



## Procurement Strategy

### Introduction

Ayrshire Housing is a public contracting body in terms of the Procurement Reform (Scotland) Act, 2014.

The Act requires a Procurement Strategy to be prepared where regulated procurement contracts of £5m and more are expected to incur expenditure over a financial year. Regulated procurements are of £50,000 or more for goods and services and £2m or more for works.

Scottish Government guidance encourages contracting authorities to have a procurement strategy even where relevant expenditure is likely to be less than £5m. Since some procurement areas will always be at or above regulated levels, Ayrshire Housing will always endeavour to maintain a compliant strategy irrespective of the volume of regulated activity. This strategy is updated each year with a current procurement report (annexed) showing how the objectives of the strategy are being met.

The purpose of the strategy is to demonstrate that the association's procurements will deliver value for money and comply with the statutory Sustainable Procurement Duty.

The main obligations of the duty are to procure in such a way as to:

- Improve the economic, social and environmental wellbeing of the area.
- Facilitate the involvement of small and medium sized enterprises, third sector bodies and "supported businesses".
- Promote innovation.

For smaller non-regulated procurements, general principles of openness, fairness, transparency, non-discrimination, and proportionality still apply but are not governed by specific Government guidance.

### Our approach

The association's mission statement is:

*"We aim to enhance the wellbeing of our tenants and the wider communities of Ayrshire through high quality housing and related services".*

Our longstanding approach to procurement already accords with the principles of the Procurement Reform (Scotland) Act, 2014. Namely, we are focused on:

- Ensuring that our tenants receive value for money for the rent that they pay.
- Maximising the positive economic and social impact of our expenditure especially within Ayrshire.
- Developing relationships with companies and other organisations that share our values.

## **Key objectives and principles**

Regulated procurements can only be made on the *most economically advantageous tender (MEAT)* terms. Individual awards will not be made on price alone. Assessments will have due regard to both cost effectiveness and quality to obtain the best outcome for the association. In choosing potential contractors and suppliers, we will have regard to the following general criteria.

We also seek to apply this approach to non-regulated procurements in a proportionate manner.

### Fair payment

We will always ensure that our trading terms are fair and ensure payment within 30 days. We would expect all our contractors and suppliers to demonstrate that they have processes in place to ensure equally fair payment to their own suppliers and contractors. We would expect reasonable measures are taken to further ensure good practice at each level of the supply chain.

### Community benefits

The statutory provisions on community benefits apply only to contracts of over £4 millions.

The Act defines community benefits as:

*“Contractual requirements relating to training and recruitment or the availability of sub-contracting opportunities, or which are otherwise intended to improve the economic, social and environmental wellbeing of the public body’s area, in a way which is additional to the main purpose of the contract in question”.*

Notwithstanding this, Ayrshire Housing will include community benefit requirements in the following types of contract irrespective of value:

- New build and major refurbishment projects.
- Contracts for the renewal of building components (e.g., doors and windows, bathroom and kitchen renewals, and central heating).
- Multi-year service contracts for reactive repairs, gas services and landscape maintenance.

Such requirements will provide for enhancements including job training, school and community engagement, and innovation and evaluation.

In addition, all consultants, contractors, and suppliers will be expected to provide evidence of their general commitment to training and community engagement before their selection to individual frameworks (approved lists) for their specialisms.

Ayrshire Housing is also committed to obtaining wider community benefits through the promotion of fair work practices (see below) and general social responsibility. With regard to the latter, we will always seek to work with companies that demonstrate a commitment to tax fairness through for example the Fair Tax Mark scheme and ethical supply chains (e.g., through the Fair Trade Foundation’s scheme).

### Fair work practices

For Ayrshire Housing, quality of work and service is central to providing what our tenants expect for their rent. This applies both to the quality of building works and to personal

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Current to April 2026

engagement. For this reason, we expect to deal with companies that can show a good quality working environment for their staff. We consider that this principle applies to guaranteeing good quality goods and after care as much as for more service orientated activities. Our selection practices will therefore focus on such evidence as:

- The proportion of direct as opposed to contracted staff.
- Good pay and conditions which may be evidenced through pay arrangements at least meeting the norms of the Living Wage Foundation and the absence of “zero hours” and other forms of vicarious employment.
- Effective staff engagement which can be best evidenced through a positive attitude to trade union membership and organisation.
- A commitment to traineeships and staff development.
- High standards of health and safety.
- A proactive approach to equality issues.
- Pro-active compliance with, as appropriate, the Modern Slavery Act 2015 and the Human Trafficking (Scotland) Act 2015
- No breaches of the blacklisting regulations for at least three years (“self-cleansing” is not considered achievable in less).

Consultants, contractors, and suppliers seeking to join works and supply frameworks will be expected to score highly regarding the above criteria. This applies irrespective of the likely value (call-offs) of individual orders or work.

The same general principles will also inform the choice of companies for smaller, intermittent or one-off commissions and purchases.

