

ALBYN HOUSING SOCIETY LIMITED

Procurement Report

2021 - 2022

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Section 1 – Introduction & Purpose

1.1 Introduction

This report provides information on the performance of Albyn Housing Society Limited's activities in relation to the implementation of the procurement Strategy for 2022 following Board approval of the Strategy in June 2021.

The reporting period covers the period from 01 April 2021 to 30 September 2022.

The report focuses on the activities for regulated procurement. 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 greater than £2 million.

1.2 Procurement Strategy

The Albyn Housing Society Procurement Strategy was agreed in January 2022 and is available on the Albyn website at [Procurement - Albyn \(albynhousing.org.uk\)](https://www.albynhousing.org.uk/procurement).

Albyn will make available the Annual Procurement Report on its website as set out in the Procurement Strategy.

1.3 Executive Summary

Between 1 April 2021 and 30 September 2022, 4 contracts were subject to regulated procurement. The value attached to the regulated procurement was £8,526,598.

Nonregulated procurement included a further 23 published tenders through Public Contracts Scotland with a total award value of £1,773,083.

The estimated value of the regulated procurement for the next 12 months is £16,989k and will include activities associated with the Development Programme for new homes, the day-to-day repairs service and planned and cyclical repairs.

Albyn has continued to prioritize the use of the Public Contract Scotland portal for the majority of its public procurement activity. However, where procurement of a more specialist nature is required, Albyn has made use of the Digital marketplace for this purpose and will continue to seek out the best platforms to ensure a competitive and transparent open procurement process.

Section 2 – Summary of Regulated Procurement Completed 2021/22

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 of 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.

2.2 Summary

The number of projects subject to regulated procurement and the process followed for those completed between 1 April 2021 to 30 September 2022 are noted in the tables below:

Provision	Open Tender	Restricted Tender	Framework	Total
Goods/supplies	0	0	0	0
Services	1	0	0	1
Works	3	0	0	3
Totals	4	0	0	4

Details of the regulated procurement for the reporting period are provide below:

Title	Publish Date	Value	Procurement Route	Supplier
Construction of Flats & FIT Homes, Cawdor Road, Nairn	19/08/2022	£3,971,987	PCS - Dual stage procedure	WGC Scotland Ltd (GB)
Stock Condition Surveys and Lifecycle Costings 2022	25/04/2022	£83,000	PCS - Single stage procedure	Rapleys LLP (GB)
Fixed Electrical Testing and LD2 Upgrade Works	08/03/2022	£350,662	PCS - Dual stage procedure	EJ Parker Technical Services (Scotland North) Ltd (GB)
Major Repairs Works Contract Partnership	28/05/2021	£4,471,611	PCS - Dual stage procedure	Compass Building & Construction Services (GB)

Section 3 – Review of Procurement Compliance

3.1 Review of Compliance with the Procurement Strategy

The following is a summary of compliance against our Procurement Strategy and the Regulated Procurement undertaken in the reporting period. Our Procurement Strategy sets out the following key aims and objectives

a) To set clear guidelines and methods by which the Society and its subsidiaries will procure works, services, or supplies.	
<i>We will achieve this by:</i>	<i>Review of Compliance:</i>
Preparing and publishing a 3-year procurement strategy and reviewing it annually	The Procurement Strategy was reviewed and approved by the Albyn Board in January 2022
Preparing and publishing an annual procurement report	The Procurement report covering the period 01 April 2021 to 30 September 2022 was published in October 2022
Using Public Contracts Scotland to advertise all regulated procurement activities	Public Contracts Scotland is used as the primary source of external advertising of Albyn Housing procurement opportunities
Ensuring all staff involved with procurement are familiar with the use of Public Contracts Scotland and The Procurement Journey and providing additional support to staff who infrequently carry out procurement activities	Public Contract Scotland Awareness and training has been delivered in the Assets team in the past year and staff have access to PCS training videos to support engagement
Publishing a register of all regulated procurement activities	Included within the published Procurement Report
Promoting and supporting procurement and supplier management training opportunities for staff and consultants working with us	Internal training provided to the Assets team and use of PCS training materials for new users
Participating in 'Knowledge Sharing' across the RSL sector	Little activity in the reporting period

b) To procure works, goods and services and award contracts that achieve value for money and meet the needs of the Society and its subsidiary companies.	
<i>We will achieve this by:</i>	<i>Review of Compliance:</i>
Working with partner organisations to benchmark best value across a range of service	We have engaged with Scotland's Housing Network to take part in the annual Value for Money study to determine Albyn Housing costs relative to our peers
Carrying out lifecycle costing to ensure we are taking into consideration the ongoing maintenance and replacement of items as well as the upfront purchase cost	This will be addressed in the forthcoming Asset Management Strategy following completion of the Stock Condition Survey in 2022.

