



Procurement Strategy

2016-19

MainStreet Consulting Ltd

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Contents

Contents	2
1 Vision for procurement.....	3
2 Introduction.....	4
2.1 What is procurement?	4
2.2 Why is procurement important to us?	4
2.3 What is the procurement strategy for?	4
2.4 Our current procurement activities	4
2.5 Purpose of this strategy	5
2.6 Outcomes of the procurement strategy	5
2.7 Structure of the Strategy	6
3 Procurement Strategy by theme	7
3.1 Strategy and Policy	7
3.2 Processes and systems.....	10
3.3 People and organisation.....	11
3.4 Sustainable Procurement	13
4 Action Plan	16
5 APPENDIX A – COMPLIANCE FRAMEWORK.....	18
6 APPENDIX B – CONTRACT STRATEGY	20

Almond Housing Association intends to work towards being recognised as a leading RSL for procurement activity, taking a creative and collaborative approach to support the local economy of West Lothian.

2 Introduction

2.1 What is procurement?

Procurement is:

“Procurement” is the process of buying goods, services and works from external suppliers. The procurement process begins when a need to buy something is identified and will generally end after the contract is awarded. Contracts must be awarded through genuine and effective competition unless there are exceptional reasons to the contrary”.¹

2.2 Why is procurement important to us?

Procurement across the public sector in Scotland is valued at over £9 billion annually. As an activity, procurement plays a key role in contributing to value for money initiatives such as Efficient Government, Best Value Audits, Shared Services, Modernising Government and Public Sector Reform.

In its 2012 Public Contract Regulations, the Scottish Government was clear that housing associations and co-operatives are relevant ‘Contracting Authorities’, and therefore organisations that should be listed as public bodies for the purposes of procurement. This brings with it specific compliance and reporting responsibilities, some of which has been mandated by recent changes in legislation.

2.3 What is the procurement strategy for?

This document is about determining the ‘why, what, how, who and when’ components of how Almond Housing Association (AHA) identifies the need for, and purchase of, goods and services that it needs to function as a RSL.

2.4 Our current procurement activities

The Association already manages a considerable amount of procurement: we spend approximately £9.2m annually on goods and services from over 234 suppliers on an annual basis.

We carry out our existing procurement activities satisfactorily. An independent review by MainStreet Consulting in 2016 stated that:

‘Almond Housing Association has undertaken its procurement effectively at a section-by-section level; however, there are areas in which procurement need to be changed to meet the requirements of new legislation and bring it closer to best practice.’

AHA recognises that it needs to focus on some key areas of procurement, several of which have recently been formally communicated from the Scottish Government:

- Since we spend more than £5m annually, we are now required to publish and review annually a Procurement Strategy for AHA

¹ <http://www.gov.scot/Topics/Government/Finance/spfm/procure>

- We need a defined process to ensure timely and accurate procurement information is captured for management information, and in case statistical returns are required by the Scottish Government
- We need to place a stronger emphasis on community benefits and sustainability from AHA's procurement
- Remove barriers to SMEs participating in our procurement processes
- We should be maximising procurement efficiency and collaboration.

A more detailed table setting out our compliance to the new legislation is at **Appendix A**.

2.5 Purpose of this strategy

The purpose of the strategy and the associated action plan is to:

- Ensure compliance with relevant policies and procedures, including aligning with new guidance from the Scottish Government (not least the requirement to prepare and review a procurement strategy annually)
- Enable procurement to contribute to the Association's overall vision and to provide efficiencies to help AHA deliver its key priorities and provide services for its tenants and the wider community
- Provide a framework for AHA to develop a plan to achieve continuous improvement in the Association's procurement activity
- Facilitate further collaboration with other RSLs, public sector bodies and suppliers.

2.6 Outcomes of the procurement strategy

The Association is clear that the strategy is not solely developed and reviewed for compliance reasons. Instead, we want to use the strategy as one of the mechanisms for service improvement at AHA. The strategy will therefore be used to deliver:

- Improved contracts resulting in improved services, outcomes and facilities for Almond's tenants and wider community of West Lothian
- Achievement of procurement efficiencies, allowing further investment in services and housing
- Assurance and evidence that contract strategies provide opportunities for SMEs and local providers to bid and benefit from contracts
- Improved standardisation of process and documentation to drive consistency and compliance
- Recognised as a leading RSL in procurement practices; AHA will consider putting itself forward for a relevant procurement excellence award by 2019

- Recognised as being at the forefront of collaborative working between local RSLs and other public and voluntary bodies.

