

KNOWES HOUSING ASSOCIATION LTD	
Policy Name	Procurement Strategy (2024 – 2027)
Policy Category	Technical Services & Development
Policy Number	MDS02
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Links to other Policies	MDS03 – Maintenance Policy
Consultation	Internal Staff & Committee Consultation

EXECUTIVE SUMMARY

This strategy aims to demonstrate a clear and well-structured approach to Knowes procurement activities outlining what will be done, how and when it will be achieved.

In developing a Procurement Strategy, the following principle objectives have been set:

- To ensure that in the first instance, the procurement process is clear and structured in such a way as to achieve the best value for money for each pound spent by Knowes.
- To ensure that each procurement exercise is properly researched to consider alternatives and market forces which may impact on the exercise.
- To ensure that existing specifications are challenged and to seek out emerging sources of supply and methods of delivery.
- To ensure that contracts are appropriately managed during the life-cycle of the procurement.
- To ensure that procurement across Knowes is performed in a fair, transparent and cost effective manner.
- To ensure that Knowes complies with current legislation when procuring goods, works and services.

STRATEGY RATIONALE

The strategy is aimed at promoting effective procurement across Knowes. It aims to strike a balance between setting out a high level framework for the delivery of

excellent procurement and delivering a detailed plan which will address specific targets.

The key objectives of this strategy are to:

- Make sure our procurement practice reflects our vision, values and aims.
- Secure commitment to excellent procurement from all members and officers.
- Provide a point of reference and focus for procurement matters.
- Plan the way forward on compliance with current good practice.
- To set out how we will procure regulated and non-regulated procurement under the Procurement Reform (Scotland) Act 2014.
- To ensure that Knowes act in a transparent and appropriate manner in relation to procurement, and encourage competition and achieve better value for money in our procurement.
- To ensure that Knowes regulated and non-regulated procurement is carried out in accordance with the sustainable procurement duty of the Act.
- To ensure that community benefits are maximised through our procurement activity.

Statement of Knowes general policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act (section 15(5)(b)(iv) of the Act)

For all works of a construction nature and where it is proportionate and appropriate, the procurement process will incorporate assessment of the supplier's ability to comply with the Health and Safety at Work etc Act, and suppliers unable to demonstrate compliance will be excluded from the procurement process.

Statement of Knowes general policy on the procurement of fairly and ethically traded goods and services (section 15(5)(b)(v) of the Act)

In our procurement processes we will consider the following:

- Lifecycle costing of the products we purchase.
- Assurances from suppliers that they comply with Environmental, Social and Employment law.
- Seek assurances as far as possible from the suppliers of fair and ethical practices in their supply chains.

Statement of Knowes general policy on how we intend to ensure that, so far as reasonably practicable, the following payments are made no later

than 30 days after the invoice (or similar claim) relating to the payment is presented:

- (i) payments due by the authority to a contractor**
- (ii) payments due by a contractor to a sub-contractor**
- (iii) payments due by a sub-contractor to a sub-contractor (section 15(5)(d) of the Act)**

- (1) Our payment system will allocate the payment date based on the terms of the contract with the supplier.
- (2) Our contracts will state that sub-contractors must be paid within 30 days.
- (3) Our contracts will state that sub-contractor contractors will also state that sub-contractors must be paid within 30 days.

MONITORING AND REVIEW

Progress of projects will be submitted to Committee on a monthly basis.

SELECTION OF SUPPLIERS AND AWARD OF CONTRACT

The selection of suppliers and award of contracts will follow the guidance set out in the Guidance under the Procurement Reform (Scotland) Act 2014. The process will be briefly set out below in relation to each planned procurement. Contracts will be awarded on the basis of Most Economically Advantageous Tender (MEAT).

PROCUREMENT

The following objectives have been in place since the commencement of the programme:

- i) Improving the service.
- ii) Establishing a five-year cost structure (annual uplifts will be based RPI or CPI).
- iii) Reducing unnecessary time taken to obtain annual tenders.
- iv) Introducing employment and training opportunities for the local community through apprenticeships.

PLANNED MAINTENANCE PAINTING CYCLE

Knowes Housing Association has a term painting contract.

