



Annual Procurement Report

1st April 2022 to 31st March 2023

Contents

Header	Page No
Foreword	3
Introduction	4
Procurement Strategy	4 - 5
Summary of Procurement Activity 2021/22	5 - 6
Summary of AHA's Regulated/Non-Regulated Procurements	6
Summary on the Use of Supported Businesses	7
Summary on AHA's Expenditure & Supply Chain	8
Review of Regulated Procurement Compliance	9
Community Benefit Summary	10
Future Regulated Procurements	11 - 13
Procurement Complaints Received	13
Annual Procurement Report Ownership	13

Foreword

Section 18 of the Procurement Reform (Scotland) Act 2014 (the Act) requires any public organisation obliged to publish a procurement strategy and to prepare an annual report on its regulated procurements. This report covers the period from 1st April 2022 to 31st March 2023

Angus Housing Association (AHA) published its first Procurement Strategy in April 2021 as required by the Procurement Reform (Scotland) Act 2014 (the Act). This Strategy covers the period from March 2021 to March 2024 while being reviewed annually and amended where applicable.

In order to comply with this Strategy and the Act this report marks the publication of the second Annual Procurement Report for AHA. The purpose of this report is to publish AHA's procurement performance and achievements in delivering its procurement strategy.

It should be noted that the organisation has recently underwent a transformation in respect of its procurement processes, policies and strategy and therefore the findings within this report may well still be within the infant stages of change.

Between the 1st of April 2022 and 31st March 2023, two (2) regulated procurement(s) were Completed, Invitation to Tender for External Audit Services and Invitation to Tender for Gas Servicing, Maintenance & Repairs all were carried out in accordance with AHA's procurement strategy.

During the same period, community benefits were included in two (2) Regulated Procurements in relation to External Audit Services and Gas Servicing & Repairs.

The Association annually reviews spend analysis to identify areas of high risk expenditure for all of its contracts in relation to Goods, Works & Services, which will in turn identify the number of regulated procurements over the next two financial years which may require to be carried out and may also be subject to change.

Introduction

This report has been prepared as the Annual Procurement Report for the period 1st April 2022 – 31st March 2023 to meet the requirements of the Procurement Reform (Scotland) Act 2014 which requires any public organisation which has an estimated annual regulated spend of £5m or more (excluding VAT) to prepare an annual report on their regulated procurements completed during that period.

Procurement Strategy

AHA published a Procurement Strategy in April 2021 for the period from March 2021 to March 2024.

The purpose of the strategy is to:

- Deliver value for money through good procurement practice including involvement in collaborative procurement initiatives and purchasing consortia as required. Our procurement process will also enable staff who procure goods and services to achieve value for money in purchases. It will enable staff to have the tools and guidance on achieving and evaluating value for money.
- Support internal departments and colleagues to enhance tenant engagement and experience through good Procurement practices. Ensure that sustainable procurement is a key aspect of all procurement activities within AHA with a key focus on quality, value for money and where possible, community benefits. We will ensure that staff have training that is appropriate and relevant, to enable them to undertake procurement activity associated with their role.
- Develop a suite of key performance indicators (KPIs) as well as other management information to measure and improve procurement-related activities and supplier performance assisting key stakeholders across the organisation to meet their requirements.
- Sustain and further develop partnerships within the sector, with other publicly funded and professional bodies, and appropriately with supply markets that will produce intelligence, innovation and deliver value to users of procurement.
- We will maintain a comprehensive policy and procedure (and other associated documents) to ensure that our procurement processes are fully compliant with legislation and best practice.
- We will continue to analyse the way we procure goods and services, to ensure that we are embracing innovation and new ways of working. We will look to establish our

processes in the most advanced methods and systems and ensure that we procure goods and services as per AHA's Procurement Policy.

- We will establish a framework for monitoring and reporting performance including community benefits, stakeholder outcomes and key performance indicators.

Summary of Procurement Activity 2022/23

We are committed to making public procurement open and accessible to businesses especially small and medium sized enterprises (SMEs). All tender opportunities greater than £50K for Goods / Services and greater than £2M for Works are advertised on the Public Contracts Scotland (PCS) advertising portal and on Tenders Electronic Daily (TED) where required.

