



CLYDE VALLEY
GROUP

Procurement Strategy 2024/25

**Clyde Valley Group
Procurement Strategy**

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1. Introduction

- 1.1. Procurement is a high value activity within the Clyde Valley Group that has a critical impact on its performance and success. The Group currently spends circa £12m of its resources each year on revenue goods, works and services, and capital investment and for 2024/25 an additional £9m will be spent on new build development contracts.
- 1.2. Procurement is defined as the process of acquiring goods, works and services. This strategy outlines the approach to be taken by buyers within the Group in order to obtain maximum value for money from everything we buy and all the services we provide to our customers.

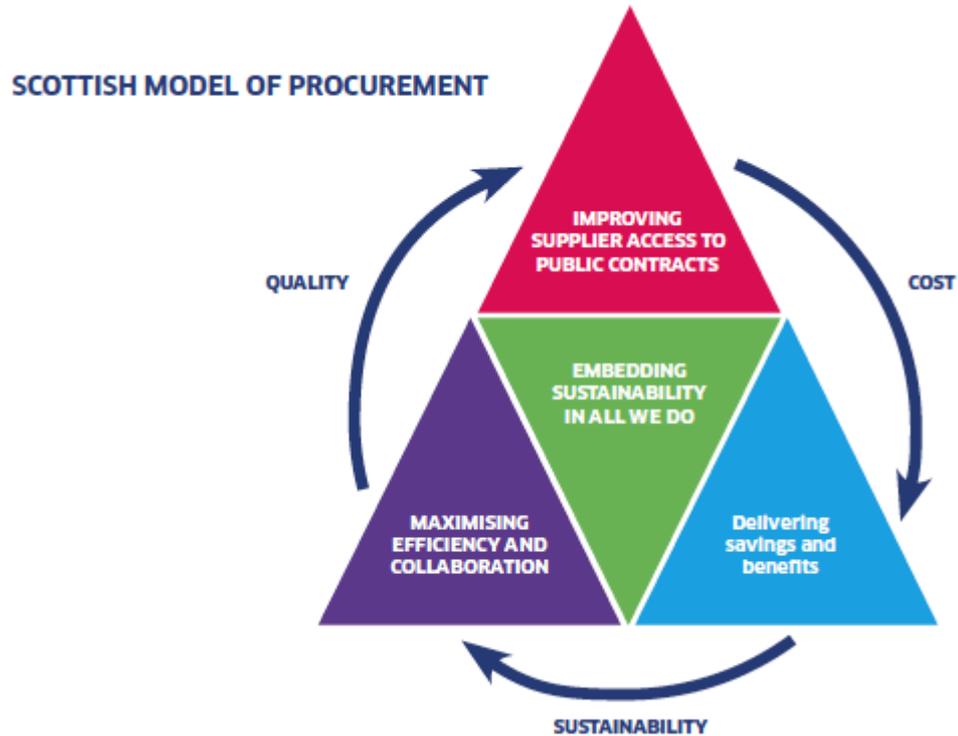
2. Purpose of the Strategy

- 2.1. This document aims to ensure that procurement planning reflects the Clyde Valley Group's aims and objectives. This strategy therefore will provide an opportunity not only to co-ordinate current processes but will also provide a clear pathway for identifying and acting on improvements to ensure that value for money is being obtained consistently when goods and services are purchased and that where relevant, the Group fully complies with obligations around all procurement legislation.
- 2.2. The overall aim of the strategy is to maximise the benefits of procurement and make a positive impact on customers and service users, supporting the Group's strategic aims.
- 2.3. The Strategy must be read in line with the Procurement Manual, Standing Orders, Financial Regulations and Scheme of Delegation. The procurement must also be considered alongside the annual budget and the Business Plan should the procurement go beyond a single budget year. As this is an annually produced strategy the Procurement Manual, Standing Orders, Financial Regulations and Scheme of Delegation will overrule the procurement strategy as these may be updated during the year of this Strategy.