The five-year programme is based on a 5 year painting cycle for all properties, with roughly 20% of our housing stock included in each year of the programme.

A cyclical painting contract will be maintained in place to ensure that a 5 year cyclical painting contract can be delivered. Current contract runs until Sept 2025 with option for extension of year-on-year extension for a further 2 years.

CAPITAL INVESTMENT CONTRACTS

Contracts will be maintained in place to ensure that the planned year on year capital investment projects can be delivered.

(See Appendix 1 for contracts in place as at May 2024)

QS SERVICES / CDM ADVISOR

Ewing Somerville Partnership (ESP) was directly awarded the contract via the Scottish Procurement Alliance (SPA) framework. The appointment will run for a period of 4 years.

REACTIVE MAINTENANCE

The current contract was awarded in 2023 for a period of 3 years with an option to extend year on year for a period of 2 years.

LANDSCAPE MAINTENANCE

The current project was awarded in 2021 for a 3 year period with an option to extend year on year for a period of 2 years. The 4th year extension was awarded in March 2024.

GAS MAINTENANCE

The current contract was directly awarded to City Building in March 2024 via the Scotland Excel framework mechanism for a period of 4 years.

CLOSE CLEANING

The current Close Cleaning contract was tendered in line with the European Procurement Directive. The contract is for a 1 year period with an option to extend to four years. At the end of this contract it will be procured on a 5 year

basis on a one year plus one year extension basis. This work will be procured using the restricted procedure.

FUTURE DEVELOPMENTS

Any future developments that arise will be procured in line with the Procurement Reform (Scotland) Act 2014.

PROJECTS (FOR THE ENSUING 5 YEARS)

All one off projects will be dealt with using the guidelines in the Maintenance Policy document. For example: Works of less than £20,000 require competitive quotations from a minimum of 3 contractors. Works in excess of £20,000 will require full tendering procedures in line with the Procurement Reform (Scotland) Act 2014, and normally using the Quick Quotes option.

INSURANCE

The current insurance contract was procured in 2023 and is set to run for at least three years from 14th March 2023 to 13th March 2026 with an option to extend to March 2028. The current provider is Zurich Municipal.

PHOTOCOPIERS

The current photocopier maintenance agreement concluded at the end of February 2024. After obtaining three competitive quotes for both leasing and purchasing, in February 2024 we took the decision to purchase one new printer/photocopiers and we will continue to run these for a minimum of three years with an option to extend for a further two. The support company is Document Data Group.

IT SERVICES

In March 2023, Knowes went out to tender on its IT support services. Tecnica Ltd was appointed for a minimum of two years from 1/7/2023 to provide hardware maintenance cover and IT support services. The contract is renewable annually thereafter and it is planned for this to run for a minimum of five years. We will review again in 2025 to ensure the contract still provides value for money.

LEGAL SERVICES

The provision of legal services for Knowes HA was tendered in June 2023 through the PCS website. This contract will run for a minimum of three years to June 2026 with the option to extend for a further two years. The current provider is TC Young.

INTERNAL AUDIT SERVICES

The provision of internal auditor services as tendered through the PCS website in March 2021 to run for an initial three years from April 2021 to end of March 2024 with an option to extend for a further three years. In 2024 the Committee approved the extension of the contract which will now run to the end of March 2027. The current provider is TIAA.

EXTERNAL AUDIT SERVICES

The External audit services were tendered through the PCS website in June 2019 for the financial year 2019/2020 and the contract will run for a maximum of seven years being renewable annual at the AGM. The next tender is due to be put out in 2026/2027. The current provider is Alexander Sloan LLP

COMMITTEE APPROVAL

Where required the Management Committee will be asked to approve the award of contracts following the presentation of Tender Reports for contracts.

APPENDIX 1

Contracts in place as at May 2024:

Capital Investment Contracts:

Kitchen Replacement Contract: this contract is being awarded in 2024.

Bathroom Replacement Contract: this contract was awarded in 2023 and expires 2027.

Boiler Replacement Project: this contract was awarded in 2023 and expires 2027.

Window/Door Replacement Project: this contract was awarded in 2023 and expires in 2027.