



Procurement Strategy

Adopted: Dec 2016

Last Reviewed: September 2023

Next Review Due: September 2027

Purpose

This document describes Oak Tree Housing Association's (OTHA's) overarching strategy for the sourcing and procurement of all Goods and Services needed to keep the business running and developing. There are further detailed strategies for the procurement of goods & general services, energy/utilities and property and construction contracts.

This strategy is essential in establishing (and maintaining) the processes, systems and relationships that contribute to the achievement of strategic objectives set down in the OTHA's Business Plan. In doing so, it considers the needs of our customers, our service delivery requirements, our staff and our suppliers.

Relevance: All Services

This document should be read and adhered to by all employees. It is also relevant to all companies and individuals that would like to trade with us.

Introduction and Summary

1. Our purpose

The aim of the procurement function is to make sure we can easily buy the correct Goods and Services required by OTHA to run our business and deliver services to our customers at the right price and quality.

2. The Procurement Team

Part of OTHA's Management Team role will be to support and deliver the procurement strategy. Procurement will be divided into 3 specialist areas: Energy / Utilities, General Goods & Services and Property and Construction. These areas will be the responsibility of relevant Section managers supplemented by procurement advice from the OTHA's Solicitors.

Procurement activities where appropriate will be routed through the Public Procurement Scotland procurement portal. The Management Team will support this auditable process and ensure that all relevant records relating to tenders and contracts are retained for future scrutiny and audit.

3. Planning

The Management Team will review business requirements and plan work programmes accordingly. We will also develop and publish clear roles and responsibilities related to the procurement function and those of our stakeholders.

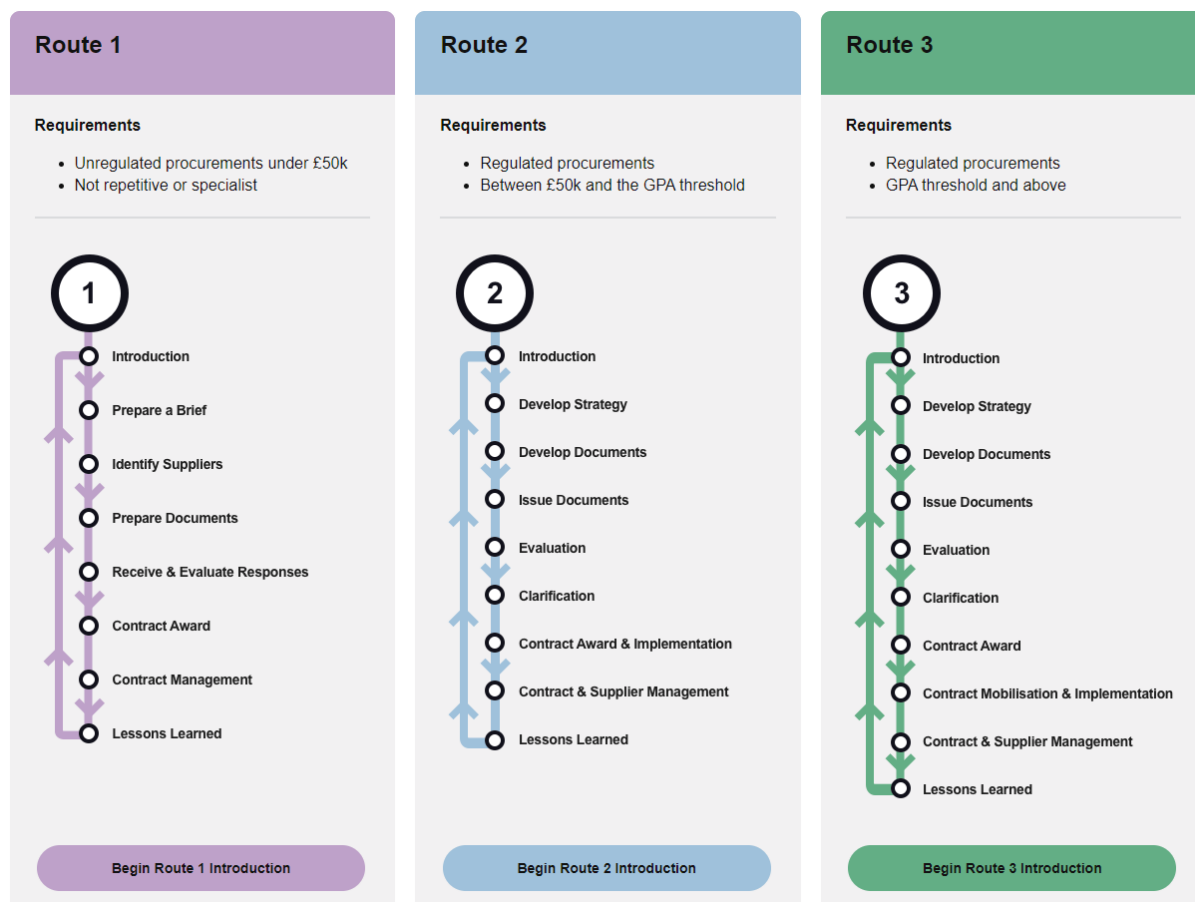
Long term procurement plans will be compiled and published that will set out proposed tender packages. This will allow contracts to be set up in a timely way and enable services within OTHA to plan resources to support procurement activity in their area of the business. (refer to Section 6 of the Annual Procurement Report).

