



## **MARYHILL HOUSING ASSOCIATION**

### **Annual Procurement Report**

**2020-2021**

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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 2020 and 31 March 2021. 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 2020 and 31 March 2021, Maryhill Housing completed £28.9m of procurement activity summarised below, of which £27.6m was regulated procurement:

	Regulated Works Contracts	Regulated Goods/ services Contracts	Non-regulated Works Contracts	Non-regulated Goods/ services Contracts	Total
Number	3	4	4	15	26
Value	£19,947,081	£7,607,758	£1,149,189	£207,844	£28,911,873

Community benefits clauses were included within 7 of the above contracts, securing benefits to the value of £283,901.

Maryhill Housing expects to undertake £5.52m of procurement during 2021/22, however this is subject to change.

## Section 2 – Summary of Regulated Procurement Completed 2020/21

### 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 2020 to 31 March 2021 were:

	Direct Award	Quick Quote	Open Tender	Restricted Tender	Framework Call-Off	Total
Goods	0	0	0	0	0	0
Services	1	1	1	1	0	4
Works	0	0	0	0	2	2

The detail of these regulated procurement are provide below:

Date of Award	Successful Suppliers	Contract Title	Estimated Contract Value	Contract Duration
16/09/20	Cruden Buildings & Renewals	Newbuild housing	£11.8m	24 months
14/12/20	Turners Property Services	Air Source Heat Pump Installations	£3.9m	18 months
28/01/21	Robertsons Construction Ltd	Newbuild housing	£4.3m	12 months
01/06/20	Turners Property Group	Interim reactive repairs contract	£1m	9 months
09/12/20	Turners Property Services	Reactive repairs	£5.6m	3+1+1 years
11/09/20	Caledonian Maintenance Services	Common area cleaning	£1m	3+1 years
27/11/20	Integrated Water Systems Ltd	Water tank servicing	£74k	12 months
Total value of regulated procurement			£27.6m	

## 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 2020/21 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"> <li>• All procurement activity across the organisation, complied with statutory and regulatory requirements, and was carried out in accordance with our Procurement &amp; Community Benefits Policy and Procurement Toolkit;</li> <li>• Training was provided to all relevant staff on the Policy and Toolkit;</li> <li>• 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;</li> <li>• relevant contracts included a Community Benefits clause;</li> <li>• relevant contracts included sustainable procurement requirements.</li> </ul>
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"> <li>• improve the economic, social, and environmental wellbeing of our area of operation;</li> <li>• facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and</li> <li>• promote innovation.</li> </ul> <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	<p>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) which balanced value for money and the required quality of the service,</p>

	<p>goods or works being procured, except in exceptional circumstances where the Association's Procurement Policy allows for deviation from this approach in specific instances.</p> <p>Where relevant, we considered the whole-life cost of the goods or services being procured.</p> <p><b>Action Required</b> - 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 2020/21.</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>Consideration was given to procuring from existing frameworks.</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 &amp; 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><b>Action Required</b> – our strategy stated we would give consideration to how we can facilitate involvement of supported businesses. This commitment was not fully actioned during 2020/21.</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"> <li>• improve the economic, social, and environmental wellbeing of our area of operation;</li> <li>• facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and</li> <li>• promote innovation.</li> </ul>
<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>Delivery of Community Benefits was monitored regularly as part of effective contract management.</p>

Collaborative working	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.
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>During 2020/21 we consulted with customers as part of procurement process for relevant contracts.</p> <p>We ensured that consultation is accessible across our customer base in line with our Equality &amp; Diversity Strategy.</p>
Fair Work Practices	We encouraged contractors and suppliers to pay the Real Living Wage in Scotland and, for relevant contracts, required contractors and suppliers to pay the Real Living Wage in Scotland.
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

Two areas have been identified above as 'Action required' where the commitment was not fully actioned during 2020/21, these areas will be addressed during 2021/22.

## **Section 4 – Community Benefit Summary**

### **4.1 Community Benefit Clauses in 2020/21 Regulated Procurement**

There was no regulated procurement above the £4m legal requirement for community benefits clauses undertaken during 2020/21.

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 2020/21 community benefits were included in 7 of the contracts procured during that year, securing benefits to a total of £283,901.

### **4.2 Community Benefits Delivered in 2020/21**

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 2020/21 community benefits to a total of £81,658 were delivered in the following ways:

- Employing apprentices
- Providing work placements
- Foodbank donations
- Tree planting
- Play park works
- Books for schools
- Van and labour for litter picking volunteering day
- 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 £23.13m of regulated procurement over the course of 2021/22 and 2022/23, however this may be subject to change. The following table provides a summary of our anticipated contract requirements for the following two financial years:

### 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	Void Repairs	Re-let	£2.1m	May 2021	July 2021	Sep 2021
Goods & Services	Gas Servicing	Re-let	£1.4m	May 2021	Jul 2021	Oct 2021
	M&E Compliance	Re-let	£220k	Mar 2021	May 2021	May 2021
	Periodic Electrical Inspection	Re-let	£1.3m	Sep 2021	Dec 2021	Feb 2022
	Lift & Door Entry Maintenance	Re-let	£270k	Oct 2021	Feb 2022	Apr 2022
	External audit services	Re-let	£68k	Apr 2021	Jun 2021	Sep 2021
	Development consultant (Joint procurement)	Re-Let	£160k	Feb 2022	Mar 2022	Apr 2022

## 2022/23

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	£2.8m	Call off	May 2022	Jun 2022
	Stoneworks	New	£3.0m	Jul 2022	Sep 2022	Sep 22
	Kitchen & bathroom replacement programme	New	£2.5m	Mar 2023	Jun 2023	Jun 2023
	Boiler replacement programme	New	£2.9m	Jun 2022	Aug 2023	Aug 2023
	Heating replacement programme (High Rise)	New	£3.3m	Jul 2022	Sep 2022	Oct 2022
Goods & Services	Legal Services (Joint procurement)	Re-let	£2.5m	Apr 2022	Jul 2022	Jul 2022
	Office Cleaning	Re-let	£160k	Jul 2022	Aug 2022	Aug 2022
	Procurement consultants	New	£250k	Jun 2022	Aug 2022	Aug 2022
	Annual servicing (air source heat pumps)	New	£200k	Jun 2022	Jul 2022	Jul 2022

## Section 7 – Annual Procurement Report Ownership & Contact Details

7.1 Rebecca Wilson, Director of Resources – [rwilson@maryhill.org.uk](mailto:rwilson@maryhill.org.uk)