

KNOWES HOUSING ASSOCIATION LTD	
Policy Name	Procurement Strategy To 2021/2024
Policy Category	Technical Services & Development
Policy Number	MDS02
Date to Committee	April 2021
Previous Review Date	February 2018
Next Review Date	April 2024
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).

ANTICIPATED PROCUREMENT OVER THE STRATEGY PERIOD

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, currently the contracted programme runs from 2018/19 to 2021/22.

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. The successful contractor will be offered a 2 year contract which can be extended on a plus 1 year basis up to five years. This allows the contractor time to formulate the important knowledge and skills to meet the criteria above and be fully efficient for a significant part of the 5 year period. At the end of the five-year period the contract will be re-procured on the same basis. A new tendering process will therefore require to be completed by July 2022 to allow a contract to start in August 2022. The contract will therefore require to be advertised on PCS by the end of February 2022. This contract will be procured using the Restricted Procedure, with up to 5 contractors being invited to tender.

DWELLING DOOR REPLACEMENT PROGRAMME

The existing framework was procured and awarded to Sidey in 2017 and expires in March 2022.

At present, there is no dwelling door replacement programme in the 5 year programme, however, this may change once the results of the stock condition survey are considered later in 2021.

KITCHEN REPLACEMENT PROGRAMME

The Kitchen Programme commenced in 2019 and will be completed by September 2021. A new four year framework will be procured in May 2021. This framework will be procured using the Restricted Procedure, with up to 5 contractors being invited to tender. Once the contractor is appointed, it is intended to commence the programme in November 2021.

BATHROOM REPLACEMENT

There is no framework in place for a Bathroom Programme currently and the procurement process will commence in May 2021. This framework will be procured using the Restricted Procedure, with up to 5 contractors being invited to tender. Once the contractor is appointed, it is intended to commence the programme in November 2021.

QS SERVICES / CDM ADVISOR

The existing framework ends in July 2021 and a new tendering process will commence in May 2021. The framework will have up to 3 consultancy firms, and will be for a 4 year period. At the end of the 4 year period, a further framework

agreement will be procured. This work is being procured using the restricted procedure.

REACTIVE MAINTENANCE

The current contract was tendered in line with the European Procurement Directive and was awarded to The McDougal Group on 1 December 2018. The contract is for two years, with a 2 year option to extend it to four years to November 2022 and the contract has been extended in line with the terms of the contract.

The works will be procured for a further 4 years, with the procurement process commencing in March 2022. The contract will be based on a 4 year period, with a one year with plus one year extensions each year up to the maximum of 4 years. Given the length of this contract we will ensure local training and employment are provided as a community benefit. This work will be procured using the restricted procedure.

LANDSCAPE MAINTENANCE

The current Landscape contract with Continental Landscapes was procured and awarded on 31st March 2016 and is based on a 5 year period, with an initial 2 year contract with option to extend for a further 3 years up to 31st March 2021.

The procurement process for a new five year period dating from 1 April 2021 to 31 March 2026 is complete and awaiting Committee approval. This is based on an initial three year contract with an option to extend on a plus one year extension to a maximum of five years. This work was procured using the open procedure.

This was a joint procurement exercise with Dalmuir Park Housing Association and allows for the employment and training of people from both local communities.

GAS MAINTENANCE

The current Gas Maintenance contract was procured by Knowes HA in partnership with Faifley HA in line with the European Procurement Directive and was awarded to City Building on 1st April 2019. The contract is for 2 years with an option to extend by 3 years up to 31st March 2024, and the contract has been extended for the additional period from April 2021.

At the end of the contract period the contract will be procured for a further 5 years on a one year plus one year extension basis. This work will be procured using the restricted procedure.

CLOSE CLEANING

The current Close Cleaning contract was tendered in line with the European Procurement Directive. The contract is for a 2 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 2019 and is set to run for at least three years from 14th March 2019 with an option to extend to March 2024.

PHOTOCOPIERS

After obtaining some competitive quotes for leasing, in February 2019 we took the decision to purchase our existing printer/photocopiers and we will continue to run these for as long as they are supported and meet the business requirements. The support company is NCS.

IT SERVICES

In January 2018, Knowes went out to tender on its IT support services. Tecnica Ltd was appointed for a minimum of two years from 1/7/2018 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 2023 to ensure the contract still provides value for money.

COMMITTEE APPROVAL

The Management Committee are invited to approve the above strategy for the period 2021/22 to 2023/24.

Contract	Contract Start	Contract End
Maintenance Painter Work	2018/19	2021/22
Dwelling Doors	2017/18	2021/22
Kitchens	2019/20	2021/22
Bathrooms	2019/20	2021/22
Landscape	April 2021	March 2026
Close Cleaning	2021/22	
Gas Maintenance	April 2019	March 2024

QS Services/CDM Advisor		Ends July 2021
Reactive Maintenance	December 2018	November 2022
Insurance	March 2019	March 2024
IT Services	July 2018	July 2023