2.7 Structure of the Strategy

The Procurement Strategy has been developed by theme. The four main themes are:

1. Strategy and policy
2. Processes and systems
3. People, organisation and governance
4. Sustainable procurement

All of the themes are interdependent to ensure the Strategy is delivered in full and to maximum effect.

From these themes, an accompanying action plan has been developed.

The action plan will require full commitment from the Association's senior management team and staff to ensure successful delivery.

3 Procurement Strategy by theme

This section sets out the main themes of the procurement strategy:

3.1 Strategy and Policy

3.1.1 Key Elements

- Procurement policy
- Rules and regulations
- Contract strategies
- Continuous improvement
- Collaborative procurement
- Savings and efficiencies.

3.1.2 Overview

This element of the Procurement Strategy is critical to ensure AHA staff and Board members understand the context and direction for the Association's procurement policies as well as ensuring alignment and integration to service plans and priorities.

We are clear that our work on procurement is directly linked to our strategic priorities, and especially:

- *Achieving Value for Money in everything we do*
- *Creating sustainable change in our communities*
- *Partnership working.*

3.1.3 Procurement policy

From FY 2016/17, Corporate Services will be the Association's centre of procurement expertise and as such will have responsibility for the development of clear policies and guidelines. These policies will adhere to all relevant procurement regulations and legislation. The Association has developed a Procurement Toolkit: all staff involved in procurement activities must be aware of that toolkit and follow it, and associated Procurement Scotland resources, to ensure that the organisation adheres to the necessary guidance.

3.1.4 Rules and regulations

Procurement is heavily influenced by legislation. Any changes from the EU, UK or Scottish Governments will be communicated across the Association as soon as it is practical to do so.

Of particular relevance for this initial Procurement Strategy for AHA are the implications of the Procurement Reform (Scotland) Act 2014² and The Procurement (Scotland) Regulations 2016³. This requires the Association to publish and review regularly its Procurement Strategy, which should:

² <http://www.legislation.gov.uk/asp/2014/12/section/2>

³ <http://www.legislation.gov.uk/ssi/2016/145/contents/made>

- Set out how regulated procurements will be carried out at AHA
- Set out how AHA will balance sustainability with quality and price
- Describe how procurement activity will contribute to the carrying out of its functions and achievement of its purpose, including delivery of value for money
- Comply with the Association's own and EU threshold duties
- Include statements on our general policies for:
 - Use of Community Benefits
 - Consultation with those affected by procurements (e.g. our tenants)
 - Payment of the living wage to persons involved in the production, provision or construction of the subject matter of regulated procurements
 - Promotion of Health & Safety compliance by contractors and sub contractors
 - Promotion of fairly and ethically traded goods and services
 - How AHA ensures that as far as reasonably practicable, payments due to contractors and sub contractors are paid within 30 days.

The Association should also now be preparing an annual procurement report for publication after the end of the financial year (that is, post 31st March every year, starting in 2017). This will include summaries of:

- Completed regulated procurements in that year
- Community benefit requirements and how these have been fulfilled
- Steps taken to facilitate involvement of supported businesses
- Regulated procurements likely to be undertaken in the next two financial years.

The Scottish Government issues Scottish Public Procurement Policy Notes (SPPNs) and these will be implemented and communicated across the Association in a timely manner.

3.1.5 Contract strategies

To ensure we procure commodities in the most efficient manner possible a contract strategy must be developed for all purchases over £20k (supplies and services) and £50k (works). The strategy must consider issues such as current spend, future spend, market research, supplier profile, sustainability, opportunities for collaboration, potential savings, insurance and legal requirements. All contract strategies should be signed off by the relevant Section Head (and the Board of Management where relevant) before the tender exercise begins.

The Association's 'Contract Strategy' document is attached as **Appendix B**.

