

Procurement Strategy



Document Control

Responsible Person	Operations Director			
Review Frequency	5 Yearly			
Reviewed by	Board			
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Next Review Due	June 2024 (in line with Corporate Services handbook)			
Consultation Required	Yes		No	✓
Equalities Impact Assessment	Yes	✓	No	
Added to Company Website	Yes	✓	No	
Associated Documents Considered	Yes	✓	No	

1. Introduction

- 1.1. Waverley Housing recognises that it needs to adopt an approach towards purchasing works, goods or services from third parties that conforms to legal and good practice guidance and which delivers best value for the company and its tenants. This approach will also seek to be sustainable and deliver community benefits to the areas in which we operate.
- 1.2. This strategy will link with our Asset Management Strategy and Business Plan. Operational procedures such as the selection and appointment of contractors will be used to implement the various elements of the strategy.

2. Objectives

- Ensure effective procurement activities are undertaken to achieve value for money on a whole life cost basis. Use procurement methods that are proportionate and appropriate for our needs.
- Where possible, realise economic, social and environmental benefits for the communities that we provide services to which may include the division of a contract into smaller lots.
- Where appropriate, procurement decisions should take into account environmental considerations such as energy conservation, waste reduction and recycling and carbon reduction.
- Where possible, encourage a diverse range of suppliers including smaller businesses to tender for any procurement opportunities we have.
- Consider collaborating with other Registered Social Landlords to progress procurement opportunities where cost and/or quality benefits can be obtained.
- Where appropriate, seek to involve tenants in procurement decisions, e.g. in selecting provision of new kitchens.
- Ensure relevant staff are trained and experienced in managing and monitoring our procurement activities.
- Seek to achieve continuous improvement and innovation from our procurement activities and joint working with contractors.

3. Legal Requirements and Compliance

- 3.1. The strategy is intended to ensure our compliance with the Procurement Reform (Scotland) Act 2014 [“the 2014 Act”] and the following statutory guidance and regulations:
 - The Public Contracts (Scotland) Regulations 2015
 - The Procurement (Scotland) Regulations 2016
 - Guidance under the Procurement Reform (Scotland) Act (Scottish Government, May 2022)

The public procurement routes vary depending on the type and value of contract.

- When contracts are above a certain value (Scottish Regulated Contract Thresholds) more detailed rules apply. These contracts must be advertised on Find a Tender, although they are also advertised through Public Contracts

Scotland and the full formal procedures are followed.

- Contracts which are worth less than these amounts (Lower Value Regulated Contract Thresholds) are subject to fewer rules but must still be appropriately advertised.

Contracts which are worth less than these amounts (known as “non-regulated procurements”) do not need to comply with Scottish procurement legislation..

- 3.2. Any contract in excess of the thresholds is known as “regulated procurement” and must be advertised on Public Contracts Scotland. Waverley will follow formal procurement processes as outlined in the Regulations. Documentation relating to tenders and contracts will be treated on a confidential basis and maintained for at least 7 years for audit purposes.

The formal procurement process to be followed is dependent on the type and the value of the contract. See Appendix 1 for further details.

A Contracts Register will be maintained to record details of all contracts entered into through a procurement process. Any key performance indicators contained in these contracts will be monitored at least twice a year. All documentation relating to a procurement process resulting in the award of a contract will be retained in the Register.

- 3.3. The cost thresholds (current as at 1 January 2024). Where a contract is governed by the Procurement (Scotland) Regulations 2016 then the calculation of the estimated contract value should be exclusive of VAT. However, where a contract is governed by the Public Contracts (Scotland) Regulations 2015, then the calculation of the estimated contract value should include VAT, over which contracts have to be dealt with in terms of the Regulations are as follows:

Scottish Regulated Contract Thresholds:

These amounts are exclusive of VAT.

Type of Contract	Threshold
Works	£4,477,174
Goods & Services	£179,087

Lower Value Regulated Contract Thresholds:

Type of Contract	Threshold
Works	£2,000,000
Goods & Services	£50,000

In considering the value of a contract, the full period of the contract, plus any optional extensions, should be considered. For example, a contract for 3 years at a cost of £20,000 per year would be treated as a £60,000 contract. All contracts shall be in written form.

