge and expertise through the delivery of better structured procurements and contracts.

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- Ensure value for money is delivered through all regulated procurement processes.
- All goods, services and works are procured to support the journey to net zero carbon and fairly and ethically structured supply chains.
- All regulated procurements contribute to the local community and promote health and safety and innovation.

The procurement vision is for NGHHA to:

“Procure goods, services and works in a way which complies with Scottish procurement legislation, is transparent and fair, delivers value for money and contributes to addressing the need of the community and overall regeneration of the Gorbals.”

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### 3. Background and Context

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NGHHA was set up by local people who had a strong vision of how they wanted the Association to operate. NGHHA became a registered Housing Association in 1989. Initially the Housing Associations role was to provide 250 homes within the Crown Street Regeneration Project, but NGHHA has grown to be the lead organisation in the regeneration of the Gorbals with over 2700 rented homes and factor for 1900 owner occupier homes.

A summary of planned procurement activity for 2024-2025 is provided within Appendix 2.

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### 4. Procurement Strategic Objectives and Key Priorities

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For the period 2024/25 NGHHA key priority areas and how NGHHA propose to meet these in relation to procurement are set out below:

*a. Developing and Up-skilling of internal procurement expertise*

Currently there is no standalone procurement team within NGHHA with procurements being delegated to staff in the relevant operational area. Due to irregularity of procurement requirements within each area and with updates in legislation and changing market conditions there is a need to ensure that best practices are considered and implemented within the Association.

Each individual responsible or delegated to undertake procurements will be provided with a procurement development plan setting out areas for development and identifying training needs and requirements.

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This approach will help support the delivery of procurement aims of continuous improvement of procurement knowledge and supporting the delivery of value for money.

### *b. Encouraging and Developing Sustainable Supply Chains*

All Regulated Procurements will contain a scored requirement for tenderers to suggest and provide approaches which will reduce the contracts carbon footprint. This should be taken into consideration as part of the evaluation process, with appropriate weightings allocated which look to ensure more carbon efficient approaches are not negatively impacted by potential higher costs.

### *c. Supporting the Local Community*

Given New Gorbals Housing Association's commitment to the regeneration of Gorbals, supporting the local community through procurement is a key priority. Within each regulated procurement tenderers will be required to detail proposals which will benefit and leave a lasting legacy within the Gorbals community. This should take the form of a weighted question within the Quality response, which is proportionate to the tender value and supply chain.

All procurements should be made accessible, facilitating and encouraging local SME's to submit bids. Procurement documentation should contain links to available support for bidders (i.e. any Supplier Development Programme).

These objectives and key priorities will be measured and reported on in line with the Key Performance Indicators (KPI) as stated within Appendix 1.

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## **5. General Statement on Procurement Approaches**

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To support the delivery of the aims and goals of the Procurement Strategy the following requirements in relation to procurement activity are required to be considered and applied.

- ***Compliance with the Regulations***

All contracts valued in excess of £50,000 (in totality) and £2,000,000 for works, are deemed to be Regulated Procurements under the Procurement Reform (Scotland) Act 2014 and therefore must comply with the conditions of the act.

All contracts valued above the thresholds stated in Table 1 are considered to be higher threshold procurements and must comply with the obligations of The Public Contracts (Scotland) Regulations 2015.

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Table 1

Supply, Services and Design Contracts	Works Contracts	Social and other Specific Services
£214,904	£5,372,609	£663,540
Indicative value exc 20% VAT £179,087	Indicative value exc 20% VAT £4,477,174	Indicative value exc 20% VAT £552,950

- ***Use of Public Contracts Scotland***

In line with the Procurement Reform (Scotland) Act 2014 all Regulated Procurements undertaken by NGHA must be publicised and awarded on the Public Contracts Scotland website.

- ***Use of Collaborative Frameworks, Contracts and Dynamic Purchasing Systems (DPS)***

When considering the requirement to procure services, supplies or works staff are required to consider whether an existing framework, contract or DPS exists and can be utilised. Where there are existing agreements these should be considered as an option and consideration will be given as to the relative benefits of using such, relative to a standalone procurement exercise. Use of existing frameworks will be the default option.

- ***Most Economically Advantageous Tender Assessment - Balancing Quality and Price***

All higher threshold procurements must be assessed and awarded using the Most Economically Advantageous Tender assessment process - price or cost cannot be the sole award criteria. This approach will ensure that criteria which demonstrate the qualitative, technical and sustainable aspects of tender submissions are considered alongside price.

Criteria should be allocated a weighting relevant and proportionate to its importance in relation to the contract (i.e. 70% Quality, 30% Price) and can be further refined through sub weightings.

Quality criteria such as technical merit, accessibility, design for all users, environmental, after-sales service and organisation experience and staff qualifications can be included.

- ***Fair Work First***

New Gorbals Housing Association is committed to advancing the Fair Work First principles set out by the Scottish Government

- payment of at least the real Living Wage;
- provide appropriate channels for effective workers’ voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the gender pay gap and create a more diverse and inclusive workplace;
- offer flexible and family friendly working practices for all workers from day one of employment; and,
- oppose the use of fire and rehire practice.

The Association will consider the Fair Work First principles in all of its procurement activities where it is reasonable and proportionate to do so.

- ***Health and Safety***

The Association is committed to ensuring compliance with the Health and Safety at Work Act (1974) and the current Construction and Design Management regulations.