#### Environmental standards

All works and major service contracts will reflect a commitment to the use of sustainable materials, and energy and waste management. The promotion of a healthy living environment for our tenants underpins our approach to the procurement of design services.

#### Health and Safety

All consultants and contractors will be required to demonstrate the highest commitment to health and safety before being considered for work. We will maintain our own health and safety advisors to ensure compliance.

#### Supporting small and medium sized enterprises

We will always seek to keep our financial requirements proportionate to the proposed supply or work. In making selections, we will give added weight to interviews and references with a view to rewarding commitment and innovation.

Our major service contracts are all capable of being delivered by small or medium sized contractors. At the present time, we do not see merit in operational or good practice terms in splitting these into lots. The development of more formal framework arrangements for the delivery of additional work on a jobbing basis will extend the opportunities for smaller companies to work with us on a more consistent basis.

For small scale procurements, we may consider more focussed advertising as an alternative or complement to the Public Contracts Scotland website.

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Current to April 2026

As a major Ayrshire charity, we are committed to building partnerships with other charities, social enterprises and supported businesses to obtain social benefits for our communities.

### Engaging with tenants

Through surveys, focus groups and the annual Charter report, we will ensure that our services meet expectations. We will identify areas of customer care and innovation which should be reflected in new contracts.

### Innovation

We will introduce innovation through for example:

- Engaging with potential local contractors and suppliers through economic development agencies and trade bodies.
- Focusing on innovative practice in the appointment of consultants in all fields.
- Setting quality targets beyond statutory requirements and building in evaluation to selected contracts.

### **Policy and procedure framework**

The delivery of this policy is underpinned by the following key documents:

- Business Plan.
- Equalities and Human Rights Policy.
- Annual budget.
- Asset Management Plan.
- Financial Regulations.
- Financial Procedures.
- Development Policies and Design Guide.

### **Implementation and review**

The objectives of this policy will be delivered through an action plan contained in the Annual Procurement Report (see annex).

The action plan will cover the following:

- Policy and practice work to develop our approach to procurement.
- List expected works and service contracts over a two-year period (at or beneath regulated levels).
- List expected framework agreements likely to be created over a two-year period (at or beneath regulated levels).
- List any one-off regulated procurements identified from the Business Plan and annual budget review.

The format of these reports will be:

- A report on the outcomes of the previous action plan including all regulated procurements.
- A note of any adjustments to made to the policy to improve the quality of compliance.
- A summary of community benefit requirements included in contracts and any steps taken to involve supported businesses.
- An action plan including expected significant procurements in the next two financial years.

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Current to April 2026

**Responsibility for compliance and delivery**

Responsibility for the delivery of this policy lies with the Director.

**Review**

The policy is current to April 2026. The annex containing the Procurement Report will be updated each year following its submission to the Board.

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Current to April 2026

## ANNEX

### Procurement Report – April 2023

#### Introduction

This report should be read in conjunction with the association’s Procurement Strategy. The report provides a summary of regulated procurement activity and associated practice development since the previous report which was published in April 2022. It also contains an action plan for the period 1 April 2023 to 31 March 2024. It replaces the previous Procurement Report (and action plan).

#### Reactive Repairs and Planned Maintenance

The following table lists the current regulated procurements at 1st April 2023:

Provision	Contractor	End date (including options)	Estimated Yearly Spend
Reactive repairs/small works (primary contractor)	James Frew (Gas Sure)	April 2026	£800,000
Reactive repairs/small works (secondary contractor)	ACATCH Environmental & Property Services Ltd	October 2026	£300,000
Gas Servicing	James Frew Ltd	August 2024	£180,000
Landscaping	Id Verde	April 2024	£210,000
Legionella Assessments	Integrated Water Services	January 2024	£60,000
Asbestos Sampling	Environtec	May 2026	£30,000
Fire Control Equipment	Kilpatrick Blane Services	March 2024	£15,382
Close Cleaning	ACATCH Environmental & Property Services Ltd	January 2024	£43,000
EPC Certificates	Allied Surveyors Scotland PLC	January 2024	£3,000
Electrical Works and Testing	Millars	January 2024	£50,000
Lift Maintenance	Consult Lift Services Ltd	December 2023	£8,617
Sunspaces – Ballantrae	CCG	March 2024	£90,000
Windows and Doors	CCG	January 2025	£100,000

Procurement exercises are planned over the year for gas servicing and repairs, provision of Energy Performance Certificates, passenger lift servicing, maintenance of smoke control systems, close cleaning and associated works, and Legionella risk assessments.

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Current to April 2026

Over the year the following specific call-offs are expected:

Kitchens - £167,000  
Bathrooms - £100,000  
Boiler replacement - £150,000  
Re-Roofing - £250,000

**General goods and services**

There were no regulated procurements in these areas during 2022-23. At the present time, it is not envisaged that any regulated procurement exercises will require to be initiated in the period to 31 March 2024.