We also publish contract opportunities below these thresholds in accordance with our Procurement Policy and our contract register on our website as required by the regulations.

The PCS portal has a 'Quick Quote' functionality which is a proportionate process to request and receive quotes for lower value contracts for Goods / Services and Works or alternatively for advertising mini competitions using collaborative framework agreements regardless of contract value.

Period 1st April 2022 to 31st March 2023	
Number of completed Regulated Procurements	2
Estimated value of completed Regulated Procurements	£768,545.00
Number of completed non-regulated Procurements	6
Estimated value of non-regulated Procurements	£117,751.00

Summary of AHA's Regulated / Non-Regulated Procurements

Appendix one (1) shows a total of 8 contract awards between the periods of 1st April 2022 to 31st March 2023 all are in relation to Service contracts. Two of which were above the Procurement Reform (Scotland) Act Threshold of **£50K** with the others below the regulated threshold.

Procurement exercises outlined above equate to a total procurement value of **£886,296.00**

A regulated procurement is any procurement for Goods/Services with a value of over £50,000 and for Works with a value of over £2 million. For the purpose of this section a regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end.

During the reporting period two regulated procurement(s) were completed. All were carried out in accordance with the Association's Procurement Strategy

Summary on the use of Supported Business

Supported Businesses make an important contribution to the Scottish economy, through the goods and services they deliver, but also by providing meaningful employment, training and social support for those who may otherwise be excluded from the workplace.

This is an important element of the sustainable procurement duty and the steps taken by the organisation to facilitate the involvement of supported businesses in regulated and non-regulated procurements will therefore be helpful to the organisation in demonstrating compliance with that duty.

During the reporting period AHA liaised with Capture All via the Scottish Government's Supported Business Framework in relation to services for document scanning. This resulted in a Direct Award to Capture All via the Scottish Government Supported Business Framework to the value of **£39,600.00**.

AHA are keen to support and encourage the use of Supported Businesses where the opportunity allows and where it is appropriate and proportionate to do so. We also need to ensure the requirements to utilise supported businesses meets the needs of the organisation and these opportunities will be assessed on a regular basis.

Summary on AHA's Expenditure & Supply Chain

Procurement activity within the organisation is still very much in its infancy years from the new policy and strategies being implemented early in 2021 in relation to both a Procurement and Payments perspective. Performance metrics and spend analysis are used to continuously track performance and identify areas for further improvement, the metrics used are:

Purchases	2022/23
Total Spend	£9,115,754.87
Total Number of Suppliers	422
SME's (Small Medium Enterprises)	325
SME Spend %	89%
Local Suppliers (Angus / Dundee)	169
Local Spend % (Angus / Dundee)	45%
Supported Business Spend	£39,600.00
Payments	
Total number of invoices paid	9,249
Invoices paid by electric means	9,249
Value of invoices paid by electric means	£9,115,754.87
Invoices paid within 30 days %	99%
Angus / Dundee supplier invoices paid within 30 days %	83%

Review of Regulated Procurement Compliance

Mandatory Requirements of the Procurement Reform (Scotland) Act 2014 and Statutory Guidance Obligations lay out some mandatory requirements which AHA's Procurement Strategy (March 2021 to March 2024) includes.

<p><u>Community Benefits Requirements</u></p>	<p>Fully Complied</p> <p>For every procurement over £4m, AHA will consider how it can improve the economic, social or environmental wellbeing of its area potentially through the inclusion of community benefit clauses, to assist with its strategic objective of being accountable to the Communities we serve and performing policies which offer a high level of tenant and wider public participation in our decision making process.</p> <p>Such improvements could be implemented through the delivery of targeted recruitment and training or subcontracting opportunities within AHA's geographical location.</p> <p>Where possible and proportionate AHA will also look to include such clauses in procurements below the £4m threshold.</p>
<p><u>Payment of a Living Wage</u></p>	<p>Fully Complied</p> <p>A contracting authority can contribute towards improving the social wellbeing element of its sustainable procurement duty under section 9 of the Procurement Reform (Scotland) Act 2014 ("the Act") by adopting policies to promote fair work practices in relevant public contracts.</p> <p>Where it is appropriate and proportionate to do so AHA will strive to implement living wage and fair work practice principles within our procurements by giving consideration to a bidder's overall approach to fair work practices as outlined within the Scottish</p>