3. Fit with Legislation, Corporate Policy and Strategy

- 3.1. The fit between this Strategy and the Group's corporate policy and strategy is considered below in the context of links to other relevant policies and legislation.
- 3.2. This Strategy seeks to comply with:
 - Procurement Reform (Scotland) Act 2014
 - Public Contracts (Scotland) Regulations 2015
 - Public Contracts (Scotland) Regulations 2016
 - Procurement & Commercial Improvement Programme (PCIP)
 - Risk Strategy Policy
 - Standing Orders, Financial Regulations and Delegated Authority Policy
 - Whistleblowing Policy
 - Entitlements & Payments and Benefits Policy
 - Fraud, Bribery and Money Laundering Policy
- 3.3. This Strategy is implemented through our Procurement Manual which provides detailed guidance on all aspects of the Group's procurement and should be referred to for all procurement exercises.

At the heart of this Procurement Strategy and the Scottish Government's strategy, is the concept of value for money in procurement - an informed balance between cost, quality, and sustainability. The Value for Money triangle illustrates the Scottish Model of Procurement.



4. Objectives and Benefits

4.1. The objective of this strategy are:

Objective 1 – To evaluate and improve current procurement practices to achieve better value for money and meet customer expectations.

- All goods, services and works are procured on the basis of the most economically advantageous tender (MEAT).
- Consider use of public procurement frameworks in order to obtain better value for money, by embedding savings and benefits when possible.
- Embedding sustainability in all aspects of procurement
- Maximising Community Benefits in procurement.
- To identify opportunities for working with others, both public and private sector, in order to widen the scope for maximising purchasing power and identifying innovation.
- Seek joint procurement opportunities with other RSLs where appropriate
- Engage with customers where appropriate for customer service-related procurement.

Objective 2 - To ensure that, where relevant, procurement practices are fully in compliance with obligations under Scottish Procurement legislation and internal governance

- Produce an annual strategy aligned to Procurement Legislation and publish on CVG Website.
- Provide transparency and assurance to Board in respect of procurement.

- Maintain CVG Contract Register and make available to Staff, Board and CVG Website.
- Promote Equality, Diversity and Inclusion in all procurement.
- Promote Health and Safety in all procurement.

Objective 3 – To ensure good practice is applied consistently across CVG

- Undertake a review of procurement systems, processes and resources to ensure that CVG has the capacity to deliver good procurement practice.
- Establish clear procedures and protocols for staff and consultants involved procurement.
- Maintain a suite of procurement templates and other resources to support staff undertaking procurement exercises.
- Develop a consistent approach to the inclusion of Procurement in job descriptions for relevant staff who procure.
- Provide training for all staff who carry out procurement activities including those who only procure occasionally.
- Ensure effective contract management is applied across all procurement activities to ensure that contracts deliver in accordance with the agreed objectives, including Key Performance Indicators, and to take appropriate action to address any performance issues.

4.2. In taking this strategy forward, the Group can expect to realise the following benefits:

- Improved value for money.
- More efficient and consistent procurement procedures and compliance with all internal policies and procedures.
- Effective relationships and partnerships developed with suppliers.
- Benefits for the local economy.
- Effective collaboration to be developed with other service providers, across a variety of sectors.
- Sustainability embedded in all aspects of procurement.
- Community Benefits maximised from all procurement
- Better risk management for strategic procurement.
- Better project planning.
- Integration with the Group's overall aims and objectives.

5. Value for Money

5.1. The Group is fully committed to improving the economy, efficiency, and effectiveness of all its activities. All procurement of goods, works and services will be based on value for money principles, having due regard to propriety, regularity, and the Group's legal obligations and in line with the Scottish Procurement Model.

5.2. The Group will take full account of the needs of customers, both internally and externally in purchasing goods, works and services.

5.3. The Group promotes economy, efficiency, and effectiveness in its expenditure, and it will seek to ensure that competition supports this, where appropriate. Goods, works and services will be purchased in a mixed economy of suppliers from the public, private, voluntary and community sectors, according to which supplier best delivers on the value for money test.

6. Risk Management

- 6.1. The Group's Risk Management Policy has been developed to make sure that risk to the Group, and the customers it serves is properly recognised and managed. In all its procurement dealings, the Group will identify risks, evaluate their potential consequences, consider opportunities, and manage those risks effectively, at every stage of the process.