4. Compliance

We will comply with all relevant legislation and internal procedures. We will ensure we are aware of forthcoming legislation; amend our processes and train our staff to ensure compliance is maintained. In particular, the Guidance pertaining to the undernoted legislation will be adhered to:

- Procurement Reform (Scotland) Act 2014
- Public Contracts (Scotland) Regulations 2015
- Procurement (Scotland) Regulations 2016
- The Bribery Act 2010
- Construction Design & Management Regulations

As a rule, the Public Contracts Scotland (PCS) Procurement Journey Toolkit will be used when undertaking procurement activity.



We will also track and monitor expenditure outside of agreed arrangements within OTHA and determine why non-compliant purchasing is occurring. Action plans will be developed to address these.

We will ensure our suppliers, contractors and subcontractors comply with all legislation related to the service they provide and will substantiate this by audit checks at contract review meetings.

5. Engagement and Collaboration

We will engage with OTHA service providers and customers to ensure they are:

- Aware of all procurement requirements:
- Appropriate specifications can be developed for the goods and services we need.
- Research can be undertaken to source suitable suppliers.
- Processes are designed and reviewed to ensure we work in a way that is effective and efficient.
- Supplier performance feedback is obtained and acted upon.

We will also categorise spend and engage with the relevant markets to ensure we are aware of:

- The relative importance to OTHA of all the goods and services we purchase.
- Best practice and innovation within the markets where we purchase goods and services.

