



MARYHILL HOUSING ASSOCIATION

Annual Procurement Report

2019-2020

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Section 1 – Introduction & Purpose

1.1 Introduction

This report summarises Maryhill Housing Association’s (Maryhill Housing’s) regulated procurement activity completed between 1 April 2019 and 31 March 2020. 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 published its first Annual Procurement Strategy in May 2016, and has published annual strategies each year thereafter.

1.3 Procurement Vision

Maryhill Housing’s *vision* for procurement is that our procurement activity will support delivery of our strategic vision and aims and will:

- Follow best practice
- Be Open & Transparent
- Be Non- Discriminatory
- Be Proportionate
- Be fit for purpose
- Achieve Value for Money

1.4 Executive Summary

Between 1 April 2019 and 31 March 2020, Maryhill Housing completed £3.9m of procurement activity summarised below, of which £0.2m was regulated procurement:

	Regulated Works Contracts	Regulated Goods/ services Contracts	Non-regulated Works Contracts	Non-regulated Goods/ services Contracts	Total
Number	0	2	11	3	16
Value	-	£223,728	£3,625,600	£79,586	£3,928,914

Community benefits clauses were included within 7 of the above contracts, securing benefits to the value of £9,000.

Maryhill Housing expects to undertake £25.7m of procurement during 2020/21, however this is subject to change.

Section 2 – Summary of Regulated Procurement Completed 2019/20

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 2019 to 31 March 2020 were:

	Open Tender	Restricted Tender	Framework Call-Off	Total
Goods	0	0	0	0
Services	2	0	0	2
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
27/03/20	Grassie Project services	Development Consultancy services joint procurement with Queens Cross HA	£130,200	01/04/20 – 01/04/22
13/11/19	Hyperoptic	Internet connectivity for Glenavon and 266 Cumlodden Drive	£93,528	13/11/19 – 13/11/22
Total value of regulated procurement			£223,728	

Section 3 – Review of Regulated Procurement Compliance

3.1 Review of Compliance with Annual Procurement Strategy

The overall objective for Maryhill Housing’s procurement strategy is to support the Association’s Corporate Plan by delivering effective, consistent, best practice procurement across the whole organisation.

The following summarises the key commitments set out in the 2019/20 Annual Procurement Strategy document, how we intended to achieve these and then measures compliance for the regulated procurement undertaken in 2019/20.

Procurement duty per 2014 Act requirements	Compliance
Procurement is fair and complies with legal requirements	<ul style="list-style-type: none"> • All procurement activity across the organisation, complied with statutory and regulatory requirements, and was carried out in accordance with our Procurement & Community Benefits Policy and Procurement Toolkit; • Training was provided to all relevant staff on the Policy and Toolkit; • contracts were structured in such a way as to assist, wherever practical, local suppliers, small and medium enterprises and the third sector to tender for appropriate contracts; • relevant contracts included a Community Benefits clause; • relevant contracts included sustainable procurement requirements.
Economically, environmentally and socially responsible manner	<p>For every appropriate regulated procurement, consideration was given, in conducting the procurement, to how we could:</p> <ul style="list-style-type: none"> • improve the economic, social, and environmental wellbeing of our area of operation; • facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and • promote innovation. <p>We sought benefits in economic, environmental, social, and health within the communities in which we operate, with a particular focus on reducing inequality.</p>
Value for Money in a sustainable manner	Where no appropriate frameworks were in place and where the estimated value of the contract was equal to or greater than £50,000 for goods and services and £100,000 for works, we awarded contracts on the basis of the most economically advantageous tender (MEAT)

	<p>which balanced value for money and the required quality of the service, goods or works being procured.</p> <p>Where relevant, we considered the whole-life cost of the goods or services being procured.</p> <p>Action Required - at the end of each regulated procurement, we undertook to complete a tender completion report that reviews the procurement exercise including lessons learned. This commitment was not fully actioned during 2019/20</p>
<p>Treat all suppliers and contractors equally and without discrimination</p>	<p>We are committed to ensuring our procurement processes treat contractors equally and without discrimination.</p> <p>We used clear and precise language which prevents broad interpretation.</p> <p>We considered contract size to maximise returns including the opportunity to break requirements into smaller lots as appropriate.</p> <p>For regulated procurements, all suppliers were required to provide details of any equality policies and systems that they have in place that will be utilised when delivering the contract.</p>
<p>Procurement is operated in an open, transparent and inclusive way</p>	<p>We acted in a transparent and proportionate manner in our procurement processes.</p> <p>Where an existing framework was not available, we used the Public Contracts Scotland website for all regulated procurement opportunities.</p> <p>Our evaluation criteria were set to be proportionate and relevant to our needs to make sure smaller suppliers were not disadvantaged.</p> <p>Our Annual Procurement Report includes our procurement plans for the next two financial years. This provides suppliers with an indication of when contracts will be procured and assists them in bidding for our work.</p>
<p>Procurement process is proportionate to the item being procured</p>	<p>The Procurement & Community Benefits Policy and Procurement Toolkit set out appropriate routes for different types and value of procurement. This means that the specific procurement approach adopted in each case takes account of the nature, scale and value of the contract being awarded.</p>