7. Post Transition from European Union, Changes to Procurement

- 7.1. The changes made to procurement following the UK withdrawal from the EU are largely technical in nature. They do not impact on procurement procedures which will remain fundamentally unchanged. The basic requirements to advertise contracts, observe minimum timescales, and follow rules on technical specifications and award criteria, for example, remain in place. The requirement to afford equal treatment to bidders from countries which are signatories to the World Trade Organisation's Government Procurement Agreement (the GPA) also remains.
- 7.2. The requirement to publish notices on Public Contracts Scotland (PCS), which arises from the Procurement Reform (Scotland) Act 2014, remains.
- 7.3. Tenders above the "higher" thresholds are now published on Find a Tender Service (FTS) rather than the Official Journal of the European Union (OJEU).
- 7.4. "Higher" Threshold values for contracts subject to Public Contracts (Scotland) Regulations 2015 for publishing notices, previously defined as OJEU thresholds set as at January 2024 are noted below and include VAT:
- Services Contracts - £214,904
 - Supplies Contracts - £214,904
 - Works Contracts - £5,372,609
- 7.5. The Group's tendering and award procedures must strictly adhere to the provisions of the Regulations (and all subsequent or relevant legislation pertaining to procurement).
- 7.6. In determining whether a contract price is likely to exceed the thresholds, the "aggregation" rules should be considered. For example, where a single works involves more than one contract the estimated value of all the contracts must be aggregated to decide whether the threshold is reached. Where the threshold is reached each of the work's contracts will be covered by the Regulations.
- 7.7. The aggregation rule also applies to contracts for goods and services which must not be artificially split in order to avoid the threshold being achieved.

8. Contracts below threshold value (effective 18 April 2016)

- 8.1. Where it has been determined that the 2015 Regulations do not apply to a contract because its value is below the relevant threshold of these Regulations, the contract may still need to be publicly procured in term of the Procurement Reform (Scotland) Act 2014 (the "Act") and the 2016 Regulations including being advertised on the Public Procurement Website – Public Contracts Scotland.
- 8.2. The thresholds (exclusive of VAT) under the Act applicable to the Group as a Contracting Authority are:

- Services Contracts - £50,000
 - Supplies Contracts - £50,000
 - Works Contracts - £2,000,000
- 8.3. Contracts which have an estimated value equal to or above these thresholds and below the FTS thresholds are subject to the provisions of the 2016 Regulations and Reform Act and must be approved by the relevant Director.
- 8.4. Any contract with an estimated value which meets or exceeds the above thresholds will need to be procured in terms of the Act, including the Sustainable Procurement Duty under the Reform Act before carrying out a tender exercise.
- 8.5. This Duty requires the Group to consider how the procurement might:
- improve the economic, social and environmental well-being of the Group's local area; promote innovation; and facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses.
 - consider the environmental, social and economic issues relating to all regulated procurements and how benefits can be accrued, on a contract-by-contract basis by taking proportionate actions to involve SME's, third sector bodies and supported businesses in our procurement activities. This will be considered through a Pre-Procurement Plan as part of the contract documentation.
- 8.6. There are exceptional circumstances in which quotations or tenders shall not be required where the contract is for the procurement of supplies, works or services, including:
- where the contract may only be awarded to a particular supplier for technical or artistic reasons or where there are exclusive rights in respect of the required supplies, services or works; or
 - where the Group has already entered into a contract with a supplier which requires additional works or services to be supplied and due to unforeseen circumstances cannot be provided to the Group separately from the original contract without causing major inconvenience due to technical or economic reasons; or are strictly necessary for the later stages of the original contract, albeit they could be provided separately.
- 8.7. The Regulations provide a limited number of specific exclusions. Importantly for RSLs, these exclusions include contracts for the acquisition of land or any interest in land. For example, this exclusion will apply in circumstances where the RSL is acquiring land, and newly completed or existing dwellings.
- 8.8. The above exceptions may only be relied upon in limited circumstances and a Procurement Exceptions Form must be completed and approved by the relevant person in accordance with the Finance Regulations before relying on any such exception.
- 8.9. A description of all contracts entered into (and where possible before completion) will be provided to the Finance and Corporate Services Director who will keep a central contract register.
- 8.10. All exclusions and exceptions are recorded using a Procurement Exceptions Form and reported to the Board on an annual basis as part of the Annual Procurement Report.

