



Annual Procurement Report

For the Period

1 January 2017 – 31 March 2018

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Executive Summary

Between the 1 of January 2017 and 31 March 2018, 9 regulated procurements were completed. All were carried out in accordance with Eildon's procurement strategy.

During the same period, community benefits were included in 4 awarded regulated procurements.

The Association currently expects to commence 24 regulated procurements over the next two financial years however this is subject to change.

Introduction

This report has been prepared as the Annual Procurement Report for the period 1 January 2017 – 31 March 18 to meet the requirements of the Procurement Reform (Scotland) Act 2014 which requires any public organisation which has an estimated annual regulated spend of £5m or more (excluding VAT) to prepare an annual report on their regulated procurements completed during that period.

Procurement Strategy

Eildon Housing Association published a Procurement Strategy in December 2016 for the period noted above. The purpose of the strategy is:

- To enable procurement to contribute to the Association's overall vision and to provide efficiencies to help the Association deliver its key priorities and front-line services
- To procure goods and services in a lawful and ethical manner that complies with public sector procurement requirements and which encourages participation and sustainable economic growth.
- To ensure that procurement initiatives deliver best value for the Association, balancing cost and quality of service.
- To provide a framework for the Association to develop a plan to achieve continuous improvement in its procurement activity.

Summary of Procurement Activity 1 January 2017 – 31 March 2018

We are committed to making public procurement open and accessible to businesses and especially small and medium size enterprises (SMEs). All tender opportunities greater than £25,000 are advertised on the Public Contracts Scotland (PCS) advertising portal and in the Official Journal of the European Union where required. We also publish our contract register on our website.

The PCS portal has a 'Quick Quote' facility which is a proportionate process to request and receive quotes for lower value goods and services and for goods and services which are competitively advertised using collaborative framework suppliers.

A total of 36 procurement exercises were carried out in the period, 27 below the regulated thresholds and 9 above them.

Summary of Regulated Procurement Completed

A regulated procurement is any procurement for public supplies or services with value of over £50,000 and for public works with a value of over £2 million. For the purposes of this section, a regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements.

During the reporting period: 9 regulated procurements were completed. All were carried out in accordance with the Association’s Procurement Strategy;

Further details of the Regulated Procurements awarded by the Association between 1 January 2017 and 31 March 2018 can be found at Annex 1 of this Annual Procurement Report on page 8.

Review of Regulated Procurement Compliance

Eildon is committed to ensuring all regulated procurements comply with both the Association’s Procurement Strategy and all relevant legislation. All awarded contracts are included in our contract register which is published on our website.

This includes compliance with sustainable compliance duties.

Community Benefits Requirements	Fully Complied All Contracts above £2m contained community benefit requirements in line with our Procurement Strategy.
Payment of a Living Wage	Fully Complied Where relevant and proportionate sustainability requirements, including support for Fair Working Practices and the Living Wage were included in contract documents.
Value for Money	Fully Complied All regulated contracts are tendered via the PCS portal. Collaboration on contracts used where appropriate.
Payment of Contractors	Fully Complied 89.97% of invoices were paid within 30 days during the reporting period. All regulated procurement contained the standard clause in relation to payment.
Developing Staff in Procurement	Fully Complied External and internal training provided to staff with procurement responsibilities.

Community Benefit Summary

The Association is committed to maximising Community Benefits from its procurement activities. The use of Community Benefits clauses contributes to Eildon's Procurement Strategy (December 2016) Procurement Objectives, in particular Procurement Objective 6.10: **“Community Benefit clauses will be incorporated into all contracts with a value in excess of £2m.**

Summary of Community Benefits	
Total Number of Contracts Awarded	36
Total Number of Regulated Procurements	9
Number of Contracts Awarded > £2m with Community Benefit Requirements	1
Number of Contracts Awarded with Community Benefit Requirements	4
% of Community Benefits Awarded from the Total number Contracts Awarded	8.33%
% of Community Benefits Awarded from the Total number of Regulated Procurements	44.44%

Eildon has entered into an innovative partnership agreement with Hart Builders, which will deliver at least 388 high quality new affordable homes across 9 sites in the Borders

Over the next three years this building programme will deliver a wide range of benefits for local communities, including employment opportunities, schools' initiatives and site based work experience.

To deliver and promote the community engagement of this partnership a Community Benefits Officer has been employed jointly by Eildon and Hart's on a 3-year contract.

A key role of the Community Benefits Officer will be to record and report information on how community benefits are contributing to local and national outcomes. Future Annual Procurement Reports will report on the numbers of achieved community benefits in the following categories:

- Improving Education skills
- Delivering Training & Development
- Enhancing and Improving Local Community Projects
- Improving Local Employability
- Work Experience/ Apprenticeships
- Sponsorship and Charity Work

Supported Business Summary

Supported businesses are a sub-section of the third sector. The aim of a supported business is the social and professional integration of disadvantaged or disabled persons where at least 30% of the employees are disadvantaged or disabled. Eildon are working in conjunction with other local RSLs, Scottish Borders Council, NHS Borders and Borders College through the procurement reform group to identify future procurement opportunities for supported businesses.

