

The logo features the word "cairn" in a dark blue, lowercase, sans-serif font, centered on a light beige ribbon that has a pointed bottom edge.

cairn

Procurement Strategy
2018 - 2020

Our values

Customer First



Our customer always comes first and we will always aim to achieve high quality outcomes for customers.

Excellence



We value excellence and quality and aim to achieve high standards in all we do. We always strive to be the best that we can be.

Accountability



We are accountable for our actions and we take responsibility and ownership for outcomes.

One Team



We work as one team and build excellent working relationships to achieve our goals.

Respect



We value high standards of fairness, treating everyone with consideration and dignity. We show this through our words and actions.

Introduction

Cairn believes it is essential that a proper and consistent approach is used in any procurement exercise to obtain supplies, services or works on its behalf.

Procurement activity is governed by our financial regulations and procurement strategy and externally by procurement law. The financial regulations provide the internal rules that govern how employees responsible for committing company expenditure should conduct this activity. The procurement strategy provides the background framework for ensuring that all regulated procurement activities of Cairn contribute to the strategic objectives of Cairn.

Under the terms of the Procurement Reform (Scotland) Act 2014 a contracting authority which is likely to spend in excess of £5million or more on “regulated procurements” (as defined in the 2014 Act) is required to have a Procurement Strategy.

At Cairn we do not exceed the £5million threshold but consider it good practice to follow the requirements of the 2014 Act.

The Procurement Strategy supports our mission of providing quality affordable homes and services, with our communities and partners, throughout Scotland as well as delivering our value for money objective.

We have a procurement policy providing employees, Board members and agency staff guidance and information on how to comply with the financial regulations, procurement strategy and procurement law when purchasing supplies, services or works.

Strategy purpose

The purpose of the Procurement Strategy is:

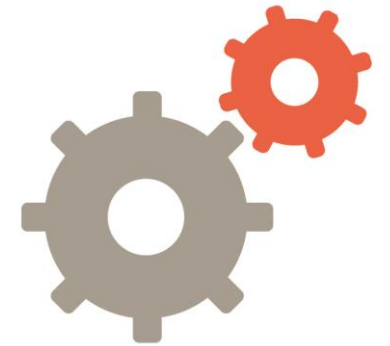
1. To ensure that all regulated procurement for goods, services and works contracts are in response to business needs
2. To ensure that all regulated procurement is carried out in accordance with the Procurement
3. To ensure that all procurement is proportionate to the size and scale of the requirement
4. To ensure that there is a clear audit trail associated with the procurement of all contracts whether deemed regulated or not.
5. To consider the use of Community Benefit Requirements in regulated contracts including those under the £4million threshold.

Outcomes

There are eight anticipated outcomes from the Procurement Strategy, delivered via a Procurement Action Plan and detailed on the Annual Procurement Report.

OUTCOMES:

- Deliver value for money
- Ensure sustainable procurement
- Establish community benefit
- Consult and engage with tenants
- Ensure fair work practices
- Fair and ethical
- Payment within terms
- Health and safety compliance



Deliver Value for Money

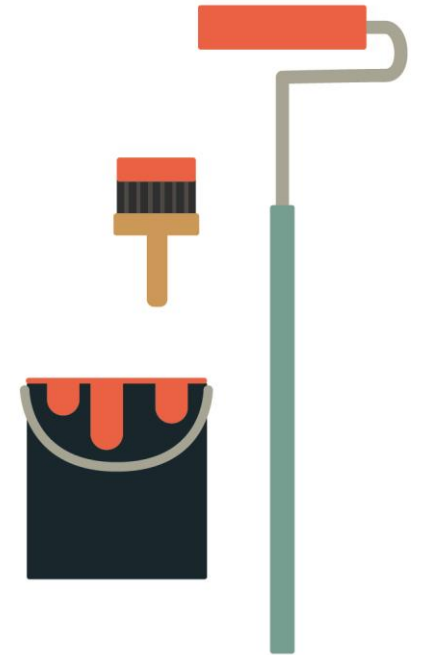
We will ensure that all regulated procurements deliver value for money by:

- Ensuring that the optimum combination of whole life costs and quality or fitness for purpose is considered for all regulated procurements.
- All contracts are awarded on the basis of the most economically advantageous tender which balances price and quality.

Ensure Sustainable Procurement

We will ensure that in all regulated procurements we will consider how when framing the contract requirements, we could contribute to the following:

- Improving the economic, social and environmental wellbeing within our areas of operation.
- Facilitating the involvement of small and medium enterprises, third sector bodies and supported businesses in the process.
- Promoting innovation.



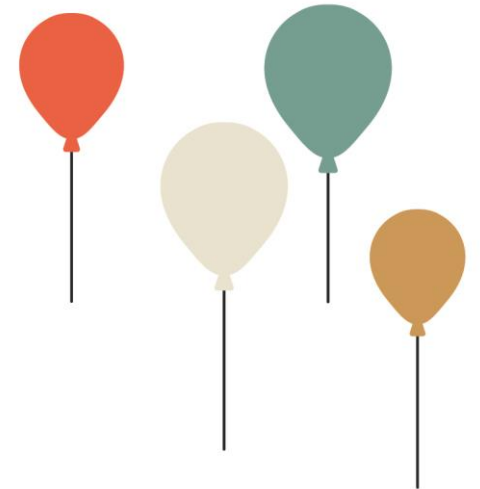
Establish Community Benefit

In considering whether or not to include community benefit requirements in any contract, we will have regard to the subject matter, duration and value of the contract in question and will determine how the contract could contribute to areas including, but not limited to:

- Increasing residents' digital skills and their ability to access the internet.
- Increase the job readiness of people in our communities who are furthest from the labour market.
- Help people and groups in our communities to improve their skills, abilities and confidence.
- Maximise the income of people in our communities who are dependent on benefits.
- Improve the local environment in our communities.
- Develop new funding streams in order to sustain our projects long term

Such requirements may be specified to support Community Benefit opportunities:

- by means of a financial contribution, proportionate to the contract value and duration, or
- by means of an in-kind contribution to be agreed and monitored by us.