9. Avoiding Conflict and Fraud/Bribery

- 9.1. The Group is determined to ensure that its procurement decisions reflect and preserve the integrity of the organisation and are transparent. The Entitlements, Payments and Benefits Policy and Fraud, Bribery and Money Laundering Policy set out criteria on how the Group must conduct its business. Other measures are set out below to ensure openness and transparency.
- 9.2. The Group requires that all staff immediately alert their Director, and Board Members immediately alert the Chief Executive, to any attempt by any firm to influence a procurement decision by way of inducement or otherwise. Canvassing of staff or Board by any Contractor for any contract is expressly forbidden. Such actions are a serious breach of trust and as a result, following investigation, any contractor found to have behaved in such a manner will not be used by the Group and the Group will ensure that others seeking references concerning the contractor are made aware of such conduct. The Group will refer to the provisions contained in the Bribery Act to pursue such situations to the fullest extent possible. In addition, the Association will consider any liaison required with the Scottish Housing Regulator in relation to Notifiable Events.
- 9.3. Contractors are similarly bound to alert the Group's Chief Executive and/or Chairperson immediately should any inducement be sought by any member of the Group's staff or Board. Such action is viewed as a serious breach of the Group's conditions of service for staff and Code of Conduct for Board members. Therefore, following investigation, such conduct may lead to disciplinary action up to and including dismissal in the case of staff and removal from the Board for Board Members. Again, as previously, the Association will consider any liaison required with the Scottish Housing Regulator in relation to Notifiable Events.
- 9.4. All staff/Board will annually complete a Declaration of Interest Form noting any "close relationships" where they may be a conflict. These will be reported, along with suggested actions to Board annually. If circumstances change throughout the year, then the Board/staff member should update the Finance and Corporate Services Director immediately.

10. Equality, Diversity and Inclusion

- 10.1. The Group is committed to review services and policies to remove any discrimination and to ensure that the Group fulfils its duties in relation to equality, diversity and inclusion (EDI). Procurement practice will reflect this commitment by encouraging relationships with contractors and service providers who are as equally committed to EDI.
- 10.2. The Group will use clear and precise language in all procurement documentation.

11. Community Strategy and Regeneration

- 11.1. For all contracts, the Group will consider whether to include community benefit requirements before undertaking the procurement exercise. This will be detailed in the Pre-Procurement Plan. For contracts over £4,000,000 there is a legal obligation to include Community Benefits.
- 11.2. Community benefit outcomes will meet the values and the Group's objectives. They will aim to benefit the Group's local communities and support third and voluntary sector organisations as well as social enterprises and charities.

11.3. The Group will engage with (and promote to wider contractors/consultants) local employability and community regeneration organisations within Lanarkshire to help suppliers deliver community benefit outcomes.

11.4. All contracts will now make reference to the requirement to pay the National Living Wage.

12. Sustainability

12.1. Criteria based upon the procurement of environmentally friendly goods, works, and services will be used in all purchasing decision making processes, where applicable. All contacts will make consideration to sustainability in relation to goods and services.

13. Community Benefits

13.1. Community Benefits will be maximised from all contracts to provide added value to Group procurement. The contract manager of each contract must ensure that what was outlined in the tender document as tender award in respect of community benefits is met throughout the lifetime of the contract.

14. Consultation and Engagement

14.1. The Group will aim to engage, if appropriate, in relevant community and stakeholder consultation during procurement exercises.

15. E-Procurement

15.1. The Group fully supports the drive to e-enable procurement processes, including electronic ordering, invoicing and payments. The e-tendering service, Public Contracts Scotland must be used to publish notices for contract opportunities and the award of contracts for tender regulated by the Act or the Regulations.

15.2. The Group will use the eSPD from 1 April 2024.

16. Managing Health and Safety

16.1. The Group has a comprehensive Health and Safety Policy with detailed procedures included within the Investment Manual for capital contracts. Health and Safety information is requested from suppliers as required and this will be proportionate to the proposed outcome of the procurement process.

16.2. Depending on the contract award The Group will monitor the performance of the supplier with regard to Health and Safety.

17. Managing Contractors/Suppliers Performance

17.1. The Group will ensure management of Contractors/Supplier to ensure contract delivery is in line with the terms of the contract throughout the term of its regulated contracts. Customer satisfaction surveys will help provide evidence for customer related contractors/suppliers. Contracts should be managed for performance, delivery aligned to the contract alongside value for money.

18. Ensuring Prompt Payment to Contractors and their Sub-Contractors

- 18.1. The Group is committed to paying our suppliers promptly and aim to pay all undisputed invoices within 30 days from receipt.
- 18.2. The Group will ensure that prompt payment continues to be applied throughout the duration of the contract.