The Health and Safety capability (policy, procedures and personnel) of suppliers will be considered in all procurement activity where it is proportionate and reasonable to do so.

The Association will ensure compliance with the Construction and Design Management regulations where applicable.

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## **6. Capability and Professionalism**

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- ***Staff Capability And Training***

Where a NGHA staff member is involved in procurement activity they will be provided with a procurement development plan setting out areas for development and identifying

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training needs and requirements. Where this is issued the staff member will be required to demonstrate progress against the development plan on a bi-annual basis.

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## **7. Supplier Engagement and Contract Management**

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- ***How we will engage with suppliers***

We will seek to constructively engage with our supplier community through the following methods.

Meet the Buyer sessions

Forecasted Tender Opportunities

Current Tender Opportunities

Assistance on how to bid

Contract Notices

To facilitate the involvement of SMEs, the third sector and supported businesses and to make it easier for them to find and bid for contracts, opportunities will continue to be advertised through PCS cementing the portal's role as the portal's role as the "one stop shop" for procurement opportunities in Scotland.

- ***Contract Management Procedures incl payment procedures***

All awarded contracts should be categorised in relation to the required level of contract management in relation to factors such as complexity, criticality and market conditions. This categorisation will determine aspects such as meeting frequency and monitoring requirements.

- Routine - transactional, repetitive purchases where goods or services are commonly available at the same standard from many providers.
- Critical - one of the following:
  - vital service, goods or works which without NGHA could not operate effectively and if interrupted could cause serious financial, legal or significant reputational damage or;
  - a complex requirement or;
  - High profile or;



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- Limited supply chain.
- Strategic - two of the following:
  - vital service, goods or works which without NGHA could not operate effectively and if interrupted could cause serious financial, legal or significant reputational damage or;
  - a complex requirement or;
  - High profile or;
  - Limited supply chain.
- **Payment Procedures**
  - The Association is developing its financial procedures for the payment of invoices and will work with suppliers to ensure payment claims are submitted in accordance with our requirements.
  - The Association will endeavor to ensure that all properly submitted invoices or payment claims are paid within the agreed payment periods.

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## 8. Monitoring

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The following steps will be taken in ensure that the aims of the strategy are implemented and delivered through 2024/25 regulated procurement spend.

- All procurement exercises will follow the processes, procedures and approval levels as set out within NGHA's Procurement Policy.
- Progress and updates on regulated procurement exercises will be reported back to the appropriate Committee on a project by project agreed basis.
- Any issues that arise during regulated procurement processes will be reported to either the Senior Management Team or the relevant Committee for appropriate action to be agreed and implemented, ensuring that all processes are compliant with the required procurement legislation
- A contract register of all regulated procurements and live contracts will be published on NGHA's website and/or [www.publiccontractscotland.gov.uk](http://www.publiccontractscotland.gov.uk) to ensure transparency and openness.

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- Where annual procurement spend exceeds £5m an Annual Procurement Report will be produced which details all regulated procurements, the result of these procurements and whether they were procured in compliance with this Procurement Strategy.
- Key Performance Indicators (KPI) will be used to monitor the success and performance of the strategy on an ongoing basis. The proposed KPI are set out in Appendix 1, further KPI may be added as required.

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### **9. Related Policies and Procedures**

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All procurement related to goods, services and works are governed by NGHA;s Procurement Policy and the documented procedures detailed within it.

The policy is reviewed every five years or earlier to take account of legislative or other relevant changes to the procurement landscape which need to be considered.

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### **10. Strategy Ownership and Contact Details**

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Ownership of this strategy resides with the Association's Management Committee.

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**Appendix 1 - Key Performance Indicators**

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<b>Objective</b>	<b>Measure</b>	<b>Target</b>
<b>Developing and upskilling procurement expertise</b>	Compliance with procurement legislation	No successful legal challenges
<b>Developing Sustainable Supply Chains</b>	Delivery of VFM through tendering - tendered contracts represent reduced costs and/or increased level of service	75%
	Relevant staff members undertaking training courses	75%
	Regulated procurements include a scored question in relation to reducing contracts carbon footprint	100%
<b>Supporting the Local Community</b>	Procurements with bids from local (Scotland) SME's	90%
	Regulated procurements include a scored community benefit question	100%
	Percentage of spend with local suppliers	75%

**Appendix 2 - Planned Procurement Activity 2024 - 2025**

Planned Procurement 2024-2025				
Contract Name	Contract Type	Anticipated Value of procurement £M	Estimated/Actual Date of Procurement Commencing	Estimated/Actual date of award
Coliseum Contractor	Works	£17.000	September 2021	September 2024
Caledonia Rd Demolition Contractor	Works	£6.300	March 2023	July 2024
Caledonia Rd Newbuild Contractor	Works	£30.00	September 2024	November 2024
Coliseum Clerk of Works	Services	£0.150	September 2023	July 2024
M&E Contract	Works	£0.500	August 2024	November 2024
535 Eglinton Roof replacement & Remedials	Works	£0.536	November 2024	February 2025
External Supplier Framework	Works	£1.2	June 2024	November 2024
Riverside Balcony Remedials	Works	£2.0	August 2024	October 2024
Riverside Ukrainian Resettlement project – phase 3 (if awarded)	Works	£0.556	June 2024	August 2024
Acquisition properties – remedial work	Works	£0.450	May 2024	July 2024
Component replacement Kitchens	Supplies/ Works	£1m	November 2024	January 2024