



Making a Difference Every Day

**OSPREY HOUSING
PROCUREMENT STRATEGY 2024**

PROCUREMENT STRATEGY

Osprey Housing believe that effective and efficient procurement is vital to our success in maintaining good quality services for all our tenants and providing value for money.

This is encompassed in our Core Values:

- **Ambition and Achievement** – we are a high performing organisation delivering through innovation and challenge
- **Equality and Respect** – we recognise and celebrate the unique value in everyone
- **Quality and Professionalism** – we strive to deliver high standards
- **Agile and Responsive** – we are flexible and quick to deal with change without diminishing our delivery

1. Purpose of this Strategy

The purpose of this strategy is to support the delivery of services and high quality homes, with an effective procurement process that supports our strategic aims, offers value for money, takes account of best practice and meets Scottish and UK procurement legislation.

This strategy therefore sets out our approach to regulated procurement, places it in context, lists strategic goals and objectives.

1.1 The key aims of this Strategy are to:

- Set out a clear strategic approach to Procurement;
- Ensure our compliance with statutory requirements;
- Improve access and opportunities, particularly for Small and Medium sized Enterprises (SMEs);
- Add value for our customers, their communities and the wider local economy; and
- Continually strive to improve our procurement service.

1.2 The legal context of Procurement

For the purposes of procurement, Osprey Housing are deemed a contracting authority. Regulated procurement thresholds as set by Scottish Government will be reviewed every 2 years to remain aligned with WTO Government Procurement Agreement. Thresholds were updated as of 1 January 2024 and Osprey will adhere to the appropriate thresholds.

In broad terms, the 2014 Act introduces a degree of regulation for certain procurements which are below the financial thresholds of the 2015 Regulations. As a result, all Osprey Housing procurement requirements for services and supplies above £50,000 (excl. VAT) in value,¹ and all Osprey Housing procurement requirements for works above £2,000,000 shall now be 'regulated contracts' for the purposes of the Act.

Where a Contracting Authority has a likely annual spend of more than £5m on regulated contracts, the Act obliges it to prepare and publish an annual procurement strategy. Osprey Housing anticipates that it will not have such an annual spend, but this Strategy aims to fulfil that obligation should our spend increase above that amount.

2. Impact of the Strategy

This Strategy aims to provide an overview of Osprey Housing's strategic approach to procurement and give clear direction to what we want to achieve. Osprey Housing has a Procurement Policy/Procedure which is aimed primarily at operational staff who require day to day guidance on how Osprey Housing can comply with procurement regulation and deliver this strategy.

Once implemented, the actions required under this Strategy shall demonstrate Osprey Housing commitment to ensuring transparency, equal treatment, non-discrimination, and proportionality in all its regulated procurement activities.

¹ This value is for the whole life of the contract, not simply an annual expenditure and is net of VAT.

The policies and procedures deriving from this strategy shall highlight and prioritise the concept of 'Value for Money' in procurement being an informed choice for Osprey Housing between cost, quality, and sustainability by delivering on the key priorities of:

- Delivering high quality outcomes
- Maximising efficiency and cost savings
- Improving access to opportunities for contractors, particularly for SMEs.

Embedding sustainable procurement within Osprey Housing procurement strategy. This means that before carrying out any regulated procurement, Osprey Housing shall consider how in the procurement process it can:

- Improve the economic, social and environmental wellbeing of the locality in which we operate,
- Facilitate the involvement of local SMEs, other third sector bodies and supported businesses in the process; and
- Promote innovation.

3. Delivery of the Strategy

There are several key aspects to be considered when delivering the Strategy.

For each exercise the staff members involved will always consider Osprey Housing functions, this Strategy, and the Procurement Policy/Procedure at the outset of, and during, any procurement activity.

3.1 Key principles. Osprey Housing will ensure that its regulated procurements will contribute to the carrying out of its functions and achievement of its purposes by:

- Development of a strong contractor base and framework that will support local enterprise
- Consider joint procurement routes, if available or appropriate.
- Use of clear outcomes in contract documentation.
- Effective contract management to monitor the effectiveness of all procurement contracts awarded to ensure delivered to the expected quality and standards.
- We view suppliers as partners, working together to improve performance, reduce costs and foster innovation.

