



MARYHILL HOUSING ASSOCIATION

Annual Procurement Report

2018-2019

Contents

	Page
Section 1 – Introduction & Purpose	3
Section 2 – Summary of Regulated Procurement Completed 2018/19	4
Section 3 – Review of Regulated Procurement Compliance	5
Section 4 – Community Benefit Summary	8
Section 5 – Supported Business Summary	8
Section 6 – Future Regulated Procurement Summary	9
Section 7 – Annual Procurement Report Ownership & Contact Details	9

Section 1 – Introduction & Purpose

1.1 Introduction

This report summarises Maryhill Housing Association's (Maryhill's) regulated procurement activity completed between 1 April 2018 and 31 March 2019. 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 second Annual Procurement Strategy in April 2018.

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 best practice organisation 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 2018 and 31 March 2019, 3 regulated procurements were completed.

Community benefits clauses were included within the Legal Services Framework which was jointly procured by Maryhill HA, Queens Cross HA, New Gorbals HA and NG Homes. Community benefits commitments are contained within the Scottish Government Electricity Framework.

Maryhill expects to undertake £18.5m of procurement during 2019/20, however this is subject to change.

Section 2 – Summary of Regulated Procurement Completed 2018/19

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 2018 to 31 March 2019 were:

	Open Tender	Restricted Tender	Framework Call-Off	Total
Goods	0	0	0	0
Services	2	0	1	3
Works	0	0	0	0

The detail of these regulated procurement are provide below:

Date of Award	Successful Suppliers	Contract Title	Estimated Contract Value	Contract Duration
01/07/18	Lot 1 - 1st Harper Macleod, 2nd BTO; Lot 2 - 1st TS Young, 2nd BTO; Lot 3 - 1st TC Young, 2nd Shepherd & Wedderburn; Lot 4 - 1st Harper Macleod, 2nd BTO; Lot 5 - 1st TC Young, 2nd Brodies	Legal Services Framework	£320,000	3 years + 1 year
25/07/18	Engie	Heating & Hot Water Options Appraisal	£57,000	9 months
01/01/19	EDF Energy	Scottish Government Electricity Framework	£200,000	3 years & 3 months
Total value of regulated procurement			£577,000	

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 A complete review of the Procurement Toolkit took place during 2018/19 and into 2019/20. Training on the new toolkit for all staff involved in procurement did not take place until August 2019, therefore outwith the reporting year.
Ensure all relevant information, including changes to procurement legislation, is communicated effectively across the organisation and staff trained accordingly	Complied
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 26th April 2018	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 The Legal Services Framework was jointly procured in collaboration with 3 other housing associations
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

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 potential for other large contractors facilitating a move to electronic invoicing.	Complied Explored but no further contractors identified as able to facilitate.
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 refresher training in procurement did not take place until August 2019.
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 refresher training in procurement did not take place until August 2019.
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 environmentally positive 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 review and refresh process for the procurement toolkit commenced, this concluded in summer 2019 and all staff involved in procurement received training on use of the toolkit in August 2019.

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 2018/19 Regulated Procurement

Community benefits clauses were included within the Legal Services Framework which was jointly procured by Maryhill HA, Queens Cross HA, New Gorbals HA and NG Homes.

Community benefits commitments were already contained within the Scottish Government Electricity Framework, so no specific Maryhill HA community benefits clauses apply.

No community benefits clauses were required in the Heating & Hot Water Options Appraisal procurement, as at the start of the process it was envisaged this contract value would fall below the £50k regulated procurement threshold.

4.2 Community Benefits Delivered in 2018/19

In respect of contracts awarded in previous years which covered works, goods or services delivered during 2018/19, no Community Benefits were delivered during 2018/19.

In respect of the legal service framework contract awarded during 2018/19, community benefits commitments are being met through delivery of free training.

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 £18.5m of regulated procurement over the course of 2019/20, however this may be subject to change. The following table provides a summary of our anticipated contract requirements during 2019/20:

Type	Contract Area	Estimated total contract value
Works – Newbuild Development	• Rothes Drive	£4.2m
	• Smeaton Street	£2.4m
	• Botany Corner	£11.4m
Goods/Supplies	• Communal electricity	£70k
	• Gutter cleaning	£155k
	• Internet services	£120k
Services	• Fire safety audit services for high-rise stock	£50k

6.2 In addition, Maryhill expects to undertake a further £16.5m of regulated procurement over the subsequent two financial years 2020/21 to 2021/22, however this may be subject to change. The following table provides a summary of our anticipated contract requirements during 2020/21 & 2021/22:

Type	Contract Area	Estimated total contract value
Works – Property Investment	• Heating replacement	£2.25m
Works – Reactive & Void Repairs	• Reactive Repairs	£6m
	• Void Repairs	£3m
Services	• Gas Servicing	£1.5m
	• Common area cleaning	£1.25m
	• Insurance	£2.5m
	• Landscaping	£400k

Section 7 – Annual Procurement Report Ownership & Contact Details

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