



# West Granton

Housing Co-op

sustaining and championing the co-operative way

Procurement Strategy

2019

<b>Contents</b>	<b>Page</b>
<b>1 Organisational Background</b>	<b>3</b>
<b>2 Introduction</b>	<b>4</b>
<b>3 Objectives</b>	<b>5</b>
3.1 Customer Focus	6
3.2 Value for Money	6
3.3 Integrity	7
3.4 Sustainability & Social Value	7
<b>4 Contractor/Supplier Requirements</b>	<b>8</b>
4.1 Health and safety compliance	8
4.2 Payment of living wage	8
4.3 Ethical trade	8
4.4 Prompt Payment	8
<b>5 Procurement key performance indicators</b>	<b>9</b>

## 1 Organisational Background

West Granton Housing Co-operative Limited (WGHC) was formed in 1990 by residents of the West Granton area of north Edinburgh in order to provide new rented housing in an area dominated by low demand council housing.

WGHC owns 372 houses and flats across six developments. All are in North Edinburgh within walking distance of the WGHC office.

WGHC's last new build development was completed in 2009. WGHC's management committee have agreed that no large-scale developments will be pursued in the medium term.



## 2 Introduction

The purpose of this Strategy is to set out the way West Granton Housing Co-op will direct its external expenditure on goods, services and works. The term 'procurement' as used in this policy covers the process of purchasing the full range of goods, services and works we require, ranging from small items (e.g. office stationery) to large development and planned maintenance contracts awarded following a full tendering process.

The legislation surrounding procurement includes the following and this should always be complied with.

- Procurement reform (Scotland) Act 2014
- Guidance under the procurement reform (Scotland) Act 2014
- Public contracts (Scotland) Regulations 2016
- Procurement (Scotland) Regulations 2016

This strategy also supports the potential benefits derived from the Scottish Model of Procurement and considers the wider context of the Scottish Government's Procurement Strategy. The Value for Money triangle illustrates the Scottish Model of Procurement (Figure 1):

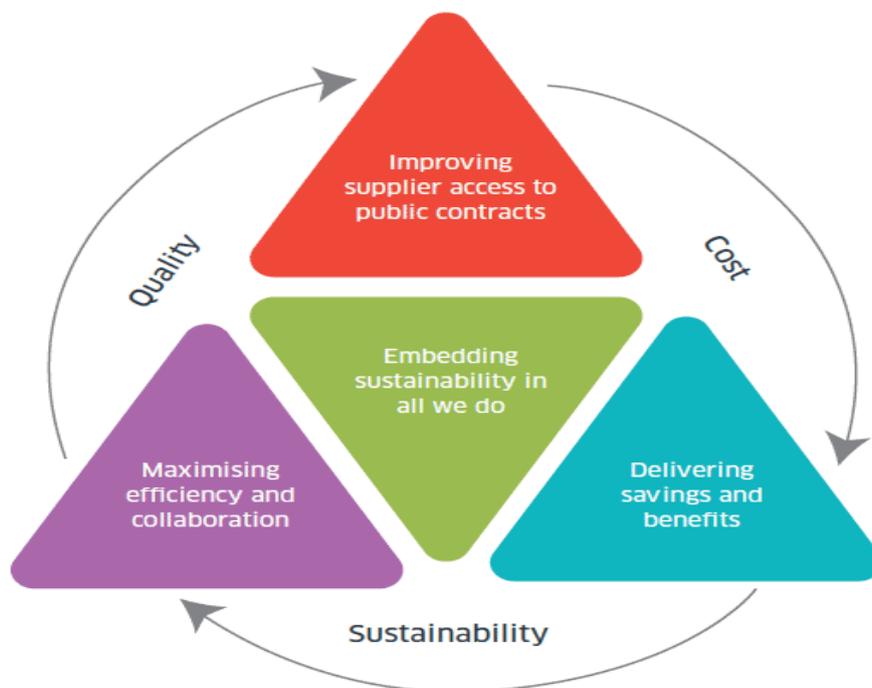


Figure 1- "Value for Money Triangle"

### 3 Objectives

- **Customer Focus:** to ensure that procurement is aligned with the needs of our customers and that our customers are appropriately involved and supportive of our procurement activity.
- **Value for Money:** to achieve optimal value for money (VfM) through effective procurement.
- **Integrity:** To ensure that all procurement activity is ethical and that WGHC and staff involved in procurement are safeguarded from actual or perceived corrupt or fraudulent activity.
- **Sustainability & Social Value:** to consider the social investment opportunities available through our procurement activity and its potential to deliver economic, social and environmental benefit to the communities we serve.

#### 3.1 Customer Focus

We will carry out consultation with our tenants as part of the procurement process for all large-scale contracts. We carry this out by means of public events, focus groups, post contract surveys and requests for feedback on our website and from newsletters.

Where possible recommendations arising from the consultation process will be included in future contracts. All contracts will be awarded based on quality and price criteria and the quality criteria will be developed as part of these consultations.