3.1.6 Continuous Improvement

To ensure continuous improvement in our procurement practices the Association will look at adopting a light-touch version of the Procurement Capability Assessment (PCA) or similar. The PCA is not mandatory for Housing Associations but its focus of improving capability across the wider public sector through collaboration, better use of technology, adoption of standard procurement practices and considering sustainability issues will aid our efforts to improve.

The four levels of performance within the PCA are:

0 - 24%	non conformance
25 - 49%	conformance
50 - 74%	improved performance
75%+	superior performance

AHA should be aiming for an improved performance (50-74%) equivalent score by April 2019.

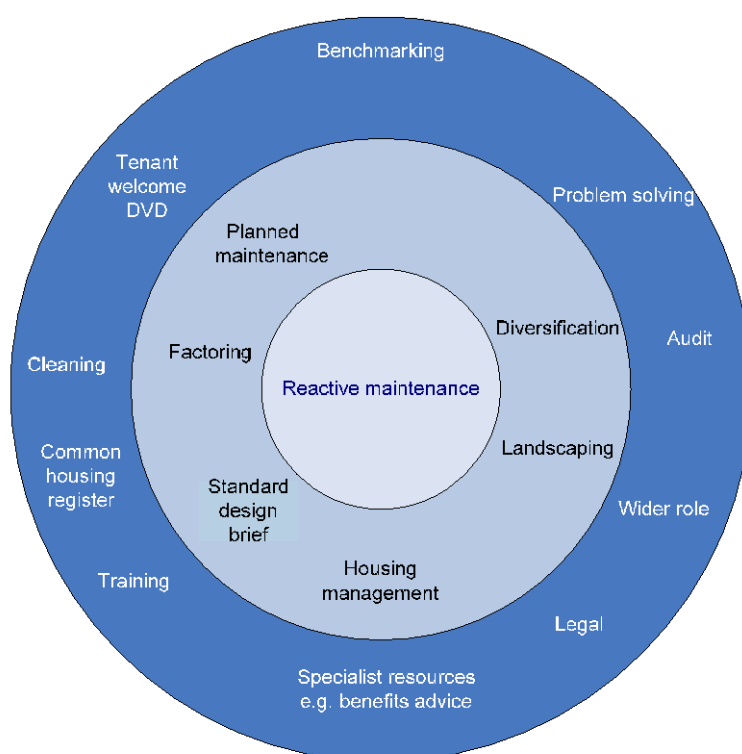
From 2017, we will also include a procurement improvement plan in the updated Procurement Strategy.

3.1.7 Collaborative Procurement

Collaborative procurement is an important aspect of AHA's future procurement strategy. The Association will investigate how best to procure goods and services via national contracts such as Procurement Scotland⁴, Scotland Excel⁵ and Procurement for Housing⁶ where they offer value for money.

Other collaborative procurements will also be considered with other RSLs, local authorities and public bodies where best value can be achieved.

The principal area for collaboration should be with other RSLs. The different areas in which AHA could collaborate are shown in the following diagram with the core in the light shading and the periphery in the dark shading.



While we have undertaken some collaborative procurement in some of the peripheral areas, AHA

⁴ See <http://www.gov.scot/Topics/Government/Procurement>

⁵ See <http://www.scotland-excel.org.uk/>

⁶ See <http://www.pfhscotland.co.uk/>

should investigate the potential for undertaking joint procurement in some of the core areas.

Opportunities with our neighbouring RSLs such as WESLO and Horizon/Link Housing Associations should be investigated first, along with potential collaborative opportunities with West Lothian Council.

3.1.8 Savings and efficiencies

It is important that procurement savings and efficiencies are captured in the budget process to enable savings to be used to support service delivery and make best use of tenants' rent payments.

From FY 2017/18, a modest annual target for procurement savings will be set for AHA, as agreed by the Senior Management Team (SMT). Progress against this will be reported to the SMT and Board quarterly.

