



CLYDE VALLEY  
GROUP

**PROCUREMENT  
STRATEGY  
2022/2023**

# Clyde Valley Group Procurement Strategy

## Contents

1.	Introduction.....	3
2.	Purpose of the Strategy .....	3
3.	Fit with Legislation, Corporate Policy and Strategy .....	3
4.	Objectives and Benefits .....	3
5.	Managing Procurement.....	4
6.	Procurement Processes.....	5
7.	Value for Money.....	6
8.	Risk Management.....	7
9.	Post Transition from European Union, Changes to Procurement .....	7
10.	Contracts below threshold value (effective 18 April 2016) .....	8
11.	Definitions.....	9
12.	Avoiding Conflict and Fraud/Bribery.....	10
13.	Equality.....	10
14.	Community Strategy and Regeneration .....	10
15.	Sustainability .....	11
16.	Procurement Responsibility and Delegation.....	11
17.	Consultation and Engagement.....	12
18.	E-Procurement.....	13
19.	Managing Health and Safety.....	13
20.	Ensuring Prompt Payment to Contractors and their Sub-Contractors.....	13
21.	Review of Procurement Strategy and Procedure Manual.....	13
	Contracts for works/services/supplies to be procured by CVG during 2022/23.....	14
	Extensions to be awarded for work/supplies/services during 2022/23.....	16

## **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 £9m of its resources each year on revenue goods, works and services, and capital investment and for 2022/23 an additional £32m 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.

## **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 policy 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
  - Standing Orders and Delegated Authority Policy
  - Whistleblowing Policy
  - Gifts and Hospitality Policy
  - Entitlements & Payments and Benefits Policy
  - Fraud, Bribery and Money Laundering Policy
- 3.3. This Policy is implemented through our Procurement Manual which provides detailed guidance on all aspects of the Group's procurement.

## **4. Objectives and Benefits**

- 4.1. Procurement activity will play a role in the delivery of the Group's Aim and Priorities as follows:

- To evaluate and improve current procurement practices to achieve better value for money and to ensure customer needs are met.
- To ensure good practice examples are identified and applied consistently across the organisation.
- To align procurement activities with other strategies adopted and to ensure that corporate objectives are addressed.
- To ensure that current and future procurement activities are planned, monitored, and reviewed effectively.
- 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.
- To ensure that, where relevant, procurement practices are fully in compliance with obligations under Scottish Procurement legislation.

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

- Improved value for money.
- More efficient procurement procedures.
- Effective relationships and partnerships to be developed with suppliers.
- Benefits for the local economy.
- Effective collaboration to be developed with other service providers, across a variety of sectors.
- Better risk management for strategic procurement.
- Better project planning.
- Integration with the Group's overall aims and objectives.

## **5. Managing Procurement**

5.1. This strategy describes the way this spending will be managed by looking at the types of things we purchase. The over-arching principle used in procurement procedures is that goods, works, and services will be categorised according to risk and a specific approach for each category will be adopted. Figure 1 shows how we will categorise goods and services.