	<p>Governments statutory guidance on Fair Work Practices.</p> <p>Where relevant and proportionate sustainability requirements, including support for Fair Working Practices and the Living Wage were included in contract documents.</p>
<u>Value for Money</u>	<p>Fully Complied</p> <p>AHA will analyse expenditure to identify 'TED regulated Procurements' (<i>Public Contracts Scotland Regulation Thresholds previously OJEU for Goods and Services worth more than £213,477 inc VAT and Works worth more than £5,336,937 inc VAT</i>) and the Procurement Reform Scotland Act Thresholds lower value regulated procurements' (<i>Goods and Services worth more than £50,000 and Works worth more than £2 million</i>).</p> <p>Goods, Services and Works are bought through multiple methods including joint purchasing, use of local, regional, and national framework agreements.</p> <p>All regulated contracts are tendered via the PCS portal. Collaboration on contracts used where appropriate.</p>
<u>Payment of Contractors</u>	<p>Fully Complied</p> <p>99% of invoices were paid within 30 days during the reporting period. All regulated procurement contained the standard clause in relation to payment.</p>
<u>Developing Staff in Procurement</u>	<p>Fully Complied</p> <p>Internal training provided to staff with procurement responsibilities and is ongoing.</p>

AHA is committed to ensuring all regulated procurements comply with both the Association's Procurement Strategy and all relevant legislation. All contracts are included in our contract register which is published on our website.

This includes compliance with sustainable compliance duties.

Community Benefit Summary

AHA are now building in processes that will allow us to capture Community Benefits that are being delivered as part of the contracts awarded where appropriate and proportionate to do so dependent upon contract value.

The relatively low costs of our procurement contracts for Goods and Services compared to the cost of Development and New Build projects have made this a difficult area to tackle locally but we are committed to realising Community Benefits in all forms.

The Association is committed to maximising Community Benefits from its procurement activities. The use of Community Benefit clauses contributes to AHA's Procurement Strategy (April 2021).

Community Benefit clauses will be incorporated into all contracts where appropriate and proportionate to do so, and are mandatory in contracts with a contract value in excess of £4m.

Summary of Community Benefits 2022/23	
Total Number of Contracts	8
Total Number of Regulated Procurements (>£4M)	0
Number of Contracts (> £4M) with Community Benefit Requirements	0
Number of Contracts (< £4M) with Community Benefit Requirements	2
Total number of Contracts with Community Benefit Requirements	2
% of Community Benefit Requirements from the Total Number Contracts	25%
% of Community Benefits from the Total Number of Regulated Procurements (>£4M)	0%

Future Regulated Procurement Summary

The Association is currently in the process of reviewing spend analysis to identify areas of high risk expenditure for all of its contracts in relation to Goods, Works & Services, which will in turn identify the number of regulated procurements over the next two financial years which may require to be carried out and may also be subject to change.

Details of these contract requirements are shown in the table below: -

Item	Year	Indicative Contract Value 3 Year Term (£'s)	Notes	Potential Route to Market
Fully Managed IT Services	2023 / 24	£180,000.00	Requirement to renew Fully Managed IT Service	Invitation to Tender via PCS
Legal Services	2023 / 24	£50,000.00	Requirement renew External Legal Services	Scottish Government Framework relating to Legal Services
Internal Audit Services	2024 / 25	£30,000.00	Requirement to renew Internal Audit Services	Invitation to Tender via PCS
Cyclical Landscape / Grounds Maintenance Contract	2024 / 25	£400,000.00	Renewal of Grounds Maintenance Contract	Invitation to Tender via PCS
Cleaning Contract	2024 / 25	£195,000.00	Contract for Office Services	Invitation to Tender via PCS
Multi Trades	2024 / 25	£4,600,000.00	Multi-trade Framework	Invitation to Tender via PCS possible collaboration opportunity

Procurement Complaints Received

No formal challenges or complaints were received by the Association during the reporting period.

Annual Procurement Report Ownership

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