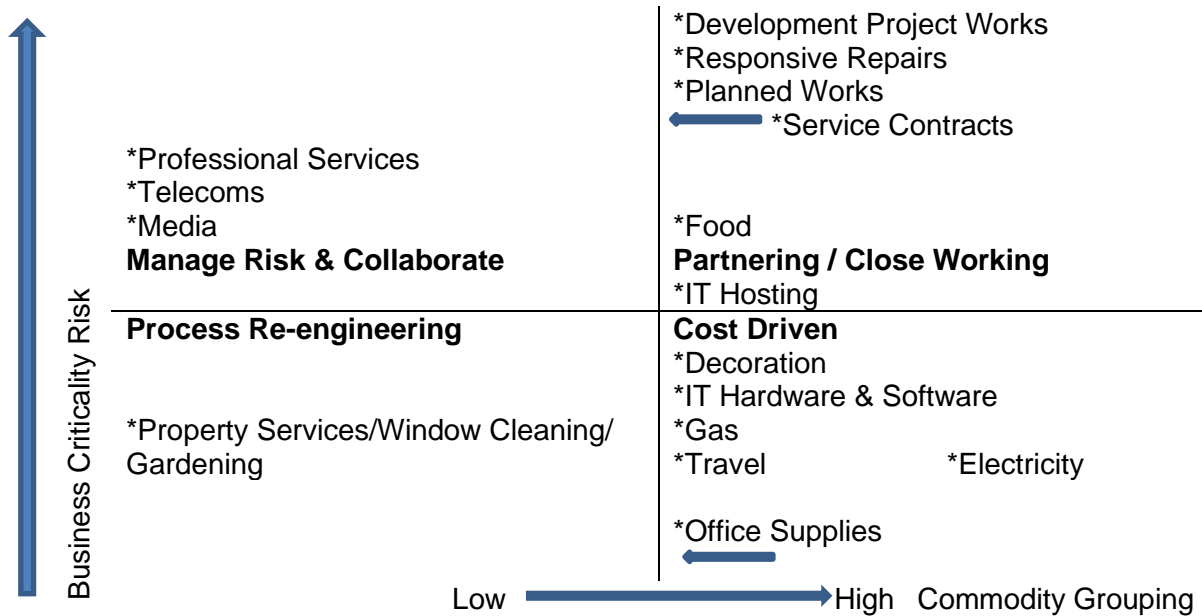
- Market trends are tracked and we use this information when undertaking contract review and renegotiation.

We will seek out opportunities to collaborate with others where this will bring an overall benefit; this could include purchasing clubs, RSL's and private sector organisations.

6. Category and Supplier Segmentation

To ensure the best use of resources, we will continually analyse spend and volumes for specific commodities and relate this to business continuity risk. We will develop appropriate relationships to optimise results and ensure we focus our resource on the areas with the biggest positive impact on the business.

This approach is demonstrated in the table below – the top right box in the table highlights the areas where we spend most money and have the highest risks. These contracts need to be managed accordingly.



7. Sustainability

In the scoring and evaluation of tenders OTHA will take into account those suppliers that can demonstrate they have the ability to supply goods and services that have a clear environmental advantage, unless there are significant reasons for not doing so.

OTHA will require its suppliers and their subcontractors to demonstrate they comply with the requirements of the Scottish Environment Protection Agency (SEPA).

8. Measurement, Benefits and Reporting

Performance reports are provided to Committee in accordance with scheduled committee meeting cycles. These reports include performance that is matched to a range of KPI's. We measure, report and publish benefits achieved from our procurement. Updates will be provided as benefits are accrued.

We will provide information annually to assist with budget setting – this exercise will be co-ordinated by the Director of Finance to ensure realistic budgets are set for the goods and services we purchase.

We will produce an annual report setting out our achievements for the preceding financial year and our main aims and objectives for the following year.

9. Related Documents/ Guidance

The following documents should be read in conjunction with this Procurement Strategy:

Relevant Legislation

- Procurement Reform Scotland Act 2014
<https://www.legislation.gov.uk/asp/2014/12/contents>
- Public Contracts (Scotland) Regulations 2015
<https://www.legislation.gov.uk/ssi/2015/446/contents>
- Procurement (Scotland) Regulations 2016
<https://www.legislation.gov.uk/ssi/2016/145/contents>
- The Bribery Act 2010
<https://www.legislation.gov.uk/ukpga/2010/23/contents>
- Construction Design & Management Regulations 2015
<https://www.legislation.gov.uk/uksi/2015/51/contents>

Relevant Guidance

- Public Contracts Scotland Guidance
https://www.publiccontractsscotland.gov.uk/sitehelp/help_guides.aspx
- Procurement Thresholds
<https://www.publiccontractsscotland.gov.uk/helpandresources/euthreshholds>
- Public Contracts Scotland (PCS) Procurement Journey Toolkit.
<https://www.procurementjourney.scot/>

Related Policies

- Development Policy
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10. Contact

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