Figure 1: Range of Risks

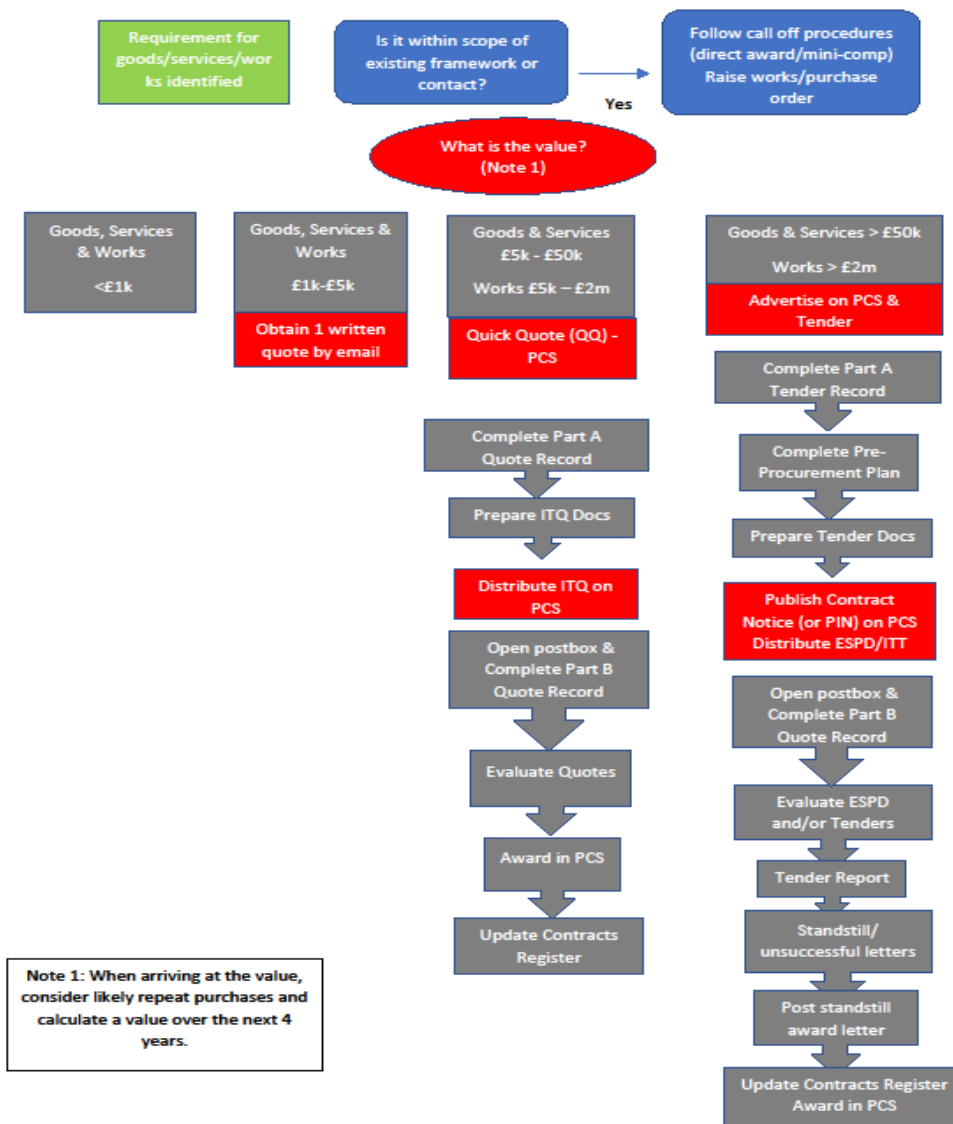
↑ Increasing Risk	<b>Bottleneck</b> (Low value but significant impact)	<b>Strategic</b> (Large Capital Development Projects)
	<b>Routine</b> (Stationery)	<b>Leverage</b> (Utilities, IT Equipment)
	<b>Increasing Expenditure</b> →	

- **Strategic** Items that are high cost and high risk if something goes wrong e.g., large capital projects, large investment contracts, business services such as audit, legal and insurances.
- **Bottleneck** Items that are of a low value such as production of newsletters but could have significant implications if they were not available.
- **Routine** Items that are bought on a day-to-day basis in small quantities and are readily available from a range of sources e.g., stationery.
- **Leverage** Items that have a low value and low risk but through economies of scale they can be bought in large quantities at discounted prices e.g., IT equipment and electricity supplies.

5.2. The Procurement Manual ensures that whatever the buyer is procuring there is a process to follow which ensures they are obtaining value for money for the Group and complying with rules and regulations.

## 6. Procurement Processes

6.1. The Procurement Process is described in full in the Procurement Manual, the summary of which is outlined below:



- 6.2. No supplies or services should be broken up or divided to avoid any tendering or quotation process.
- 6.3. Regulated Procurement – a summary of the Group’s regulated procurements is available at Appendix One.

**7. Value for Money**

- 7.1. 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.