3.1.9 Actions

- Develop the Association's Procurement Toolkit
- Obtain Board of Management approval of the Corporate Procurement Strategy
- Adjust new procurement roles and responsibilities
- Ensure all relevant information, including changes to procurement legislation, is communicated effectively across the organisation
- Communicate all Scottish Procurement Policy Notices (SPPNs) to relevant staff and action these policy notes accordingly
- Review and, where appropriate, simplify tender documentation to encourage SMEs and local companies to bid for work
- Develop individual contract strategies for all purchases over £20k (goods and services) and over £50k (works) ensuring the needs of AHA are met in the most efficient manner
- Ensure collaborative procurement is considered for all procurement activity
- Ensure procurement related savings are recorded and reported quarterly.

3.2 **Processes and systems**

3.2.1 Key Elements

- Supporting technology
- Processes and procedures
- Use of frameworks.

3.2.2 Overview

This element of the strategy is critical to deliver process and time efficiencies in the procurement tendering and the Purchase to Pay (P2P) processes. This is of benefit not only to the Association but also to our suppliers.

3.2.3 Supporting technology

In line with many RSLs of our size and status, AHA uses a range of tools and procedures – from the core Finance System, e-Tendering portals like Public Contracts Scotland (PCS) where appropriate,

and management information arranged via office tools (predominately MS Excel spreadsheets). We recognise that our reporting arrangements could be significantly enhanced.

The introduction to Almond of a new fully integrated Aareon system in FY 2016/17 will have a direct influence on our procurement and, in particular, through:

- Quicker ordering
- Real time pricing
- Reduced errors in orders placed
- Avoidance of procurement activity without a corresponding purchase order
- Better management information
- Warning functionality when delegated authority thresholds are exceeded
- A more accurate purchasing audit trail.

We process a large number of invoices per year, mainly to our suppliers. This is a manual, time consuming process and the objective is to reduce the manual intervention and increase the use of electronic methods for processing payments.

Likewise, AHA has an obligation to pay suppliers within 30 days of receipt of a valid invoice as legislated by the Late Payment Commercial Debt Act. Manual processes can slow down the payment and make it more difficult to achieve this objective.

3.2.4 Public Contracts Scotland e tender

AHA uses the Public Contracts Scotland e-tender facility for issuing tenders. All tenders over £10k in value will, from September 2016, be issued electronically to reduce paperwork and improve efficiency.

3.2.5 Actions

- To align the new Aareon system's procurement related functionality to AHA's new procurement strategy
- To ascertain what management information will be required relating to internal procurement returns and, if any, for Scottish Government
- To develop suite of light-touch reporting tools and templates to accommodate procurement returns
- To use PCS e-tender solutions for all Association tenders over £10k by 1 September 2016.

3.3 People and organisation

3.3.1 Key Elements

- Accountability & responsibility
- Resources and qualifications
- Training.

3.3.2 Overview

The Association has to ensure we use our resources to maximum effect, and part of this means clarifying exactly who is responsible and accountable for procurement at AHA.

3.3.3 Accountability and responsibility

Procurement activity takes place across the Association, with all Sections involved in purchasing goods and some involved in buying (and managing) services. There is no central procurement function or centre of excellence at AHA: staff involved in buying and/or managing services were aware of the policy, approvals and thresholds and reported accordingly. Limited amounts of corporate or section management information were captured.

The 2016 review of procurement suggested that arrangements be formalised slightly – not least given the requirements of the Procurement Reform (Scotland) Act 2014 and The Procurement (Scotland) Regulations 2016. As a minimum, the Association will need to have processes in place to capture and analyse its procurement provision across the year, and to be ready to report on its activities and plans following the end of the financial year.

In the absence of guidance or recognised good practice in the RSL sector in Scotland, it was agreed that corporate accountability would reside in Corporate Services. Consequently, the Head of Corporate Services will co-ordinate collation of procurement activity and its reporting to the Board of Management, tenants and the Scottish Government. Corporate Services will also monitor expenditure.

AHA is still a relatively small organisation. We are not developing a corporate procurement unit and instead will rely on the efforts of all staff to accommodate procurement, and elements of contract management, where their roles require it. In line with a new AHA procurement toolkit, relevant staff will be asked to assist with the development of meaningful, accurate and timely management information to assist decision-making and reporting for the Association. This will be concurrent with efforts to improve the automation of procurement.

