



## **Annual Procurement Report**

**Report Period: 01/01/17 – 31/03/18**

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## 1.0 INTRODUCTION

1.1 Southside Housing Association issued its first Procurement Strategy, under Section 15 of the Procurement Reform (Scotland) Act 2014 for the period to 31 March 2018.

1.2 The following terms are used in this report:

Term	Definition
<b>Act</b>	the Procurement Reform (Scotland) Act 2014
<b>Association</b>	Southside Housing Association
<b>Regulated Procurement</b>	the procurement of a contract with an estimated value equal to or greater than: <ul style="list-style-type: none"><li>- £2 million for a works contract, or</li><li>- £50,000 for any other contract (not works)</li></ul>
<b>Strategy</b>	the Association's Procurement Strategy for the period from 1 January 2017 to 31 March 2018

1.3 Section 18 of the Act requires the Association to compile and publish this report on the Strategy.

## 2.0 SUMMARY OF REGULATED PROCUREMENTS COMPLETED

2.1 For the period of the Strategy, to 31 March 2018, the Association's programme of Regulated Procurements, as set out in the Strategy was:

Procurement	Estimated Value	Route	Time
Consultants Services	£50,000	In line with our Procurement Policy	2017
New Build Development	£9m	In line with our Procurement Policy	2017

2.2 In the period from 1 January 2017 to 31 March 2018, the Association completed the following Regulated Procurements:

<b>Subject of Contract</b>	<b>Date of Award</b>	<b>Supplier</b>	<b>Estimated contract value</b>	<b>Start Date</b>	<b>End Date (excl. any extension)</b>
New Build Development at St Andrews Drive, Phase 1	17.02.17	Cruden Building & Renewals	£8.900m	March 2017	November 2018
Electrical Safety Inspections – Various	27.02.17	Mears Ltd	£177,000	April 2017	March 2022
New Build Development at Portman Street, Phase 2	03.07.17	Scotia House Ltd	£2.400m	July 2017	July 2018
Refurbishment works at 166 Gorbals Street, Grade A Listed Tenement	24.01.18	McLaughlin Construction Ltd	£2.200m	February 2018	March 2019
New Build Development at Admiral Street, Kinning Park	20.03.18	CCG Scotland Ltd	£4.600m	March 2018	March 2019

### 3.0 REVIEW OF REGULATED PROCUREMENT COMPLIANCE

- 3.1 Southside Housing Association is committed to ensuring that all regulated procurements comply with both the Association's Procurement Strategy and all relevant legislation.
- 3.2 Of the five regulated procurements completed during the period 01.01.17 – 31.03.18, all were undertaken in line with the Association's approved Procurement Policy.
- 3.3 All awarded contracts are published on the Association's Web Site.
- 3.4 The Table below details information on how the Association's procurement activity achieved the policies set out within its Procurement Strategy.

<b>Value for Money:</b>	<p>As set out in the Strategy, the Association assessed where possible, its regulated procurements (listed in section 2 above) by means of a balance between quality and price, in order to deliver the most economically advantageous tender.</p> <p>Both Quality and Price were considered in the tender process and all bidders were advised of how this would be assessed.</p>
<b>Equal Treatment &amp; Non-Discrimination:</b>	<p>For all regulated procurement activities undertaken where possible, the Association advertised contracts at each relevant stage on the Public Contracts Scotland Portal and, when required, in the Official Journal of the European Union (OJEU).</p> <p>All questions raised in procurement exercises were dealt with through the portal so that all bidders had the same information.</p>
<b>Transparency &amp; Proportionality:</b>	<p>For all regulated procurements the Association uses:</p> <ul style="list-style-type: none"><li>• electronic communication when communicating with suppliers</li><li>• Is clear and precise in the language used to detail the requirements</li><li>• Has utilised the European Single Procurement Document when seeking potential suppliers.</li></ul>

<p><b>Sustainable Procurement:</b></p>	<p>The Association ensures that in all regulated procurements it will consider how, when framing the contract requirements it could contribute to the following:</p> <ul style="list-style-type: none"> <li>• Improving the economic, social and environmental wellbeing in particular reducing inequality within our main areas of operation</li> <li>• Facilitating the involvement of small and medium enterprises and supported businesses in the process</li> <li>• Promoting innovation</li> </ul> <p>Our design brief for all new build and major repair and improvement works include the requirement to design homes which optimise the use of finite natural resources, energy consumption and the production of waste and emissions.</p> <p>The new build developments listed in 2.2 have been designed to achieve Housing for Varying Needs, Secure by Design and Technical Standards Section 7 Silver Level Aspects 1- 8 inclusive.</p>
<p><b>Community Benefit Requirements:</b></p>	<p>Refer Section 4.0 for the Association’s Community Benefit Summary.</p>
<p><b>Payment of The Living Wage:</b></p>	<p>Where relevant and proportionate sustainability requirements, including support for Fair Working Practices and the Living Wage were included in contract documents.</p>
<p><b>Compliance with Health &amp; Safety Legislation:</b></p>	<p>For all regulated procurement activity either works or services contracts the selection process ensures that all bidders invited to participate will have to demonstrate their compliance with the Health and Safety at Work Act 1974. This will be assessed at Pre-qualification stage by either a 3rd party accreditation or policy.</p>
<p><b>Consultation and engagement:</b></p>	<p>The Association has not as yet carried out a procurement that directly impacts our tenants since the strategy was developed. For any future regulated procurement activity where our customers are affected by procurement process we will consult and engage with those affected in line with our strategy for</p>

