

Report to	Management Committee of 29 May 2019
Title	Annual Procurement Report
Report by	Marjorie Sloan
Appendices	1 – Regulated Procurement 2 – Future Regulated Procurement 3 – Sustainable Procurement Duty
Purpose of report:	To provide details of procurement activity undertaken
Risk implications	Complying with procurement legislation and good practice reduces the risk of challenge.
Financial implications	None
Equalities and Human Rights implications	None
Assurance implications	Proper procurement practices assist in achieving value for money and protect the association from challenge.
Compliance with Regulatory Standards:	
1 – The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users	The procurement strategy, set by Management Committee sets the strategic direction for procurement.
2 – The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of tenants, service users and stakeholders. Its primary focus is the sustainable achievement of these priorities.	Procurement opportunities are published on Public Contracts Scotland
3 – The RSL manages its resources to ensure its financial and well-being while maintaining rents at a level that tenants can afford to pay.	Effective procurement assists in achieving value for money

4 – The governing body bases its decisions on good quality information and advice and identifies and mitigates risk to the organisation’s purpose.	Procurement practice has been updated following a review of Governance., Financial Management and Procurement
5 – The RSL conducts its affairs with honesty and integrity.	Good procurement practice will ensure integrity of decisions made.
6 – The governing body and senior officers have the skills and knowledge they need to be effective.	Senior staff have attended procurement training during the year
7- The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants	N/A

1 INTRODUCTION

- 1.1 The Procurement Reform (Scotland) Act 2014 Section 18 States that regulated organisations must prepare an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of the financial year.
- 1.2 This is Abertay’s second annual procurement report, covering the period 1 April 2018 to 31 March 2019.
- 1.3 Abertay has a Procurement Strategy and Procurement Policy. The Procurement Strategy was first agreed in December 2016 and last updated in December 2018. It is available on Abertay’s website. The Procurement Policy was last reviewed in August 2018, with minor updates in April 2019.
- 1.4 A number of consultants reports were carried out during the financial year or late in the previous financial year which gave recommendations in relation to procurement:
- Scotland Excel Review
 - Planned Maintenance Overspend – Quinn Internal Audit
 - Governance and Financial Management Review – Altair
- 1.5 These resulted in procurement procedures being improved with the introduction of a procurement toolkit. Work was undertaken on this during the year and it was fully introduced in March 2019. Thus the majority of procurements covered in this report were undertaken under former practice.

- 1.6 Once approved by Committee, the report will be published on Abertay's website.

2 BACKGROUND

Summary of Regulated Procurements Completed

- 2.1 Abertay carried out 4 regulated procurement processes, with values ranging from £53,000 to £3,814,000. Further details of the individual procurements are included at Appendix 1.

- 2.2 Regulated procurements were awarded as follows:

Public Contracts Scotland website notice	2
Public Contracts Scotland quick quotes	2

- 2.3 The Public Contracts Scotland website was used to advertise a number of opportunities:

Prior Information Notices	2
Site Contract Notices Published	3
Site Contract Award Notices	3
Quick Quote Award Notices	8

Some of these opportunities had a value of less than £50,000 and thus do not come within the definition of regulated procurement.

Review of Regulated Procurement Compliance

- 2.4 All regulated procurement exercises complied with Abertay's Procurement Strategy and Policy.

Community Benefit Summary

- 2.5 The Contractor for the Finavon Street project has engaged with local schools to run a safety awareness project in the form of a competition. The results can be seen on the security hoarding. The Contractor has also engaged local labour from the Fintry Community.

- 2.6 The Contractor for the External Fabric Works Programme has carried out the installation of a slabbed bin recess to allow one of our visually impaired tenant's unhindered access to the main street path, which was restricted due to position of bins and overhanging car parking.

Supported Businesses Summary

- 2.7 Abertay officers can let contracts to supported businesses without having to resort to full tendering exercises. A supported business is one where more than 50% of the workers are disabled persons who by reason of the

nature or severity of their disability are unable to take up work in the open labour market. No regulated procurement was awarded to supported businesses.

Future Regulated Procurements Summary

- 2.7 Details of future planned regulated procurement are included at Appendix 2.

