



MARYHILL HOUSING ASSOCIATION

Annual Procurement Report

2017 - 2018

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Section 1 – Introduction & Purpose

1.1 Introduction

This report summarises Maryhill Housing Association's (Maryhill's) regulated procurement activity completed between 1 April 2017 and 31 March 2018. A regulated procurement is any procurement for public goods/supplies or services with a value of over £50,000 or any procurement for public works with a value of over £2 million.

1.2 Procurement Strategy

Maryhill Housing Association (Maryhill) published its first Annual Procurement Strategy in April 2017, as regulated procurement in 2017/18 was not anticipated to exceed £5m the production of the Annual Procurement Strategy in this first year was voluntary.

1.3 Procurement Vision

Our overall vision is to inspire passion in people, for our homes and for our community. We want to create a real sense of community and help people to thrive and provide the best homes where people want to live, work and play. We also want to build a reputation for excellence and being ahead of the game.

Our procurement vision, set out in the 2017/18 Annual Procurement Strategy, was to work towards being recognised as a sector leader for procurement activity, taking a creative and collaborative approach to support the local economy of Maryhill and North Glasgow.

1.4 Executive Summary

Between 1 April 2017 and 31 March 2018, 4 regulated procurements were completed.

Community benefits clauses were included in all of the completed regulated procurements, and £57,000 of community benefits were delivered during 2017/18.

Maryhill expects to undertake £19m of procurement over the next two years, however this is subject to change.

Section 2 – Summary of Regulated Procurement Completed 2017/18

2.1 Regulated Procurement

A regulated procurement is any procurement for public goods/supplies or services with a value of over £50,000 or any procurement for public works with a value of over £2 million. The value the procurement is measured over the total contract period. For the purposes of this section a regulated procurement is completed when the award notice is published or when the procurement process otherwise comes to an end. This includes contracts and framework agreements.

2.2 Summary

The number of each type of regulated procurement and the process followed for those completed 1 April 2017 to 31 March 2018 are:

	Open Tender	Restricted Tender	Framework Call-Off	Total
Goods	0	0	0	0
Services	4	0	0	4
Works	0	0	0	0

The detail of these regulated procurement are provide below:

Date of Award	Successful Supplier	Contract Title	Estimated Value	Contract Duration
01/12/2017	Engie	M&E Compliance	£115,982	3 years
01/01/2018	PDC	Electrical Inspections	£1,411,724	2 years
01/06/2017	McDermotts	Landscape Maintenance	£51,440	3 years
28/09/17	Caledonian Maintenance	Common Area Cleaning	£909,141	3 years
Total value of regulated procurement			£2,488,287	

Section 3 – Review of Regulated Procurement Compliance

3.1 Review of Compliance with Annual Procurement Strategy

The following summarises the key objectives set out in the 2017/18 Annual Procurement Strategy document, how we intended to achieve these and then measures compliance for the regulated procurement undertaken in 2017/18.

1. Ensure that our Procurement activities, Strategy & Policy make effective contribution to the achievement of Maryhill Housing’s Corporate Plans and objectives	
We will do this by:	Review of compliance:
Maintain the Association’s Procurement Toolkit and ensure all staff involved in procurement are trained in the use of the Toolkit	Not Complied Toolkit in place and all staff trained March 2017. However refresher training now needed and also ensure toolkit training is part of induction for new staff.
Ensure all relevant information, including changes to procurement legislation, is communicated effectively across the organisation and staff trained accordingly	Complied No changes in legislation since launch of toolkit.
Communicate all Scottish Procurement Policy Notices (SPPNs) to relevant staff and action these policy notes accordingly	Complied
Obtain Board approval of the Annual Procurement Strategy by 25 th April 2017	Complied
Standardise tender documentation by using the European Single Procurement Document (ESPD) to encourage SMEs and local companies to bid for work	Complied
Develop individual contract strategies for all purchases over £20k (goods and services) and over £50k (works	Not Complied Although procurement toolkit in place with Contract Strategy template included, completion of the Contract Strategy document has not been consistently applied.
Ensure collaborative procurement is considered for all procurement activity	Complied
Ensure savings captured are reported to SMT and the MH Board quarterly	Superseded This will be reviewed annual as part of the annual savings process.

