



## **MARYHILL HOUSING**

### **Annual Procurement Strategy**

**2019 - 2020**

<b>Issue No</b>	<b>3</b>
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<b>Review Requirement</b>	<b>Annual</b>

## 1. Introduction

- 1.1. Procurement is a highly regulated area, being seen by the Scottish Government as a significant area where the broader aims of value for money and social, economic and environmental sustainability can be developed and realised.
- 1.2. The legislation surrounding procurement includes the following and this should be complied with at all times:
  - Procurement Reform (Scotland) Act 2014
  - Public Contracts (Scotland) Regulations 2015
  - Procurement (Scotland) Regulations 2016
  - Guidance under the Procurement Reform (Scotland) Act 2014 (issued 17 March 16)
- 1.3. The Procurement Reform (Scotland) Act 2014 and associated documents referred to above set out in Scottish Law requirements arising from European Procurement Legislation and Directives and include additional requirements of the Scottish Government. Compliance with the Act ensures compliance with EU requirements.
- 1.4. At the heart of this Procurement Strategy and the Scottish Government's strategy, is the concept of value for money in procurement - an informed balance between cost, quality and sustainability. The Value for Money triangle illustrates the Scottish Model of Procurement.



## 2. Procurement Vision

2.1. MHA's **vision** for procurement is that our procurement activity will support delivery of MHA's 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

## 3. Procurement Strategy Rationale

3.1. MHA's Corporate Plan 2019/20 sets out the Association's vision as:

*Great homes in strong and thriving communities.*

3.2. Within our Corporate Plan key deliverables we are committed to:

*Ensuring our rents remain affordable by meeting our savings targets and delivering value for money across the organisation.*

3.3. Effective procurement is a key strand in achieving Value for Money.

3.4. This procurement strategy is aimed at delivering effective, consistent, best practice procurement across the whole organisation.

## 4. Strategic Aims, Objectives and Key Priorities

4.1. MHA's Corporate Plan 2019/20 sets out the Association's long term strategic objectives:

- *Improve customer experience and increase customer satisfaction;*
- *Address poverty and enable customers to make their lives better;*
- *Provide better homes and developing neighbourhoods to feel proud of.*

4.2. This procurement strategy will contribute to all three strategic objectives.

## 5. Strategy Commitments

Procurement duty per 2014 Act requirements	Strategy Commitments
Procurement is fair and complies with legal requirements	<p>We will ensure that:</p> <ul style="list-style-type: none"> <li>• all procurement activity across the organisation aligns with our Procurement &amp; Community Benefits Policy and Procurement Toolkit;</li> <li>• training is provided to all relevant staff on the Policy and Toolkit;</li> <li>• all procurement activity complies with statutory and regulatory requirements;</li> <li>• contracts can be 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 include a Community Benefits clause;</li> <li>• relevant contracts include sustainable procurement requirements.</li> </ul>
Economically, environmentally and socially responsible manner	<p>We will, for every appropriate regulated procurement consider how, in conducting the procurement, we can:</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 will seek 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 there are no appropriate frameworks in place and where the estimated value of the contract is equal to or greater than £50,000 for goods and services and £100,000 for works, we will award contracts on the basis of the most economically advantageous tender (MEAT) which balances value for money and the required quality of the service, goods or works being procured.</p> <p>Where relevant, we will consider the whole-life cost of the goods or services being procured.</p> <p>At the end of each regulated procurement, we will complete a tender completion report that reviews the procurement exercise including lessons learned.</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 will use clear and precise language which prevents broad interpretation.</p> <p>We will consider contract size to maximise returns including the opportunity to break requirements into smaller lots as appropriate.</p> <p>For regulated procurements, all suppliers are 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 will 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>Our Annual Procurement Report will include our procurement plans for the next three years. This will provide suppliers with an indication of when contracts will be procured and assist them in bidding for our work.</p> <p>Our preferred procurement method will be through use of existing frameworks.</p> <p>Where an existing framework is not available, we will use the Public Contracts Scotland website for all regulated procurement opportunities.</p> <p>We will use clear and precise language in our procurement processes to ensure a common understanding of requirements.</p>
<p>Procurement process is proportionate to the item being procured</p>	<p>We will ensure that the specific procurement approach adopted in each case takes account of the nature, scale and value of the contract being awarded.</p> <p>The Policy sets out appropriate routes for different types and value of procurement.</p> <p>This is strengthened in the Procurement Toolkit, which provides guidance on the appropriate processes dependent upon the category of procurement in each case.</p>
<p>Procurement processes</p>	<p>We will act in a transparent and proportionate manner in</p>