Sustainable Procurement Duty

- 2.8 Details of Abertay's Sustainable Procurement Duty are included at Appendix 3.

3 CONCLUSION

- 3.1 Following a number of reports, Abertay's procurement practices have been improved during the year. Four regulated procurements were carried out, and all fell within Abertay's procurement strategy and policy.

4 RECOMMENDATIONS

Management Committee is asked to:

APPROVE the annual procurement report.

Regulated Procurement

Appendix 1

Contract Description	Contractor	Contract Start Date	Contract End Date (incl Extension)	Max Extension (Yrs)	Est. Value (£net incl Extensions)	Date Awarded
Employers Agent / Cost Consultancy	Keillor Laurie Martin	20-Aug-18	31-Mar-21	1	63,096	25-May-18
Term works contract for external fabric repairs	Andrew Shepherd Construction	20-Aug-18	31-Mar-21	1	4,576,490	04/06/2018
Removal of flood prevention system	Logie Building Services	08-Apr-19	09/09/2019	0	61,257	27/02/2019
Open space maintenance	Resolution	01-Apr-19	31-Mar-23	1	427,517	29/03/2019

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Contract	Type	Expected Notice Publication Date	Expected Award	Expected Start Date	Expected Value
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2019/20

Cyclical Painterwork and Pre-Paint Repairs	Renew	01/11/2018	31/01/2019	01/04/2019	£200,000 pa for 3 years
Charlestown Development Consultant	New	27/03/2019	07/05/2019	08/05/2019	30000
Charlestown Development	New	01/07/2019	01/09/2019	30/10/2019	£5,400,000
Smoke & Heat Detector Installations (Ph 1)	New	01/04/2019	02/05/2019	17/06/2019	£140,910
Smoke & Heat Detector Installations (Ph 2)	Renew	05/01/2020	01/03/2020	01/04/2020	£140,910
Heating and Rewiring	New	01/07/2019	09/08/2019	01/09/2019	£125,000
Periodical Electrical Testing	Renew	13/03/2019	16/04/2019	20/05/2019	£53,530
Void and Reactive Painterwork	New	28/06/2019	26/07/2019	16/08/2019	£90,000

2020/21

Kitchens and Bathrooms Fintry North Phase 1 & 2	New	10/01/2020	01/03/2020	15/04/2020	£490,000
Mossgiel development	New	01/07/2020	31/10/2020	01/04/2021	£5,200,000
Reactive and Voids Maintenance	Renew	01/04/2020	31/08/2020	01/10/2020	£3,360,000
Close Cleaning	Renew	01/11/2020	01/02/2021	01/04/2021	£107,540

2021/22

IT Support	Renew	01/04/2021	31/05/2021	01/07/2021	£50,000
Telephony Services	Renew	01/11/2021	31/12/2021	22/03/2022	£65,000

Sustainable Procurement Duty

Specifically in the context of addressing organisations' obligations under the Sustainable Procurement Duty, it should be kept in mind that the Scottish public sector approach to sustainable procurement is closely linked to the priorities set out in the National Performance Framework (NPF) and is underpinned by a range of sustainability indicators, outlined below. Organisations might find it helpful to refer to NPF outcomes and related indicators in their reports:

- Climate change (carbon and energy consumption, carbon in production, adaption, carbon in vehicle emissions);
- Materials (scarcity, security);
- Waste (production, reuse/recondition/remanufacture);
- Hazardous materials/emissions;
- Bio-security
- Bio-diversity (protection and enhancement);
- Heritage (protection and enhancement);
- Water (consumption and production);
- Employment (skills and training, SMEs/social enterprises/supported businesses – this element of compliance directly relates to the distinct reporting obligations in section 5 and 6 of this template);
- Communities;
- Security and crime (impact and improvement);
- Fair and ethical trading (working conditions, conflict materials);
- Equality (protected characteristics);
- Fair work.

Further details on these indicators, including definitions, are available from the sustainability test.

Organisations are able to add any local priorities to the tools when they are employing the approach outlined in the statutory guidance, so may have other elements they need to report on.

By using the tools as advocated in the statutory guidance, organisations should be able to identify and pursue opportunities associated with individual procurement projects.

This approach should allow organisations to meet reporting obligations under the Climate Change (Scotland) Act 2009 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.