As noted below in the Action Plan, any significant procurements will be identified as part of the 2024-25 budget preparation.

**Built environment professional services**

As of 1<sup>st</sup> April, procurement exercises to create frameworks were underway for building design services. The results of these are as follows:

**Architects and Principal Designers (12):**

Denham Youd Architects  
Austin-Smith:Lord Architects  
ARPL Architects  
Coltart Earley Architecture  
Collective Architecture  
John Gilbert Architects  
DO Architecture  
Page\Park Architects  
Robert Potter and Partners Ltd  
LMA Architects  
Hypostyle Architects  
Thomson Hunter Associates Ltd

Date of confirmation: 23 May 2023  
Current To: 23 May 2027

**Civil and Structural Engineers (5):**

McColm Civil & Structural  
Bayne Stevenson Associates Ltd  
Clancy Consulting Ltd  
G3 Consulting Engineers  
Narro Associates

Date of confirmation: 1 June 2023  
Current to 31 May 2027

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Reviewed: (to replace the annex) 27 April 2022 and 28 June 2023  
Current to April 2026

## **Quantity Surveyors and Employer's Agents: (5)**

TCS Construction Consultants  
Reid Associates  
Langmuir & Hay  
Armour Construction Consultants  
NBM Construction Cost Consultants

Date of confirmation: 31 May 2023  
Current to 30 May 2027

## **Major Works**

During 2019-20, a framework for major works was created following a competitive process.

The following contractors were appointed:

3B Construction Ltd  
Ashleigh (Scotland) Ltd  
CCG (Scotland) Ltd  
Cruden Building and Renewals Ltd \*  
JR Construction (Scotland) Ltd \*  
McTaggart Construction Ltd  
Stewart and Shields Ltd

\*call-off award since framework was established.

The framework will have effect to January 2024.

No awards (call-offs) were made between 1 April 2022 and 31 March 2023. Since the last award in 2021-2022, two projects have been subject to tendering but are yet to proceed to an award.

## **Community benefits**

No major works contracts commenced between 1 April 2022 and 31 March 2023. Cruden and the JR Group completed all the community benefits listed in the April 2022 Procurement Report.

Our relationship with James Frew (Gas Sure) supported their 2022 Modern Apprenticeship intake – as part of the James Frew Academy, 14 apprentices completed their training at the end of July 2022 and 15 apprentices started in August 2022.

## **Fair work practices**

All regulated procurement tenders are assessed on their fair working practices. Three suppliers are currently Living Wage Foundation accredited – Do-Architecture, John Gilbert Architects, and Page\Park.

A Fair Work First statement has been published to demonstrate that we comply with Scottish Government grant award requirements on Fair Work.

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Reviewed: (to replace the annex) 27 April 2022 and 28 June 2023  
Current to April 2026



Ayrshire Housing is a party to the sectoral collective bargaining agreement between Employers in Voluntary Housing and Unite the Union. This ensures that the association's own employment standards exceed the Scottish Government's requirements on Fair Work.

### **Action Plan**

The following work is planned in 2023-24 to ensure the application of the association's Procurement Strategy.

This follows the headings of the previous years' action plans.

#### Practice development

- We continue to use the procurement journey to ensure that each regulated procurement reflects best practice.
- We will apply further the learning points from the previous audit of our processes by Scottish Excel.
- We will identify a source for a procurement improvement programme during the year.
- We will apply the Scotland's Housing Network project evaluation tool to new build projects.
- We will engage with potential suppliers regarding desired community benefits to encourage their delivery in regulated contracts and call-offs from individual frameworks.
- We will seek to widen the pool of potential smaller contractors and suppliers in accordance with the objectives of the Procurement Strategy.
- We will maintain the contracts' register on the Public Contracts Scotland (PCS) website. There is a [link](#) from the association's website to ensure easy access for the general public. A full list of all current and recent suppliers of whatever scale is included within the Entitlements, Payments and Benefits Policy available on our website which lists all suppliers. In addition, a return is made to the Scottish Government on procurement activity.
- Fraud prevention measures will be monitored by the Audit Committee.
- We will review the need to update the Procurement Policy.

#### Reactive Repairs and planned maintenance

Procurement exercises are to be commenced over the year for gas servicing and repairs, provision of Energy Performance Certificates, passenger lift servicing, maintenance of smoke control systems, close cleaning and associated works, and Legionella risk assessments.

#### Major works

- Subject to funding and approvals, we may make around 3 call-offs each from the design and contractor frameworks during the year. These are likely to have a value of £15 million. There will potentially be a similar level of activity in each of following three years.
- We will put in place a new major works contractors' framework by January 2024.

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Current to April 2026

### One-off and general procurements

- We will identify any new regulated procurement activity for general goods and services as part of the 2024-2025 budget preparation.
- We will continue to review whether any longstanding service arrangements should be subject to retendering based on an assessment of the value for money of the current suppliers.

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Current to April 2026