<p>Procurement processes are as simple, clear and proportionate as possible to help facilitate the participation of small and medium size businesses, third sector organisations and supported businesses</p>	<p>We act in a transparent and proportionate manner in our procurement processes.</p> <p>Our evaluation criteria are set to be proportionate and relevant to our needs to make sure smaller suppliers are not disadvantaged.</p> <p>We use clear and precise language in our procurement processes to ensure a common understanding of requirements.</p> <p>We consider contract size, including the opportunity to break requirements into smaller lots.</p> <p>Action Required – our strategy stated we would give consideration to how we can facilitate involvement of supported businesses. This commitment was not fully actioned during 2019/20</p>
<p>Procurement operates in a manner that improves the economic, social and environmental well-being within the communities in which we operate, with a particular focus on reducing inequality</p>	<p>For every appropriate regulated procurement, we considered how, in conducting the procurement, we could:</p> <ul style="list-style-type: none"> • improve the economic, social, and environmental wellbeing of our area of operation; • facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and • promote innovation.
<p>Maximise the inclusion of appropriate Community Benefits requirements</p>	<p>We complied with the legal duty for explicit Community Benefits clauses required on all contracts above £4m that commence on or after 1 June 2016.</p> <p>Additionally, we considered including Community Benefits requirements for all procurement over £50k for goods and services, and over £100k for works.</p> <p>This Annual Procurement Report includes a summary of any Community Benefits in place and planned in future already determined contracts.</p> <p>Action Required – Delivery of Community Benefits will be monitored regularly as part of effective contract management. This commitment was not fully actioned during 2019/20</p>
<p>Collaborative working</p>	<p>We considered, for all regulated procurement, the potential for us to work creatively and collaboratively with partners to support the local economy in Maryhill and North Glasgow and identify opportunities for joint procurement initiatives.</p>

Consultation	<p>In relation to each procurement process we included relevant and proportionate consultation with our customers and other stakeholders to enable the views of those affected to be expressed and taken into account, and did not adopt a 'one size fits all' approach to consultation.</p> <p>We ensured that consultation is accessible across our customer base in line with our Equality & Diversity Strategy.</p> <p>Action required - During 2019 we committed to consult on our Procurement Strategy with our customers. This action was not implemented during 2019/20.</p>
Fair Work Practices	We encourage contractors and suppliers to pay the Scottish Living Wage and, for relevant contracts, required contractors and suppliers to pay the Scottish Living Wage.
Health & Safety	We promoted compliance with the Health & Safety at Work etc. Act 1974.
Fairly and ethically traded	<p>We sought to ensure, where possible, that the goods and services purchased are fairly and ethically traded.</p> <p>For regulated procurement, our contract terms and conditions enable us to end a contract if the contractor or subcontractor fails to keep to their legal duties in the areas of environmental, social or employment law when carrying out the contract.</p>
Payment to contractors	We aimed to ensure that, as far as reasonably practicable, payments due to contractors and subcontractors are paid within 30 days. We achieved 94% compliance with this target during 2019/20

3.2 Plan to Improve Future Compliance

Four areas have been identified above as 'Action required' where the commitment was not fully actioned during 2019/20, these areas will be addressed during 2020/21.

Section 4 – Community Benefit Summary

4.1 Community Benefit Clauses in 2019/20 Regulated Procurement

There was no regulated procurement above the £4m legal requirement for community benefits clauses undertaken during 2019/20.

However the Association's Procurement & Community Benefits Policy commits us to considering the inclusion of community benefits clauses in all goods or services contracts above £50,000 and all works contracts above £100,000.

During 2019/20 community benefits were included in 7 of the contracts procured during that year, securing benefits to a total of £9,000.

4.2 Community Benefits Delivered in 2019/20

As some of the contracts procured in the year span more than one financial year, not all community benefits secured are delivered in the same year.

During 2019/20 community benefits to a total of £4,000 were delivered in the following ways:

- Employing apprentices
- Providing work placements
- Foodbank donations
- Cash donations to the Association's Community Fund

Section 5 – Supported Business Summary

5.1 Public sector bodies are encouraged where possible to restrict the tendering process for goods or services to supported factories and businesses only.

5.2 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 The Association does not currently have any contracts in place with supported businesses.

Section 6 – Future Regulated Procurement Summary

6.1 The Association expects to undertake £37.85m of regulated procurement over the course of 2020/21 and 2021/22, however this may be subject to change. The following table provides a summary of our anticipated contract requirements for the following two financial years:

2020/21

Type	Contract Area	New or re-let of contract	Estimated total contract value	Expected contract notice date	Expected contract award date	Expected contract start date
Works	Heating replacement programme	New	£3.3m	Apr 2020	Jul 2020	Aug 2020
	Newbuild development – Botany Corner	New	£11.8m	Call off	Sep 2020	Dec 2020
	Newbuild development – Rothes Drive	New	£4.3m	Call off	Jan 2021	Feb 2021
Goods & Services	Reactive repairs	Re-let	£3.3m	Apr 2020	Dec 2020	Apr 2021
	Common area cleaning	Re-let	£1.3m	May 2020	Sep 2020	Oct 2020
	Landscaping	Re-let	£500k	Nov 2020	Feb 2021	Apr 2021
	M&E Compliance	Re-let	£275k	Jun 2020	Sep 2020	Nov 2020
	Periodic Electrical Inspection	Re-let	£850k	Aug 2020	Nov 2020	Jan 2021
	Office cleaning	Re-let	£75k	Jun 2020	Aug 2020	Oct 2020

2021/22

Type	Contract Area	New or re-let of contract	Estimated total contract value	Expected contract notice date	Expected contract award date	Expected contract start date
Works	Newbuild development – Smeaton Street	New	£2.5m	Call off	May 2021	Jun 2021
Goods & Services	Gas Servicing	Re-let	£2m	Mar 2021	Jul 2021	Oct 2021
	Void Repairs	Re-let	£6.8m	Mar 2021	Jul 2021	Sept 2021
	Common area fire doors	Re-let	£800k	Nov 2021	Feb 2022	Mar 2022
	External audit services	Re-let	£50k	May 2021	Aug 2021	Sep 21

Section 7 – Annual Procurement Report Ownership & Contact Details

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