Learn from Procurement Processes and develop a Procurement Improvement Action Plan in 2018	Superseded Decision taken that specific procurement action plan not necessary, will be included within wider delivery plan.
Monitor and track Community Benefits from Procurement activities	Complied
Give consideration to a submission for a Procurement Excellence award in 2018	Superseded Decision taken not to proceed
2. Ensure that our processes and systems support effective procurement and assist us to deliver our Strategic plans and priorities	
We will do this by:	Review of compliance:
Use PCS e-tender solutions for all Association tenders over £10k from 2016/17	Complied
Explore the business case for electronic procurement and invoicing in 2017/18	Complied Electronic invoicing implemented for main repairs contractor, further electronic invoicing opportunities will be explored.
3. Ensure that our people and organisation support effective procurement and assist us to deliver our Strategic plans and priorities	
We will do this by:	Review of compliance:
Ensure procurement activity is in line with governance of the organisation, the Financial Regulations and Schedule of Delegation and aligned with Scottish Government requirements	Complied
Encourage achievement of a professional procurement qualification (MCIPS)	Complied
All staff involved in procurement to attend annual training on procurement legislation	Not Complied All staff trained March 2017, but annual refresher training has not yet taken place.
Training events to be delivered for the implementation of new legislation or policies	Complied No change in legislation since initial toolkit launched
Annual refresher training to be delivered for all staff involved in the procurement process	Not Complied As above, all staff trained March 2017, but annual refresher training has not yet taken place.

Deliver Board training in relation to procurement	Superseded This will be considered as part of annual Board appraisal process
4. Sustainable procurement will assist us to deliver our Strategic plans and priorities	
We will do this by:	Review of compliance:
Consider sustainability when agreeing tender evaluation criteria	Complied Included as part of Procurement Toolkit
Identify future opportunities for voluntary sector collaboration	Not Complied None identified as yet
Consider community benefit clauses for all tenders over £20K (goods and services) and £50k (works)	Complied
Consult with those affected by procurements (e.g. our tenants and other customers)	Complied
Encourage and support the payment of the living wage	Complied
Promote Health & Safety compliance by contractors and sub contractors	Complied
Promote the use of fairly and ethically traded goods and services	Not Complied As yet no active promotion undertaken
Ensure prompt payment to contractors and suppliers	Complied

3.2 Plan to Improve Future Compliance

During 2018/19 the procurement toolkit will be refreshed and all staff involved in procurement will receive training on use of the toolkit and completion of contract strategy template.

Procurement toolkit training will also be included within induction training for new staff where relevant to their role.

Section 4 – Community Benefit Summary

4.1 Community Benefit Clauses in 2017/18 Regulated Procurement

Community benefit clauses were imposed for all the regulated procurements awarded in the year, on the basis of a percentage of the contract sum. As these contracts have been entered into for a number of years, no community benefits were delivered in respect of these contracts during 2017/18.

4.2 Community Benefits Delivered in 2017/18

In respect of contracts awarded in previous years, Community Benefits totalling £57,000 were delivered during 2017/18. This included support for new and existing apprenticeships, community initiatives, donations and school health & safety visits.

Section 5 – Supported Business Summary

- 5.1 Maryhill's Procurement Toolkit and Contract Strategy Document requires staff to consider the involvement of supported businesses.
- 5.2 Public sector bodies are encouraged where possible to restrict the tendering process for goods or services to supported factories and businesses only.
- 5.3 Supported businesses are those businesses which fulfill both of the following criteria:
- Firstly, the business' primary aim must be for the social and professional integration of disabled or disadvantaged persons.
 - Secondly, at least 30 per cent of the employees of those businesses should be disabled or disadvantaged.
- 5.4 Maryhill does not currently have any contracts in place with supported businesses.

Section 6 – Future Regulated Procurement Summary

6.1 Maryhill expects to undertake £19m of procurement over the next two financial years, however this may be subject to change. The following table provides a summary of our anticipated contract requirements during this time:

Type	Contract Area	Estimated total contract value
Works – Newbuild Development	• Rothes Drive	£2.9m
	• Smeaton Street	£1.5m
	• Maryhill Cross (Phase 1)	£10.3m
Works – Planned Maintenance	• Heating systems	£875k
	• Kitchen & bathrooms	£700k
	• Energy efficiency	£500k
	• Common areas works	£455k
	• Stonework	£360k
	• Doors & windows	£50k
	• Other	£300k
Goods	• Computer hardware and software	£170k
	• General office supplies	£100k
Services	• Gutter cleaning	£250k
	• Fire detection	£225k
	• Utilities	£150k

Section 7 – Annual Procurement Report Ownership & Contact Details

7.1 Rebecca Wilson, Director of Resources – rwilson@maryhill.org.uk