	Customer Engagement and the requirements of the Scottish Social Housing Charter.
<b>Fairly &amp; Ethically Traded Goods and Services:</b>	<p>The Association recognises that our Procurement Strategy states that where relevant and proportionate to a regulated contract, we will encourage fair and ethical trading principles in its procurement requirements.</p> <p>The Association is currently working out how best to ensure that this is considered in all regulated procurements going forward.</p>
<b>Regulated Procurements involving food:</b>	There was no regulated procurement activity involving food during the reporting period.
<b>Payment within 30 days:</b>	The Association is committed to ensuring that all suppliers who are awarded business are paid within 30 days. The Association is unable at this stage to provide a summary report confirming the percentage of invoices paid within this timescale. This will be improved in the future following the upgrading of the Association's I.T System.

#### **4.0 COMMUNITY BENEFIT SUMMARY**

- 4.1 Southside Housing Association is committed to maximise Community Benefits from its procurement activities.
- 4.2 Community Benefits Clauses are contractual clauses which can be used to build a range of economic, social and environmental conditions into the delivery of public contracts.
- 4.3 Prior to the commencement of a regulated procurement process, the Lead Officer will consider whether Community Benefit Requirements can be included in the contract.
- 4.4 There is no formal requirement for the consideration of Community Benefits in contracts with an estimated value of less than £4 million, however the Association will consider Community Benefits for each contract that is subject to regulated procurement and apply these where applicable.
- 4.5 The table below provides information on the Association's Community Benefit activity during the reporting period.

USE OF COMMUNITY BENEFIT REQUIREMENTS: 1 Jan 2017 to 31 March 2018	
Total number of contracts awarded	11 (5 Regulated & 6 Lower Value Contracts)
Total number of contracts awarded over £4 million	2
Total number of contracts awarded with community benefit requirements	2
Total number of contracts awarded over £4 million with community benefit requirements	2

#### 4.6 New Build Development at St Andrews Drive, Phase 1 - Community Benefit:

- Internal and External minor repair works undertaken to Local Community Hall
- Employment of 2 full time labourers – long term unemployed
- Employment of an Apprentice Joiner going into his 2nd year

#### 4.7 New Build Development at Admiral Street - Community Benefit:

- Employment of a 1st Year Apprentice Bricklayer
- Continued employment of a 2nd Year Apprentice Joiner
- 3 Work Placements Opportunities achieved
- Off Site Manufacturing tour for Glasgow Clyde College Built Environment pupils
- Lego Challenge at Cardinal Winning Secondary, Glasgow (Support Needs School)

4.8 The Association recognises, albeit having achieved a selection of Community Benefits within 2 regulated contracts, that it still has a long way to go before the inclusion of community benefits becomes normal practice.

4.9 For all future Regulated Procurement Activity the Association's Community Initiatives Team will manage the process of maximising opportunities for Community Benefits across all our regulated procurements.

### 5.0 SUPPORTED BUSINESSES SUMMARY

5.1 The Association acknowledges that before we start a regulated procurement, we need to consider how we might use the process to facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses.

5.2 The Association is currently researching how best we can deliver on this and it is our intention for future regulated procurements to include this as part of our Community Benefit clauses.

## 6.0 FUTURE REGULATED PROCUREMENTS SUMMARY

6.1 Over the next two financial years, the Association anticipates progressing at least the following procurements:

Subject of contract	New, Extended or Re-let procurement	Expected Contract Notice date	Expected Award date	Expected Start date	Estimated contract value
Consultants' services	Extended		October 2018	October 2018	£190,000
New Build Development	New	October 2018	April 2019	June 2019	£12 million
New Build Development	New	March 2019	June 2019	July 2019	£4.1million
New Build Development	New	February 2019	June 2019	July 2019	£7.4million

## **7.0 CONCLUSION**

- 7.1 The Association has updated its Procurement Strategy for the period 1 April 2018 to 31 March 2019 and will report on the outcomes from that updated strategy next year.
- 7.2 For more information about this report, or the Association's Procurement Strategies (past and present) please contact:

Donna Reilly  
Head of Development  
Southside Housing Association Ltd  
135 Fifty Pitches Road, Glasgow G51 3EB  
0141-422-1112  
dreilly@southside-ha.co.uk