3.3.4 Resources and qualifications

To ensure there are adequate resources to support the Association's procurement requirements an annual tender plan will be developed. This simple gantt chart will set out the routine procurement exercises that are known in advance and can be linked to available resources. This plan will give AHA the flexibility to deal with urgent unforeseen requirements. As with the accountability section above, Corporate Services will have responsibility for managing the tender and resource plan.

Where staff are actively or become considerably more involved in procurement, they will be encouraged to enhance their skills by exploring and achieving membership of the Chartered Institute of Purchasing and Supply (CIPS).

3.3.5 Training

It is important that staff have adequate up to date qualifications and knowledge. Therefore all staff involved in procurement must attend at least one training course per year on EU and/or Scottish Government procurement legislation. The Procurement Review undertaken by MainStreet Consulting produced a Procurement Toolkit, linked to Procurement Scotland resources, for use by staff from September 2016.

Training requirements will be identified by Corporate Services and training events co-ordinated on any new legislation or policies that are likely to have an impact on services. Procurement refresher training will be delivered annually. This will be targeted at all staff involved in the procurement process.

This training should also be delivered to Board members during the three-year period of this strategy.

3.3.6 Actions

- Agree governance processes for procurement activity, aligned with Scottish Government requirements
- Develop a resource plan linked to the tender plan
- Encourage achievement of a professional procurement qualification (MCIPS)
- All staff involved in procurement to attend annual training on procurement legislation
- Training events to be delivered for the implementation of new legislation or policies
- Annual refresher training to be delivered for all staff involved in the procurement process.

3.4 **Sustainable Procurement**

3.4.1 Key Elements

- Sustainable Procurement Policy
- Helping SMEs and Local Suppliers
- Working with the Voluntary Sector
- Community Benefits.

3.4.2 Overview

This section of the strategy looks at sustainable procurement. As well as environmental issues, it should also tackle social issues such as reducing unemployment, supporting a viable local business community and helping people with disabilities into employment.

3.4.3 Sustainable procurement policy

The Association will ensure that sustainable procurement is included in its revised procurement policy. The policy will include environmental issues, community benefits and procurement related actions to reduce inequality in West Lothian.

Sustainability must also be considered when developing tender evaluation criteria. This helps with reducing carbon miles and the Association's carbon footprint.

3.4.4 Helping SMEs and local businesses

From September 2016, we will place all tender adverts above £10k through the national tender advertising portal, www.publiccontractsscotland.gov.uk. This helps businesses, as they know where to find opportunities and receive emails when adverts are placed for their chosen area of speciality.

However, we will make a special effort to ensure opportunities are open to all and that SMEs and local businesses should not be disadvantaged in any way in the tender process. Consequently, we will work to actively support or sponsor a local Supplier Development Programme (SDP) – preferably in collaboration with peer RSLs such as Weslo, Horizon/Link and West Lothian Council through events and ‘Meet the Buyer’ type presentations.

It is recognised that successful local businesses will help reduce unemployment. Economic development is one of the Association’s key priorities and procurement can play an important part in developing this objective.

The Association will, over the course of FY 2017/18, develop an eight-point plan to help SMEs and local businesses. This plan is described below:

1. Support Supplier Development Programme (SDP) with Weslo, Horizon/Link and West Lothian Council, and others
2. Ensure all tenders are advertised on one marketplace, Public Contracts Scotland
3. Offer debriefs to unsuccessful suppliers to help with future bids
4. Offer to meet local businesses on a one to one basis to ensure there is on-going dialogue between the Association and local business
5. Review and monitor SME and local business success rate at passing Pre-Qualification Questionnaire (PQQ) process
6. Ensure consideration is given to SME issues when developing a tender strategy
7. Ensure a fair representation of local companies is invited for low value quotes and monitor the success rate of this policy.
8. Review tender documents to ensure they are consistent and user friendly.

3.4.5 Working with the Voluntary Sector

A key part of the approach to sustainable procurement is to work with the voluntary sector and we will work to formalise those in 2016/17 and:

- Improve the relationship and communication between the Association and the third sector
- Develop joint commissioning approaches where appropriate, involving relevant partners in the process
- Agree a small number of pilot projects from across AHA
- Share learning and evaluate progress.

3.4.6 Community Benefits

The Association has achieved some successes in community benefits realisation but does not yet use formal Community Benefit clauses in all contracts. We will explore that in FY 2017/18, where it is appropriate to do so.