<p>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>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 will use clear and precise language in our procurement processes to ensure a common understanding of requirements.</p> <p>We will consider contract size, including the opportunity to break requirements into smaller lots.</p> <p>We will give consideration to how we can facilitate involvement of supported businesses.</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>We will, for every appropriate regulated procurement, consider how, in conducting the procurement, we can:</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>This will form part of our Procurement Toolkit.</p> <p>We will seek in particular, but not exclusively, benefits in economic, environmental, social and health related areas where they are relevant to the particular procurement.</p>
<p>Maximise the inclusion of appropriate Community Benefits requirements</p>	<p>We will comply 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 will consider including Community Benefits requirements for all procurement over £50k for goods and services, and over £100k for works.</p> <p>Delivery of Community Benefits will be monitored regularly as part of effective contract management.</p> <p>Our annual Procurement Report will include a summary of any Community Benefits in place and planned in future already determined contracts.</p>
<p>Collaborative working</p>	<p>We will consider, 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>
<p>Consultation</p>	<p>We will include relevant and proportionate consultation with our customers and other stakeholders to enable the</p>

	<p>views of those affected to be expressed and taken into account.</p> <p>During 2019 we will consult on our Procurement Strategy with our customers.</p> <p>We will consider what consultation is required in relation to each procurement process and will not adopt a 'one size fits all' approach.</p> <p>We will ensure that consultation is accessible across our customer base in line with our Equality &amp; Diversity Strategy.</p>
Fair Work Practices	We will encourage contractors and suppliers to pay the Scottish Living Wage and, for relevant contracts, require contractors and suppliers to pay the Scottish Living Wage.
Health & Safety	We will promote compliance with the Health & Safety at Work etc. Act 1974.
Fairly and ethically traded	We will seek to ensure, where possible, that the goods and services purchased are fairly and ethically traded. For regulated procurement, our contract terms and conditions will 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.
Payment to contractors	We will ensure that, as far as reasonably practicable, payments due to contractors and subcontractors are paid within 30 days.

## **6. Procurement Forecast**

- 6.1. Our anticipated procurement activity during 2019/20 is set out in **Appendix 1**.

## **7. Implementation, Monitoring, Reviewing and Reporting**

- 7.1. This strategy is underpinned by Procurement & Community Benefits Policy and Procurement Toolkit which will be followed for all procurement activity.
- 7.2. In accordance with the Procurement Reform (Scotland) Act, the Association will maintain a Procurement Register for all regulated procurement (which is procurement of goods or services over £50k or works over £2m). This Procurement Register will capture the information required to enable compilation and publication of the Annual Procurement Report.
- 7.3. All staff undertaking procurement activity are responsible for ensuring that:
- all procurements are undertaken in line with the Procurement Toolkit;
  - all regulated procurement is recorded in the Procurement Register.
- 7.4. The Director of Resources has responsibility for:
- Encouraging compliance with regulatory guidelines and best practice across the organisation;
  - Reviewing the Procurement Policy and Strategy;
  - Compiling and publishing the Annual Procurement Report;
  - Reporting to the Board, tenants and the Scottish Government in respect of the Associations' procurement activities.

## **8. Strategy Ownership & Contact Details**

- 8.1. Corporate accountability for procurement activity of the Association sits with the Director of Resources and the post holder is the first point of contact for procurement related enquiries:

**Director of Resources  
Maryhill Housing  
45 Garrioch Road  
Glasgow  
G20 8RG**

**Tel:** 0141 946 2466

**Direct Dial:** 0141 948 1118

**Email:** [rwilson@maryhill.org.uk](mailto:rwilson@maryhill.org.uk)



## **Appendix 1**

### **Regulated Procurement Planned for 2019/20**

In 2019/20 MHA anticipates undertaking the following regulated procurement totalling **£16.3m**.

#### **1.1 Works**

New-build housing developments of the following approximate values:

- Rothes Drive £3.1m
- Smeaton Street £2.0m
- Botany Corner £10.2m

#### **1.2 Goods/Supplies**

- Communal electricity £70k

#### **1.3 Services**

- Fire safety audit services for high-rise stock £50k
- Insurance £500k
- Landscaping £400k