The thresholds detailed above will remain in force until at least 1/1/26 after which the Scottish Ministers will decide on what these thresholds should be.

- 3.4. The Act stipulates that contracting authorities who annually spend more than £5 million pounds on regulated procurement must produce a Procurement Strategy and annual report on its procurement activities. The company is unlikely to reach such a level of spend; therefore this part of the Regulations will not apply. However it is noted that future expenditure on our estate regeneration plans for Upper Langlee may reach this level of spend in which case an Annual Report will be prepared for the Board.
- 3.5. Registered social landlords are subject to the terms of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004. The Company will ensure that any firms bidding for work from the Company via procurement will be notified of the fact that information provided by the firm may need to be disclosed to a third party if a request for such information is received.

4. Delivering our Procurement Objectives

- 4.1. Where possible and appropriate, the contract will include provision for community benefits, e.g. a requirement for the successful contractor to offer apprenticeship opportunities and environmental benefits, e.g. a requirement to use environmentally sustainable products. Consideration of an appropriate split between quality and price to use for assessment of tenders will be undertaken prior to publication of the contract notice. Scottish Borders Council are promoting the greater use of community benefits particularly in high value contracts and have confirmed their willingness to provide support to the Company to include appropriate clauses in any contract to achieve these benefits.
- 4.2. When appropriate, the company will make use of relevant frameworks with organisations such as Procurement for Housing, Crown Commercial Services and Scottish Procurement Alliance, who can provide procurement services on behalf of members.
- 4.3. It is recognised that there may be occasions when, due to the specialist nature of the supplies, works or services required, it may not be possible to fully meet the requirements of the Procurement Strategy. In such cases the contract preparation and award must be authorised by the Executive Team. There may also be occasions where urgent repairs are required (e.g. boiler replacement), that it is not possible to meet the requirements of the Procurement Strategy. In these circumstances any expenditure must be authorised by a member of the Executive Team.

There may be operational circumstances arising which make it difficult to fully meet the terms of the Procurement Strategy for example where there is a requirement to obtain at least three tender submissions but only one or two submissions are received. The timescales for dealing with such a situation may not allow for this matter to be considered at a scheduled Board Meeting.

In circumstances where procurement decisions have to be made which do not fully meet the terms of the Procurement Strategy and it is not possible for these to be considered by the Board then decisions should be delegated to the Executive Team. The Executive Team will liaise with the Chair and Vice Chair before taking

such decisions. These decisions will be the subject of a report to the next appropriate Board Meeting.

5. Key Elements of Procurement

5.1. All options available for the purchase of works, goods and services will be considered and dependent on the level of expenditure an options appraisal exercise will be carried out by the relevant Manager. This exercise will contain the following stages:

- Identify the need for the works, goods or services.
- Develop the business case which identifies the options available and an assessment of each options affordability, risk factors and value for money.
- Select the most appropriate procurement approach.
- Consider the use of longer term contracts with options to extend based on satisfactory performance.
- The Management Team will keep under review any changes to procurement legislation or good practice.

6. Strategy Review

6.1. The strategy will be reviewed every 5 years or sooner if required to ensure that changes in legislation or good practice are reflected in the strategy. In order to ensure that the strategy is delivered a number of measures will be used, including the following:

- Appropriate budget holders have received training in procurement as it relates to Waverley
- The strategy will be subject to Internal Audit. The improvement actions identified from the most recent Internal Audit in 2019/20 have been carried out.
- Where required, appropriate procedures will be developed to support implementation of the strategy

7. Equal Opportunities

7.1. Waverley is committed to promoting equality and diversity in all areas of its work and will seek to ensure that contractors and suppliers that we work with have a similar commitment to equal opportunities.

Appendix 1 – Procurement Thresholds

Works

The below figures are exclusive of VAT.