Consult and Engage with Tenants

Where our customers are affected by a procurement process we will consult and engage with those affected in line with our strategy for Customer Involvement and the requirements of the Scottish Social Housing Charter and the National Standards for Community Engagement.



Ensure Fair Work Practices

Payment of the living wage will not be a condition of any assessment process with regard to selection of the economic operator but an assessment of fair work practises may be used to assess the contribution to the sustainable procurement duty in relation to improving the economic, and social wellbeing of the area.

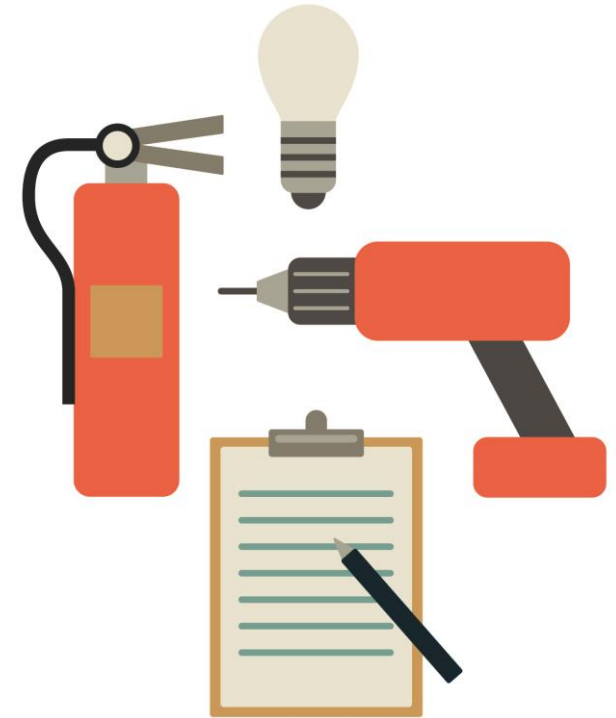
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Health & Safety Compliance

We will promote compliance with the Health and Safety at Work etc. Act 1974 (c37) by requiring information in relation to the policies of the economic operators and details of any failures as part of the assessment process.

For all works and services contracts the selection process will ensure that all contractors and sub-contractors invited to participate will have to demonstrate their compliance with the Health and Safety at Work Act 1974.



Fair & Ethical

We will ensure that the procurement requirements relating to Fairly and Ethically Traded Goods and Services are applied in a relevant, proportionate and legally compliant manner.

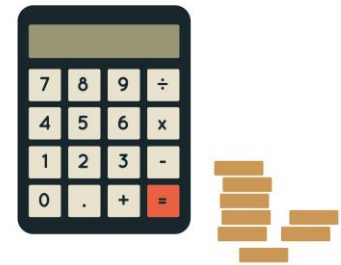


Payments

We will as far as reasonably practicable ensure that:

- regulated contracts include the provision to require the contractor to make payment to any sub-contractor within 30 days of invoice.
- regulated contracts include the provision that all sub-contractors of the main contractor will be required to make payments to their sub-contractors within 30 days of invoice.
- In accordance with the Financial Regulations ensure that payments under contracts are made timeously in accordance with relevant contract condition.
- Where sub-contractors are involved a system of monitoring, compliance by means of Key Performance Indicators will be agreed with the main contractor.

We may, if relevant, consider monitoring the prompt payment by contractors and sub-contractors by carrying out spot checks and/or using project bank accounts or trusts, when relevant and appropriate. We may also, if relevant, consider obliging contractors and sub-contractors to declare any claims for late payment.



Action plan

The Procurement Strategy defines a set of outcomes. The following action plan ensures compliance with legislation and the delivery of these outcomes.

The action plan will be tracked through Clearview.

Actions
Ensure all relevant information, including changes to procurement legislation, is communicated effectively across the organisation.
Ensure procurement savings are recorded and reported to Business Services, SMT and Board - Quarterly
Fully utilise the Scottish Government “Procurement Journey” (as per procurement policy) for all purchasing in excess of £5,000.
KPI’s to be incorporated within the performance report both SMT and Audit & Performance.
Regulated Contracts to be published on the Cairn website.
Training delivered to all staff.
Minutes of contractor meetings available for review.
Sustainability considered when agreeing tender evaluation criteria.
Consideration of Community Benefits for all tenders.

Annual Procurement Report

We will produce an Annual Procurement Report as soon as practicable after the end of the financial year. The first such report will cover the period from 31st December 2016 to 31st March 2018. Where regulated procurement exceeds £5million in any financial year the report will be made as directed by Scottish Ministers.

The report will cover the following:

- A Summary of all regulated procurements where an award notice has been published.
- A review of whether those procurements complied with the procurement strategy.
- Where procurements did not comply a statement regarding how future procurements will comply.
- A summary of community benefits imposed that were fulfilled in the year.
- A summary of any steps taken to facilitate the involvement of community businesses.
- A summary of the regulated procurements that it is expected to commence in the next two years.