- 7.2. The Group will take full account of the needs of customers, both internally and externally in purchasing goods, works and services.
- 7.3. 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.

## **8. Risk Management**

- 8.1. The Group's Risk Management Strategy 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 possible opportunities, and manage those risks effectively, at every stage of the process.

## **9. Post Transition from European Union, Changes to Procurement**

- 9.1. 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.
- 9.2. The requirement to publish notices on Public Contracts Scotland (PCS), which arises from the Procurement Reform (Scotland) Act 2014, remains.
- 9.3. Tenders about the "higher" thresholds are now published on Find a Tender Service (FTS) rather than the Official Journal of the European Union (OJEU).
- 9.4. "Higher" Threshold values for contracts subject to Public Contracts (Scotland) Regulations 2015 for publishing notices, previously defined as OJEU thresholds set as at January 2022 are noted below and include for VAT:
  - Services Contracts - £213,477
  - Supplies Contracts - £213,477
  - Works Contracts - £5,336,937
- 9.5. 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).
- 9.6. 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.

9.7. 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.

## **10. Contracts below threshold value (effective 18 April 2016)**

10.1. 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.

10.2. 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

10.3. 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.

10.4. 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.

10.5. 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.
- In compliance with the Act the Group will 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 matrix as part of any contract documentation.

10.6. 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.



- 10.7. 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.
- 10.8. The above exceptions may only be relied upon in limited circumstances and must be approved by the Customer Services Director before relying on any such exception.
- 10.9. A description of all contracts entered into (and where possible before completion) will be provided to the Customer Services Director who will keep a central contract register.

## 11. Definitions

11.1. The following definitions apply:

**Works:** this list includes all activity that would usually be regarded as works such as:

- site preparation
- construction of new buildings and works
- restoration and common repairs
- Reactive Repairs
- Gas Service, boiler changes and installations (mixed contract)
- civil engineering works (for example, roads and bridges)
- building installations works such as electrical and plumbing installations; and
- building completion works (for example, plastering, joinery and painting).

**Services:** for the supply of services.

- Service of equipment e.g., central heating, fire alarms, lifts,
- Landscaping and grounds maintenance, a service procured in isolation.
- Quantity Surveyor, architect, engineer, employer's agent and clerk of works.

**Supplies:** a public supply contract is a contract for the purchase, hire or lease of 'goods' and for any siting or installation of these goods where this is incidental to the supply.

- 11.2. Some aspects of the rules apply differently to contracts. This depends on whether the contract is for works, services or supply.
- 11.3. Generally, you should classify contracts for a mix of goods/works/services according to the main purpose of the contract. In terms of guidance, where a proposed contract contains elements of both supplies and services, the classification should be determined by the respective values of the two elements. Where it covers works/supplies or works/services, it should be classified according to the predominant purpose. In the event of the classification not being clear, the Group shall seek appropriate guidance and determine the matter.
- 11.4. Any contract which combines design with construction will always be a works contract.

## **12. Avoiding Conflict and Fraud/Bribery**

- 12.1. The Group is determined to ensure that its procurement decisions reflect and preserve the integrity of the organisation and are transparent. The Payments and Benefits Policy and Fraud, Money Laundering and Bribery Policy set out criteria on how the Group must conduct its business. Other measures are set out below to ensure openness and transparency.
- 12.2. 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.
- 12.3. 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.
- 12.4. 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 Customer Services Director immediately.

## **13. Equality**

- 13.1. 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. Procurement practice will reflect this commitment by encouraging relationships with contractors and service providers who are as equally committed to diversity.
- 13.2. The Group will use clear and precise language in all procurement documentation.

## **14. Community Strategy and Regeneration**

- 14.1. For all contracts, and specifically contracts valued over £4,000,000 the Group will consider whether to include community benefit requirements before undertaking the procurement exercise.
- 14.2. 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.

14.3. 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.

## **15. Sustainability**

15.1. Criteria based upon the procurement of environmentally friendly goods, works, and services will be used in all purchasing decision making processes, where applicable.