We recognise that community benefits must be proportionate to the value of the contract being procured: but we will look at introducing set community benefits clauses for purchases over £20k (goods and services) and over £50k (works).

3.4.7 Actions

- Develop the Association's Sustainable Procurement Policy
- Consider sustainability when agreeing tender evaluation criteria
- Provide a regular forum for the voluntary sector to improve communication and innovation
- Identify future opportunities for voluntary sector collaboration and service design
- Develop a third sector joint commissioning approach including a range of potential models for service delivery
- Pilot a small number of projects to test the process and models
- Review and update the Association's Community Benefits Policy
- Consider community benefit clauses for all tenders over £100k (works) and for service contract which last for at least 2 years
- Implement our 'eight-point plan' to help SMEs and local businesses; communicate the plan across the Association.

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4 Action Plan

Action	Owner	Timescale	Progress
Strategy and Policy Actions			
• Develop the Association's Procurement Toolkit	HoCS	By Sep 16	
• Obtain Board of Management approval for the AHA Procurement Strategy	HoCS	By Sep 16	
• Ensure all relevant information, including changes to procurement legislation, is communicated effectively across the organisation	HoCS & Q&PO	By Jan 17	
• Develop and implement a system for communication of all Scottish Procurement Policy Notices (SPPNs) to relevant staff and action these policy notes accordingly	Q&PO	By Sep 16	
• Review and, where appropriate, simplify tender documentation to encourage SMEs and local companies to bid for work	All	By Jan 17	
• Develop individual contract strategies for all purchases over £20k (goods and services) and over £50k (works) ensuring the needs of MH services are met in the most efficient manner	All	By Sep 16	
• Ensure collaborative procurement is considered for all procurement activity	All	By Sep 16	
• Ensure savings are recorded and reported to Corporate Services quarterly	Q&PO	By Sep 16	
• Ensure savings captured are reported to SMT and the AHA board quarterly	SMT	By Jan 17	
Processes and Systems			
• Identify what management information will be required for Scottish Government procurement returns in FY 2017/18	Q&PO	By Dec 17	
• Develop suite of light-touch reporting tools and templates to accommodate procurement returns	Q&PO	By Jan 17	
• To use PCS e-tender solutions for all Association tenders over £10k by 1 September 2016.	All	By Sep 16	
• To identify how the Aareon system can help facilitate procurement changes in line with the new strategy.	SMT	By Jan 17	

People and Organisation		
• Agree governance processes for procurement, aligned with Scottish Government requirements	HoCS	By Mar 17
• Develop a resource plan linked to the forward tender plan (2016-19)	Q&PO	By Jan 17
• Encourage achievement of a professional procurement qualification (MCIPS)	HoCS	By Mar 17
• Ensure all staff involved in procurement attend annual training on procurement legislation	HoCS	By Mar 17
• Deliver training events on the implementation of new legislation or policies	HoCS	By Sep 16
• Deliver refresher training for all staff involved in the procurement process	HoCS	By Sep 17
Sustainable Procurement		
• Develop the Association's Sustainable Procurement Policy	HoCS	By Sep 16
• Consider sustainability when agreeing tender evaluation criteria	All	By Sep 16
• Provide a regular forum for the voluntary sector to improve communication and innovation	Q&PO	By Jan 17
• Identify future opportunities for voluntary sector collaboration and service design	SMT	By Jan 17
• Pilot a small number of projects to test the process and models	Q&PO	By Mar 17
• Review and update the Association's Community Benefits Policy	HoCS	By Jan 17
• Consider community benefit clauses for all tenders over £100k (works) and for service contract which last for at least 2 years	All	By Mar 17
• Implement 'eight-point plan' to help SMEs and local businesses; communicate the plan across the Association	HoCS	By Mar 17