19. Review of Procurement Strategy and Procedure Manual

- 19.1. In line with the requirements of the Procurement Reform (Scotland) Act 2014 this Strategy will be reviewed annually and published on our website at www.cvha.org.uk.
- 19.2. Our annual contracts register is available to view on our website at www.cvha.org.uk

Appendix 1 – Contracts for works/services/supplies to be procured by CVG during 2024/25

The table below outlines the contract the group will procure during 2024/25, the value of the contract and the procurement method to be used to comply with the Procurement Strategy and Policy which are aligned to relevant procurement legislation and guidance.

Contract Title/ Subject Matter	Estimated Value of Contract	Procurement Method	Job Role with Procurement Authority
Insurance Services (Broker)	£50k (£10k per annum)	PCS	Finance & Corporate Services Director
Lease cars	£72k (£24k per annum)	PCS/Framework	Finance & Corporate Services Director
Lift Maintenance	£35k (£7k per annum)	Quick Quote	Property & Development Director
Fire Safety (Inspections, actuators, dry risers and emergency lighting)	£125k (£25k per annum)	PCS	Property & Development Director
Annual Customer Satisfaction Surveys and Customer Research	£48k	Quick Quote	Customer Services Director
Property Maintenance Framework	£10m (Over 4 years)	PCS/Framework	Property & Development Director
Training Provider	£30k (£6k per annum)	Quick Quote	People Director
Term Maintenance	£2.5 per annum (1+1+1+1)	PCS/Framework	Property & Development Director

Appendix 2 – Extensions to be awarded for work/supplies/services during 2024/25.

The table below outlines the contracts currently in place for The Group that will be extended during the year April 2023/24 and the period of the extension. Extensions will be awarded in line with procurement strategy/policy and procurement legislation and guidance.

Contract Title/ Subject Matter	Estimated Value of Contract	Comments	Job Role with Procurement Authority
Car Leases: Pool Cars	£5k for 1 year	1 year May 2024 to May 2025	Finance & Corporate Services Director
Fire Safety (Inspections, actuators, dry risers and emergency lighting)	£25k for 6 month extension	6 month extension to cover up to the end of September 2024	Property & Development Director
Washroom Services	£3k for 1 year extension	12 months from June 2024 - June 2025	Finance & Corporate Services Director
Waste Management	£20k ongoing	Ongoing 1 year extension	Finance & Corporate Services Director
Intruder and Panic Alarms	£500 for 1 year extension	12 months from May 2024 - April 2025	Finance & Corporate Services Director
Fire Alarm	£500 for 1 year extension	12 months from May 2024 - April 2025	Finance & Corporate Services Director
CCTV	£500 for 1 year extension	12 months from May 2024- April 2025	Finance & Corporate Services Director
Mobile phone telephony	£70,794	Contract ended 18/12/23 planned extension	Finance & Corporate Services Director
Robotic Process Automation	£40k (£15k year 1 annual cost £11.4k)	Addition function to Netcall systems	Finance & Corporate Services Director
Cloud Migration Project	TBC – Approx £225K	Initial cost for migration to cloud	Finance & Corporate Services Director
Repairs Review/ New Contractor integration	TBC - £50K Budgeted	Includes 3 elements: Contractor Portal, Repairs review and new Contractor integration. Procurement exception – utilise existing contract with Netcall/ Ronan Consultancy for completion	Finance & Corporate Services Director

Contract Title/ Subject Matter	Estimated Value of Contract	Comments	Job Role with Procurement Authority
New Staff equipment/ Device replacements	£25K budgeted	Replacements of laptops and equipment within 3 year cycle	Finance & Corporate Services Director
Website Refresh	TBC - £15K budgeted	Based on 15 days consultancy with existing supplier (Procurement exemption to utilise existing contract)	Finance & Corporate Services Director
Rent Sense replacement	£20K budgeted	Proof of concept in development at the moment. Will be an extension on existing Netcall Contract if successful.	Finance & Corporate Services Director
Housing/ financial management transition to Cloud	TBC - £75K budgeted	Transfer of Open Opening and Open Account to cloud offering. Amendments to existing contracts with Capita and MRI.	Finance & Corporate Services Director
Training Provider	£3k for 1 year extension	eLearning for staff – renewed annually	Finance & Corporate Services Director