Future Regulated Procurement Summary

The association expects to commence 24 regulated procurements over the next two financial years however these are subject to change. Details of these contract requirements are shown in the table below:-

Contract Title / Subject Matter	New, Extended or Re-let	Expected Contract Notice Publication Date	Expected Award Date	Expected Start Date	Estimated Value of Contract
Window replacement at 3 sites	New	April 2018	June 2018	July 2018	£380,000
Legal Services for 3 years	New	September 2018	January 2019	January 2019	£100,000
Grounds Maintenance Contract for 3 years	New	October 2018	January 2019	April 2019	£330,000
External Decoration	New	October 2018	January 2019	April 2019	£1580,000
Stock Modernisation Works for 3 years	New	September 2018	January 2019	April 2019	£3,330,000
Works, Springfield Terrace, St Boswells	New	July 2018	August 2018	September 2018	£429,000
Architect, Stirches, Hawick	New	January 2019	March 2019	March 2019	£123,000
Structural Engineers, Stirches, Hawick	New	January 2019	March 2019	March 2019	£65,000
Employers Agent, Kelso	New	August 2018	September 2018	October 2018	£60,000
Works, St John's Manse, Galashiels	New	October 2018	November 2018	December 2018	£147,000
Works, Springwell Brae, Broughton	New	January 2019	March 2019	April 2019	£1,400,000
Works, Westruther	New	October 2018	November 2018	December 2018	£1,300,000
Works, Bank Street, Galashiels	New	January 2019	March 2019	April 2019	£1,200,000
Langhaugh – Main Contractor	New	September 2017	August 2018	October 2018	£6,000,000
Woodside Place – Main Contractor	New	September 2018	March 2019	April 2019	£475,000
Springfield Terrace – Main Contractor	New	September 2018	March 2019	April 2019	£480,000
Coopersknowe – Main Contractor	New	November 2016	March 2019	April 2019	£8,400,000
Westruther – Main Contractor	New	September 2018	March 2019	April 2019	£1,400,000
Craig Park Court, Main Contractor	New	SPA Framework Call Off	May 2018	June 2018	£1,200,000
Tweedbridge Court - Main Contractor	New	SPA Framework Call Off	September 2018	November 2018	£4,800,000
Huddersfield Streed - Main Contractor	New	SPA Framework Call Off	October 2018	November 2018	£4,200,000
Earlston High School - Main Contractor	New	SPA Framework Call Off	March 2019	April 2019	£9,000,000
Howdenburn Drive - Main Contractor	New	Off the shelf purchase	June 2018	June 2018	£4,200,000
Seargents Park II - Main Contractor	New	Off the shelf purchase	August 2018	October 2018	£8,600,000

Other Content for Consideration

Procurement and Commercial Improvement Programme (PCIP)

In May 2017, the Scottish Government introduced the Procurement Improvement Programme for the Housing Sector.

For the first national assessments the Scotland Excel programme of support included an assessment of our approach to procurement using the 'Procurement and Commercial Improvement Programme' lite (PCIP lite) tool.

The programme aims to understand our current approach to procurement and to identify opportunities for improvement.

The assessment took place in February 2018 and we achieved a score of 52%.

Procurement spend with contracted suppliers (%)

This measure indicates the level of the Association's spend made within an existing contract. Best Practice requires that this figure is as high as possible. Eildon seek to maintain a figure of 90% or greater in order to ensure that best value is achieved and that relationships with suppliers are clearly documented for legal and monitoring purposes. Our most recent spend report confirmed an on contract spend of 91.48%.

Collaboration

We collaborated with other local RSLs to procure our Gas Services and Maintenance contract. As detailed above, we are part of the procurement reform group which consists of local RSLs, Scottish Borders Council, NHS Borders and Borders College.

Procurement Complaints Received

No formal challenges or complaints were received by the Association during the reporting period.

Annual Procurement Report Ownership & Contact Details

- John Duncan, Director of Property Assets

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Annex 1 - Regulated Procurement Completed Between 01 January 2017 and 31 March 2018

Title	Supplier(s)	Estimated Value	Date of Award	Contract Start Date	Contract End Date (excl extensions)
External Decoration	Mitie Property Services Ltd	£100,992	22 March 2017	1 May 2017	30 September 2017
Area Maintenance Contracts	T Frame / Waverley HA/ R3	£1,700,000	11 January 2018	1 April 2018	31 March 2021
Heating Service, Repairs & Installations (Framework)	Dalex	£2,180,960	11 January 2018	1 April 2018	31 March 2021
Boiler Replacement (Framework)	Dalex	£80,000	10 January 2018	25 January 2018	31 March 2018
Gas Supply Contract - 10 Supplies	Gazprom Energy	£93,992	13 October 2017	1 December 2017	30 November 2019
Telephony System and mobile phones contract	Vodafone	£251,578	21 December 2017	2 January 2018	31 December 2021
Easter Langlee - Phase III - Main Contractor	Persimmon	£7,686,000	23 March 2017	17 April 2017	31 October 2018
121-123 High Street, Selkirk - Main Contractor	Marshall Construction Ltd	£1,185,637	28 September 2017	15 January 2018	31 October 2018
Demolition contract at Tweed Bridge Court, Peebles	Hart Builders (Edinburgh) Ltd	£172,370	15 December 2017	19 January 2018	23 March 2018