## **16. Procurement Responsibility and Delegation**

16.1. Implementation of this strategy requires clear functional responsibility to be assigned for procurement at both Board and staff level. An outline of the responsibilities and delegation is shown below.

### **16.2. Board Members**

- Adopting a Procurement Strategy ensuring it supports the achievement of the Group's Aim and objectives
- Overseeing procurement and contract management to ensure they are operating effectively.
- Making decisions in relation to value for money, risk management, and major contracts.
- Ensuring that key policies and strategies are being considered during the procurement process.
- Scrutiny through the Audit Committee.
- Challenging the progress of major procurement projects.
- Scrutinising strategic procurement contracts and reviewing their impact upon the community and staff.
- Ensuring that value for money is provided by all services and contracts.
- To ensure that, where relevant, procurement practices are fully in compliance with obligations under Procurement Rules.

### **16.3. Chief Executive**

- Capacity building to ensure that organisational arrangements are in place to deliver the Procurement Strategy effectively.
- Making sure that those involved with procurement have the right skills in place to be able to deliver it effectively.
- Ensuring that option appraisal is robust and challenging.

- Maintaining an overview of corporate arrangements for procurement and ensuring they are operating economically, efficiently and effectively.
- Ensure value for money from procurement is achieved.

#### 16.4. Directors

- Taking responsibility for procurement in their services, following the guidelines in this Strategy and the Procurement Manual.
- Ensuring that the relevant staff in their area have the right level of skills to deliver effective procurement.
- Monitoring of all procurement activity in their services.
- Project management and making sure an appropriate project plan is in place and resourced.

#### 16.5. Development and Property Director

- Co-ordination of Group wide procurement as per strategy and procurement manual.
- Development and review of procurement processes and procedures.
- Record and log all procurement activities.
- Develop value for money strategy and annual statement.

#### 16.6. Budget Holders

Staff involved directly with the buying of goods, works, and services will be responsible for:

- Following procurement guidelines relevant to the level of risk associated to the goods, works, and services being purchased.
- Conducting relationships with suppliers and partners in an appropriate manner to promote the Group in a positive manner.

#### 16.7. Procurement Areas

The Standing Orders and Delegated Authority Policy sets out procurement and authority areas and spend levels.

### **17. Consultation and Engagement**

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

## **18. E-Procurement**

18.1. 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.

## **19. Managing Health and Safety**

19.1. 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.

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

## **20. Ensuring Prompt Payment to Contractors and their Sub-Contractors**

20.1. The Group is committed to paying our suppliers promptly and aim to pay all undisputed invoices within 30 days from receipt.

20.2. The Group will ensure that effective contract management and monitoring throughout the terms of its regulated contracts to ensure that prompt payment continues to be applied throughout the duration of the contract.

## **21. Review of Procurement Strategy and Procedure Manual**

21.1. In line with the requirements of the Procurement Reform (Scotland) Act 2014 the Strategy will be reviewed annually and published on our website at [www.cvha.org.uk](http://www.cvha.org.uk).

21.2. Our annual contracts register will be available to view on our website at [www.cvha.org.uk](http://www.cvha.org.uk).

### Contracts for works/services/supplies to be procured by CVG during 2022/23

The table below outlines the contract the group will procure during 2022/23, 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	£50k (£10k per annum)	PCS/FTS	Finance & Corporate Services Director
External Audit Services	£250k (£50k per annum)	PCS/FTS	Finance & Corporate Services Director
Landscape Maintenance	£1.5m (£300k per annum)	PCS/FTS	Property & Development Director
Gas Servicing and Reactive	£2.2m (£450k per annum)	PCS/FTS	Property & Development Director
Development & Works: Principal Designer / CDM	£300k (£75k per annum)	PCS/FTS	Property & Development Director
Consultant/Quantity Surveying	£750k (£150k per annum)	PCS/FTS	Property & Development Director
Consultant/Employers Agent	£400k (£80k per annum)	PCS/FTS	Property & Development Director
Kitchens & Electrical Re-wires	£4.5m (£1.5m per annum)	PCS/FTS/Potential Framework through SPA	Property & Development Director
Bathrooms	£437k for 2022/23	PCS/FTS/Potential Framework	Property & Development Director
School Road Windows	£120k	PCS/Potential Framework	Property & Development Director
Replacement Soffit and Facias	£100k	PCS/Potential Framework	Property & Development Director
Fencing	£25k	PCS/Quick Quotes	Property & Development Director
Medical Adaptations Framework	£1.5m over 5 years (subject to funding)	PCS/FTS	Property & Development Director