3.2 Value for Money. Osprey Housing intends to ensure that its regulated procurements will deliver 'Value for Money' by:

- Considering the balance of 'Value for Money' by the Cost Vs. Quality weighting on a case-by-case basis, while ensuring consistency and transparency in procurement exercises.
- Considering the whole-life cost of each procurement, in a clear, transparent and proportionate manner.

3.3 Equality and Diversity. Osprey Housing will ensure that its regulated procurements will be carried out in compliance with its duty to treat relevant economic operators (Contractor's) equally and without discrimination by:

- Ensuring that these principles are followed in all procurements, regardless of value.
- Use of clear and precise language in all procurement documentation to allow all tenderers to interpret it in the same way.
- Always considering contract size, including the opportunity to break requirements into smaller lots.

3.4 Communication. Osprey Housing will ensure that its regulated procurements will be carried out in compliance with its duty to act in a transparent and proportionate manner by:

- The use of electronic communication for all procurement activity.
- Clearly defined award and assessment criteria.

3.5 Sustainability. Osprey Housing will ensure that its regulated procurements will be carried out in compliance with the sustainable procurement duty by:

- Always having regard of the Sustainable Procurement Duty Statutory Guidance in respect of regulated procurements.
- Considering and where appropriate use of the tools provided by the Scottish Government in relation to the sustainable procurement duty, e.g. the Scottish prioritisation tool, life-cycle mapping, sustainability test and the Scottish flexible framework.

3.6 Community Benefit. Osprey Housing's general policy on the use of Community Benefit requirements:

- Wherever appropriate, Osprey Housing will include contractual requirements in relation to Community Benefit requirements where these are in line with our objectives.

3.7 Promoting the Living Wage. Osprey Housing's general policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements

- Being a Living Wage Accredited Employer and promoting payment of the Living Wage by suppliers and contractors.
- Always consider how Osprey Housing can contribute towards improving social wellbeing by promoting the Living Wage and fair work practices.

3.8 Promoting Fair Work First approach. Osprey Housing's general policy on the procurement of fairly and ethically traded goods and services.

- In regulated procurements, where relevant, Osprey Housing will refer to our own Fair Work First statement and consider how, by including fair and ethical requirements, it can promote fairness, dignity and the rights of workers.
- Osprey Housing intends to include fair and ethical trading requirements in contract award criteria, where relevant and proportionate, subject always to the requirements of the Regulations and EU law.

3.9 Effective cash flow and contractor payment. How Osprey Housing intends to ensure that, so far as reasonably practicable, the payments for supplies and services are made no later than 30 days after the invoice (or similar claim).

- Osprey Housing will comply with SPPN 5/2020 which sets out the Scottish Government's policy and approach to ensuring prompt payment in its procurements and Osprey Housing will ensure that its contracts include appropriate clauses in relation to prompt payment.
- Osprey Housing shall ensure effective contract management and monitoring throughout the term of its contracts to ensure that prompt payment continues to be applied throughout the duration of the contract.

4. Measuring the Impact

It is fundamental that the impact and success of the delivery of the aims of this strategy is effectively measured as a continual process to delivering good quality services and meeting our organisational aims and needs.

Any issues that arise with respect to procurement will be reported back to our Board or Executive Team for appropriate action, helping to ensure ongoing alignment with legislation and our goals and priorities.

Our procurement process, in relation to tendered contracts, and progress on implementing the procurement action plan, will be reported to and monitored by the Resource & Governance Committee and the Board. Ongoing reporting will be included each governance cycle to ensure transparent reporting and monitoring of performance.

Our Procurement Policy, and its related procedures, governs the administration of all procurement in relation to works, the supply of goods and the provision of services. The policy is subject to the provisions of United Kingdom and Scottish legislation, and is maintained and updated subject to guidance periodically issued by the UK or Scottish Governments.

Procurement will also comply with our 'Entitlements, Payments and Benefits' policy and refer to our Risk Register.