5 APPENDIX A – COMPLIANCE FRAMEWORK

Legislative change	Current Practice	Impact on AHA
VfM definition now balances cost, quality and sustainability	VfM has mainly focused on cost and quality, although AHA has procured services from its own subsidiary, Almond Enterprises Ltd.	Emergence of sustainable procurement will be a key consideration for future procurement for AHA. Sustainable procurement has a wider definition than just environmental factors. The principle is that AHA must meet EU Treaty requirements whilst also demonstrating that it is procuring in a manner that improves the economic, social and environmental well being (this includes reduction in inequality) of the area in which it operates. It should be noted that sustainable procurement should be proportionate to each procurement.
Emphasis on sub EU threshold and requirement to follow EU procedures	EU thresholds are mandatory levels above which AHA would use EU procurement process. AHA does not have any frameworks in place at present.	No real change in practice although clearer guidelines need to be set out in new procurement strategy with any procurement that has a lifetime value of over £50k (exc VAT) for goods and services, and £2m (exc VAT) for construction contracts having to adhere to an EU procurement process. If AHA were to have frameworks in place, it would not have to go through an EU procurement process when calling off goods/services.
All contracting authorities with a spend in excess of £5m pa has to have a procurement strategy that sets out how it will carry out its procurement to achieve its purpose, deliver VfM, and comply with EU legislation. In addition, the strategy will give details of the authority's policy in	At present, AHA has a procurement policy but no strategy	AHA spends more than £5m pa and so must have a procurement strategy in place.

<p>areas such as: community benefits; consultation with those affected by the procurement (such as tenants); payment of the living wage; promotion by its supply chain of H&S, ethically traded goods/services, and community wellbeing; payments by the authority within 30 days.</p>		
<p>Contracting authorities must produce an annual procurement report at the end of each financial year that includes: completed procurements; adherence to the procurement strategy; community benefits achieved; involvement of supported businesses; and expected procurements in the next two years.</p>	<p>This is not undertaken at present</p>	<p>AHA will have to complete an annual procurement report that is published on its website. It is recommended that a structure for this report are completed on an ongoing basis to manage the organisation's procurement at regular intervals.</p>
<p>In regulated procurements in excess of £4m, AHA has to consider whether to impose a requirement for community benefits.</p>	<p>In recent procurement, AHA does not always consider community benefits, and where it does, not to this scale</p>	<p>AHA will have a duty to consider including community benefits in procurements over £4m. If it does include community benefits as a mandatory part of the procurement, then it must include the benefits that will be derived when publishing the contract award notice.</p>
<p>The legislation requires contracting authorities to maintain a contracts register that is to be published on the internet.</p>	<p>AHA may not have a current contracts register and does not publish details of contracts on its website</p>	<p>AHA will have to put in place a system to create and maintain a contracts register, and publish the register on the internet.</p>

Source: Legislation wording sourced at www.legislation.gov.uk/asp/2014/12/contents/enacted



ALMOND HOUSING ASSOCIATION CONTRACT STRATEGY

To be completed for all tendering opportunities over £20k (Supplies & Services) and £50K (Works)

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?

?

SECTION 1.1 - INTRODUCTION

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?

1.1 Contract Details

Contract Title	?
Lead Officer	?
Tender Document No.	?
Date Created	?

?

?

1.2 Background (Current Status)

This section should include details of the present position and highlight appropriate background information e.g. What volume is currently being bought, when and why. Current contract status (if applicable), highlighting where either current practice or contract could be improved (i.e. lessons learned from current contract, service area or suppliers).

Section	Total Expenditure (p.a.)	Suppliers	Comments
?	?	?	?
?	?	?	?

?

?

1.3 Service Strategy / Forward Plan

This section should include a summary of the service strategy/plan to ensure that the commodity strategy and the procurement approach is in line with their future plans. It is important that these are considered as part of the process.

?

?

1.4 Project Objective / Outcome

This section should include details of what the objective / outcome of this procurement is.

SECTION 2 – BUDGET & SAVINGS

2.1 BUDGET DETAILS (New Contract)			
Budget Amount		Budget Holder	
Finance Manager			
Cost Centre		Account Code	

SECTION 3 – PROJECT CONSIDERATIONS

3.1 SUPPLY MARKET ANALYSIS

The responsible officer should conduct a level of market analysis for any procurement in order to understand the market landscape and identify key players, although this will be proportionate according to the value and risk associated with the commodity.