Improving consultant, contractor and supplier relationship management to streamline the delivery of our projects and services	As we plan ahead, we will look to encourage greater participation in the design and delivery of our services, helping to tackle the geographical restrictions that our operating are often presents
Ensuring goods, services and works are procured on the basis of the most economically advantageous tender	All tender evaluation is carried out to ensure the best balance of cost and quality in meeting the published requirement
Continuing to deliver a range of community benefits in both regulated and non-regulated procurement activities	Albyn has engaged its contractors to support tenants with building an energy support fund to support with rising energy costs

c) To promote and encourage partnership working in furtherance of the Societies core objectives

<i>We will achieve this by:</i>	<i>Review of Compliance:</i>
Seeking out opportunities with our partners to provide procurement support and undertake joint procurement where possible	Albyn Housing has not conducted any joint procurement in the reporting period. However, discussions with other local RSL's have taken place with the intention of joint working for our repairs service
Taking opportunities to work with Scottish Government in the development of procurement capability across the RSL sector	Albyn Housing is ready to work with all partners to improve procurement capability
Investigating and utilising public and sector procurement frameworks	Albyn Housing will seek to engage with procurement frameworks for the 2023/24 year

d) To promote community benefit and advancement

<i>We will achieve this by:</i>	<i>Review of Compliance:</i>
Considering all procurement options available including in house delivery, partnering, and competitive tendering	Albyn considers the most appropriate way to secure goods and services before any decision on procurement
Encourage the procurement of fair and ethically traded goods and promote the highest standards	Included within the terms and conditions of published tender documents
Promote the Living Wage and the adoption of fair work practices	Included within the terms and conditions of published tender documents
Promote compliance by contractors and suppliers with the Health and Safety at Work Act 1974	Included within the terms and conditions of published tender documents
Review our SME and local business	Analysis carried out in relation to tender

engagement and utilization	preparation for reactive repairs
Engage with supported businesses and third sector bodies when considering procurement options	Further work needed to encourage engagement with third sector businesses
Ensure where practical that suppliers and subcontractors are paid 30 days after a valid invoice is submitted or in accordance with the contractual terms and conditions.	All suppliers paid within due terms through automated payment dates applied within accounting software
Increase market engagement by taking part in information sharing and promotion events	Large scale tender preparation has included briefing events for all suppliers (reactive repairs)

e) Contribute to the aims and objectives of Society or Subsidiary as detailed in the business plan	
<i>We will achieve this by:</i>	<i>Review of Compliance:</i>
Ensure consistent application of the Procurement lifecycle	The principles of the procurement lifecycle are applied across all procurement exercises
Ensuring all procurement activity is carried out electronically and opportunities advertised openly	Through the use of Public Contracts Scotland and the Digital Marketplace our procurement has been carried out electronically and open to as many potential suppliers as possible
Embedding KPIs and the regular review of them into the delivery of all contracts	We have contractual KPIs embedded for our major programme covering programme delivery, costs, etc. We will continue to add a broader set of KPI's to further improve contractual and business performance.
Ensure consistent application of contract management for use across all departments	Contract management processes are in place but more needs to be done to achieve consistency across the organisation
Maintaining and publishing the Society's Contracts Registers where necessary	The contracts register will be published alongside the Procurement Report
Publishing an Annual Procurement Report	Procurement Report published in October 2022

3.2 Plan to Improve Future Compliance

In reviewing our compliance with the aims and objectives of the Procurement Strategy, we have identified a number of areas where we will develop an approach to deliver greater impact. These include:

- Maximising community benefit from procurement agreements
- Carrying out additional training across the organisation to upskill procurement proficiency
- Centralising the contracts register to capture all activity across the business
- Reviewing our contractual terms to ensure that there is consistency in the obligations of suppliers to attain key objectives including Living wage, and ethical standards

We will continue to provide information to our stakeholders through the publication of information about our procurement process and the outcomes of procurement activities.

Section 4 – Community Benefit Summary

4.1 Community Benefits Expectations

Our major contracts make reference to the requirement for contractors to meet obligations in relation community benefits in the process of carrying out the contractual delivery.

Weaknesses in contractual management have not enabled the outcomes of community benefit activities to be demonstrated as clearly as we would have expected. As a result, further work is needed on the contractual management approach to ensure that Albyn and its communities are best served from the contractual activity delivered by suppliers in our area.

4.2 Community Benefits Achieved

As the impact of the recent economic challenges have emerged through pressures on the cost of living for our tenants, in particular relating to the increased cost of energy and the high levels of fuel poverty experienced across our communities, Albyn Housing has created an Energy Fund to provide support to tenants where it is most needed.

The fund of £100k has been approved by the Albyn Board and through engagement with our supply chain, we have sought donations to supplement this found to enable a greater impact.

To date, we have received a further £3,050 for suppliers to add to the existing fund.

Section 5 – Supported Business Summary

Albyn Housing remains committed to including the involvement of supported businesses.

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

Supported businesses are those businesses which fulfill 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.

Albyn Housing does not currently have any contracts in place with supported businesses.

Section 6 – Future Regulated Procurement Summary

6.1. The estimated value of the regulated procurement which Albyn Housing expects to undertake over the next two years is unknown at present. The actual value of procurement over the period will be subject to the outcome of a programme and business plan evaluation.

6.2. Current assumptions include the following for the next 12-month period. The estimated value for planned major procurement activities is set out as follows:

Functional Area/Procurement Route	Project or Scheme	Anticipated Procurement Value (£000)
Development Programme – New Homes	Lairg	2,480
Development Programme – New Homes	Dornoch	5,172
Development Programme – New Homes	Dingwall	7,337
Routine repairs – Framework contract	Highlands Area lots	2,000

Section 7 – Annual Procurement Report Ownership & Contact Details

7.1 Andrew Martin, Director of Finance & Corporate Services