Contract Title/ Subject Matter	Estimated Value of Contract	Procurement Method	Job Role with Procurement Authority
Electrical Inspections	£400k contract value (5 years)	PCS/FTS	Property & Development Director
Staff Uniforms	£30k	PCS/Quick Quotes	Finance & Corporate Services Director
Print Solutions	£60k (£15k per annum)	PCS/FTS	Finance & Corporate Services Director
Asbestos Works	£150k (£50k per annum)	SPA	Property & Development Director
Fire Safety (Inspections, actuators, dry risers and emergency lighting)	£60k (£12k per annum)	PCS/FTS	Property & Development Director
Gas Audit	£51k (£17k per annum)	PCS/FTS	Property & Development Director
IT Support/Outsourcing	£325k (£65 per annum)	PCS/FTS	Finance & Corporate Services Director
Communication/PR & Marketing	£500k (£100k per annum)	PCS/FTS	Finance & Corporate Services Director
IT equipment	£200k (£40k per annum)	PCS/FTS	Finance & Corporate Services Director
H&S specialist auditors	£30k (£6k per annum)	PCS/Quick Quotes	Finance & Corporate Services Director
IT specialist auditors	£30k (£6k per annum)	PCS/Quick Quotes	Finance & Corporate Services Director
Electrical Inspections -additional contractor for one year	£100k	PCS/Quick Quotes	Property & Development Director
Purchase to Pay	£80k	PCS/FTS	Finance & Corporate Services Director
Asset Management System	£100k	PCS/FTS	Finance & Corporate Services Director

## Appendix 2

### Extensions to be awarded for work/supplies/services during 2022/23

The table below outlines the contracts currently in place for The Group that will be extended during the year April 2022/23 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
Term Maintenance Contract	£1.8m	1 year extension (12 months from July 2022)	Property & Development Director
Landscape Maintenance	£200k	6 months to end of September 2022	Property & Development Director
Gas Heating Installations	£700k	12 months from March 2022	Property & Development Director
Electrical Inspections	£350k	Extension from May 2022 to March 2023 with current contractor	Property & Development Director
Cyclical Gutters & Painter Work	£130k	Extension to March 2023	Property & Development Director
Car Leases: Pool Cars	£15k	1 year May 2022 to May 2023	Finance & Corporate Services Director
Internal Audit Services	£15k	1 year to March 2023	Finance & Corporate Services Director
Washroom Services	£3k	12 months from June 2022 - June 2023	Finance & Corporate Services Director
Intruder and Panic Alarms	£500	12 months from May 2022 - April 2023	Finance & Corporate Services Director
Fire Alarm	£500	12 months from May 2022 - April 2023	Finance & Corporate Services Director
CCTV	£500	12 months from May 2022 - April 2023	Finance & Corporate Services Director



<b>Contract Title/ Subject Matter</b>	<b>Estimated Value of Contract</b>	<b>Comments</b>	<b>Job Role with Procurement Authority</b>
Gas Audit	£8.5k	Extension Apr 22 – Sept 22	Property & Development Director
Scott Street & Quarry Street Lift Maintenance	£4k	12 months from Aug 22-July 23	Property & Development Director
Water hygiene (legionella) Housing stock	£5k	Nov 22 – Nov 23	Property & Development Director
Water hygiene (legionella) Scott Street	£3k	12 months from dec 22	Director of Finance & Corporate Services
PCI Compliance Phone Payments	£103k	Extension to current service	Director of Finance & Corporate Services