Supply Market Analysis	
Details of research undertaken (sources/type of information analysed)	Results/outcomes of research
-	-
-	-
-	-
-	-
-	-
-	-

3.2 COLLABORATION	
Collaboration Opportunity	<input type="checkbox"/> Yes <input type="checkbox"/> No
Lead Authority	
Other organisation's involved	

3.3 SUSTAINABILITY / COMMUNITY BENEFITS

The Lead Officer should consider the social, economic and environmental elements of the proposed procurement that should be addressed through the Specification / Evaluation Criteria / Key Performance Indicators.

Is there any legislation that could affect the specification of this procurement? E.g. Health and Safety legislation, Environmental, Equal Opportunities etc.

☐ Yes ☐ No

If yes, please provide details:

Do Government Buying Standards specifications apply to this procurement? (This applies to products with an environmental/social impact)

☐ Yes ☐ No

If yes, please provide details:

Which Community Benefits route should be followed? (Community Benefits Officer to complete)

☐ Core ☐ Non-Core ☐ Voluntary

Please provide details of your selection:

Are there any diversity issues that need to be considered? E.g. accessibility needs. Religious needs, differing diets etc.

☐ Yes ☐ No

If yes, please provide details:

Is this procurement suitable as a reserved contract?

☐ Yes ☐ No

If yes, please provide details:

Link to further guidance on [Sustainable Procurement](#)

3.4 INSURANCE

Standard Insurance Indemnities below: Is there any need to amend these for this tender exercise? The Association should consider with advice from Insurance Section (if appropriate) what levels of insurances are required.

Public Liability £10M	
Employee Liability £10M	
Professional Liability £5M	

3.5 STAKEHOLDERS & EVALUATION PANEL

The Lead Officer should identify key stakeholders who will be affected by the proposed procurement and provide details of the customer/members of the evaluation panel.

Key stakeholders identified	Evaluation Panel (who will evaluate bids from tenderers)
-	-
-	-
-	-
-	-
-	-
-	-

SECTION 4 – BENEFITS & RISKS

4.1 POTENTIAL CONTRACT BENEFITS (NON-FINANCIAL) (if applicable)

Description	Comment
E.g. Reduction in admin/overheads	

4.2 CONTRACT PERFORMANCE MEASURE

Description	Type	Comment
E.g. Staged Payments / KPI's / Management Info		

4.3 RISKS			
Risk	Probability (L/M/H)	Impact (L/M/H)	Actions required to manage Risk
E.g. Financial stability of a supplier			

SECTION 5 – PROCUREMENT PROCESS

5.1 OPTION SUMMARY WITH BENEFITS

The Lead Officer should summarise the options available to progress the procurement. These may be based on the procurement route, the availability and use of collaborative arrangements and/or the cessation of service.

Note: The content of the template can be amended to suit the specific needs of the requirement.

		Option	Benefits / Risks
1	Route to Market	<input type="checkbox"/> Use Existing Framework / Contract <input type="checkbox"/> Develop New Contract	
2	Procurement Route	<input type="checkbox"/> Open <input type="checkbox"/> Restricted <input type="checkbox"/> Other – please specify:	
3	Lots	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide details:	
4	Suppliers	<input type="checkbox"/> Single Supplier <input type="checkbox"/> Multiple Lot If multiple, please provide details:	
5	Award Criteria (Price / Quality Ratio)	<input type="checkbox"/> Lowest Compliant Price <input type="checkbox"/> MEAT	Cost 60% Quality 40%
6	Contract Duration (incl. Extension Period)		
Link to further guidance on Options Appraisal			

5.2 PROJECT IMPLEMENTATION PLAN

?

The Lead Officer should provide details of the key activities to be taken forward including approximate start and end dates, desired outcomes/deliverables and the benefits of undertaking the activities.

?

Project Plan				
?	Activity Description	Owner	Start Date	End Date
1	?	?	?	?
2	?	?	?	?
3	?	?	?	?
4	?	?	?	?
Link to further guidance on Project Planning				

??

*Or insert timetable here:

?

?

SECTION 5.2.2 APPROVAL

?

This section of the strategy requires sign off from the relevant Director.

?

Lead AHA Officer Signature	?
Print	?
Date	?
Lead AHA Section Head Signature	?
Print	?
Date	?

?