Estimated Net Value	Anticipated Procurement Route
Up to £5,000	Purchase Order will be issued in accordance with the Procurement Procedure and Purchase Order Processing Procedure.
£5,001 to £19,999	Use of relevant frameworks or by obtaining a minimum of 3 written quotes or by obtaining 3 quotes from the Quick Quote facility on the Public Contracts Scotland (PCS) website in accordance with the Procurement Procedure and Purchase Order Processing Procedure, or via internal tendering process. Where relevant consideration will be given to quality as well as price with appropriate weightings being agreed prior to the contract being advertised.
£20,000 to £49,999	Use of relevant frameworks or by obtaining a minimum of 3 written quotes or by obtaining 3 quotes from the Quick Quote facility on the Public Contracts Scotland (PCS) website in accordance with the Procurement Procedure and Purchase Order Processing Procedure, or via internal tendering process. Where relevant consideration will be given to quality as well as price with appropriate weightings being agreed prior to the contract being advertised.
£50,000 to £1,999,999	An options appraisal exercise should be undertaken. The Board must approve request for expenditure on receipt of a written report. Use of relevant frameworks or by advertising through Public Contracts Scotland in accordance with the Procurement Procedure. Where relevant consideration will be given to quality and other factors as well as price with appropriate weightings being agreed prior to the contract being advertised.
£2,000,000 to £4,477,174	A formal options appraisal exercise should be undertaken. Lower Value Regulated procurement - contracts will be advertised through Public Contracts Scotland in accordance with the Procurement Procedure. Waverley will follow formal procurement processes as outlined in the Regulations. Where relevant consideration will be given to quality and other factors as well as price with appropriate weightings being agreed prior to the contract being advertised.
£4,477,174+	A formal options appraisal exercise should be undertaken. Scottish Regulated procurement - contracts in excess of the current Scottish Thresholds will be advertised and follow formal open tendering procedures through Find a Tender and Public Contracts Scotland , including the issue of PQQ's as appropriate. Waverley will follow formal procurement processes as outlined in the Regulations. Where relevant consideration will be given to quality and other factors as well as price with appropriate weightings being agreed prior to the contract being

	advertised.
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Goods & Services

The below figures are exclusive of VAT.

Estimated Net Value	Anticipated Procurement Route
Up to £5,000	Purchase Order will be issued in accordance with the Procurement Procedure and Purchase Order Processing Procedure.
£5,001 to £19,999	Use of relevant frameworks or by obtaining a minimum of 3 written quotes or by obtaining 3 quotes from the Quick Quote facility on the Public Contracts Scotland (PCS) website in accordance with the Procurement Procedure and Purchase Order Processing Procedure, or via internal tendering process. Where relevant consideration will be given to quality and other factors as well as price with appropriate weightings being agreed prior to the contract being advertised.
£20,000 to £49,999	An options appraisal exercise should be undertaken. Use of relevant frameworks or by obtaining a minimum of 3 written quotes or by obtaining 3 quotes from the Quick Quote facility on the Public Contracts Scotland (PCS) website in accordance with the Procurement Procedure and Purchase Order Processing Procedure, or via internal tendering process. Where relevant consideration will be given to quality and other factors as well as price with appropriate weightings being agreed prior to the contract being advertised.
£50,000 to £179,087	A formal options appraisal exercise should be undertaken. Board must approve request for expenditure on receipt of a written report. Regulated procurement - contracts will be advertised through Public Contracts Scotland in accordance with the Procurement Procedure. Waverley will follow formal procurement processes as outlined in the Regulations. Where relevant consideration will be given to quality and other factors as well as price with appropriate weightings being agreed prior to the contract being advertised.
£179,087+	A formal options appraisal exercise should be undertaken. Regulated procurement - contracts in excess of the current Scottish Thresholds will be advertised and follow formal open tendering procedures through Public Contracts Scotland and Fund a Tender , including the issue of PQQ's as appropriate. Waverley will follow formal procurement processes as outlined in the Regulations. Where relevant consideration will be given to quality and other factors as well as price with appropriate weightings being agreed prior to the contract being advertised.