West Granton housing Co-op is a community-based organisation and is governed by a voluntary committee, all of whom are tenants. Committee members will have a key input into the timing and content of our procurements as part of their strategic oversight of our activities.

### **3.2 Value for Money**

We will use existing frameworks to procure regulated contracts. To do this we will use the services of organisations such as Scottish Procurement Alliance (SPA) and Procurement for Housing Scotland (PFH). We are registered and use Public Contracts Scotland.

Where there is more than one contractor on a framework, the call-off contracts will be procured by means of a balance of quality and price in order to deliver the economically advantageous tender. An appropriate balance of quality and price, typically 60% quality to 40% price, will be set for each contract. There will be an element of price competition built into the procurement process for all call-off contracts where there is more than one contractor on the framework.

Any directly procured contracts will be advertised openly on the Public Contracts Scotland portal. The balance of price and quality, the quality scoring criteria and the scoring calculations to be applied, will be set out clearly in the contract documents.

**ARCHIE** – The Alliance of Registered Co-operatives and Housing Associations, Independent in Edinburgh.

ARCHIE is a grouping of 8 Housing Co-operatives and Housing Associations, all having a strong common interest being focussed on maintaining a strong independent and local identity delivering a wide range of services within Edinburgh. These are Muirhouse HA, Prospect HA, West Granton Co-op, Lister Co-op, Hunters Hall Co-op, Manor Estates, Viewpoint HA and Port of Leith HA.

WGHC also appoint consultants to carry out independent reviews of long-term contracts.

### **3.3 Integrity**

Any staff or committee involved in procurement processes or in the tendering of contracts should act at all times according to the principles of impartiality, independence and integrity.

These principles should be followed by all those involved:

- All procurement activity should comply with both letter and spirit of law, the Co-ops policies and contractual commitments.
- There is no conflict between official duties and private interests.
- There should be no improper influence placed on any person involved in the procurement process to show favour (or disfavour) towards any supplier, and that the perception is not created that decisions have been influenced by a gift, hospitality or relationships.
- At all times suppliers must be dealt with in an honest, fair, open- and even-handed way.
- Information provided by suppliers should always be regarded and treated as confidential.
- 
- It is vital that all staff and committee members involved in the letting of contracts on behalf of the Co-op act with the utmost propriety. Accordingly, under the declaration of interests, staff and committee members must register all their financial and other interests (e.g. interests in land, local businesses). Declarations must also be made in relation to family members and close associates, etc (friends). Where a conflict of interest arises, the staff member must have no involvement in any aspect of the procurement process relating to their declaration including, but not limited to, the selection, awarding, management, monitoring or control of the contract.

### **3.4 Sustainability & Social Value**

We will ensure that sustainable procurement is a key aspect of all procurement activities with a key focus on quality, value for money and where possible, community benefits.

We will aspire to engage with external contractors who also embrace and demonstrate a commitment to work towards sustainable procurement, for example, living wage commitments.

Supported businesses will be used, where possible, generally this will be for minor work.

## **4 Contractor/Supplier Requirements**

### **4.1 Health and Safety compliance**

WGHC has a comprehensive health and safety policy and associated guidance/procedures which relate to staff and contractors. Health and safety policies and associated information are requested, where relevant, from suppliers as part of the procurement process. Health and safety policies are covered in WGHC standard terms and conditions to ensure that suppliers comply with all relevant regulations and best practice.

We will ensure that any measures taken to safeguard the promotion and compliance of health and safety requirements in procurement activity is relevant, proportionate and not overly burdensome and meets current legislation as a minimum. The degree to which health and safety requirements are specified within tender documents will vary according to the goods, services or works being purchased and will be considered on a case by case basis.

### **4.2 Payment of Living Wage**

WGHC is committed to promoting the use of the Scottish Living Wage. WGHC will always have regard to the statutory guidance on the selection of tenderers and award of contracts addressing fair work practices, including the Living Wage, in procurement activity.

WGHC is a Living Wage Accredited Employer and promotes this through relevant public contracts.

### **4.3 Ethical trade**

In making procurement decisions we will seek to contribute to maintaining and improving the environment, both by purchasing recycled or 'environmentally friendly', fair and ethically traded goods whenever possible and/or by supporting suppliers or contractors whose values and production processes are environmentally positive.

### **4.4 Prompt Payment**

WGHC is committed to paying our suppliers promptly, and we include a clause in our standard terms and conditions stating that we will pay undisputed invoices within 14 days from receipt. WGHC will ensure effective contract management and monitoring throughout the contract term to ensure that prompt payment continues to be applied throughout the duration of the contract.

## 5 Procurement Key Performance Indicators

<b>Key performance area</b>	<b>Measure</b>
Compliance with procurement legislation (and best practice)	No legal or official challenges regarding procurement process
Supplier satisfaction with procurement process	95% of suppliers satisfied
Contract compliance	97% of suppliers successfully completing contract. No contracts terminated due to poor performance
Tenant satisfaction with performance of contractor	95% of tenants satisfied with contractor performance