



KINGDOM
Group

MORE THAN A HOME

Annual Procurement Report
1 January 2017 - 31 March 2018



KINGDOM
Housing Association



KINGDOM
Initiatives



KINGDOM
Support & Care

Prepared by: Kingdom's Procurement Working Group
5 November.18

Approved by the Board of Management on 19
November 2018

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1. Introduction

The Kingdom Group comprises of Kingdom Housing Association Ltd and its subsidiaries Kingdom Initiatives Ltd and Kingdom Support and Care CIC. For the purpose of this report the Group will be referred to as “Kingdom”.

Kingdom’s Procurement Strategy was first published in December 2016 and covers the period 1 January 2017 to 31 March 2018. To comply with this and all legislative requirements Kingdom have produced this Annual Procurement Report which summarises all regulated procurement activity for the period.

Regulated procurements are public contracts with an estimated value in excess of £2m for works contracts or £50k for other types of contract.

2. Procurement Vision

Kingdom’s procurement vision is to “achieve excellent procurement performance through sustainable procurement practices for the benefit of the organisation and our stakeholders”.

3. Regulated Procurement Summary

Kingdom’s programme of regulated procurements are summarised below:

20 regulated procurement activities were completed during the reporting period.

Community benefits delivered on 11 regulated procurement completed during the reporting period.

29 expected regulated procurement activities over the next 2 financial years.

4. Completed Regulated Procurement

During the period 1 January 2017 to 31 March 2018 Kingdom completed 20 regulated procurement activities. These are categorised below with full details provided in Appendix A.

	Open Tender	Restricted	Framework Call-Off	VEAT	Total
Goods	0	0	0	0	0
Services	9	0	1	0	10
Works	0	0	4	6	10
Total	9	0	5	6	20

All regulated procurements were undertaken in accordance with Kingdom’s approved Procurement Policy and advertised through Kingdom’s Website.

5. Review of Procurement Strategy Compliance

Kingdom is committed to ensuring that all regulated procurement activities undertaken are fair, open, transparent, non-discriminatory and sustainable in accordance with its Procurement Strategy, legislation and best practice.

A number of key objectives are set out in Kingdom's Procurement Strategy. The summary below provides details of the achievements and outcomes achieved in support of these objectives.

Objective 1: Consistently apply good procurement practice across the organisation.

A procurement working group has been set up to implement Kingdom's Procurement Strategy to continually improve performance and to ensure a consistent approach to all procurement activities carried out.

Kingdom's Procurement Policy, Strategy and Action Plan are regularly reviewed to ensure compliance with legislation and best practice.
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Skills matrix and training plans have been developed to identify skill levels of staff responsible for procurement and to ensure appropriate training (where required).

Staff members have attended various training events and conferences to improve their knowledge; this includes training carried out by the Scottish Federation of Housing Associations and PASS Procurement.

An Annual Procurement Report has been produced to provide details of procurement activities carried out during the period and those anticipated over the next 2 financial years. This will be made available on Kingdom's website.
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Kingdom's Corporate Plan has been reviewed to ensure that procurement activities support departmental strategies and organisational objectives.

Objective 2: Help improve economic, social and environmental wellbeing in our geographical areas of operation.

Kingdom has a Community Benefits Strategy and Sustainability Policy in place to support its Procurement Strategy and vision.
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Kingdom aim to advertise all procurement opportunities over £10k through Public Contracts Scotland to facilitate the involvement of small & medium enterprises (SME's), third sector bodies and supported businesses.

Internal procedures are regularly reviewed to ensure that procurement activities promote compliance with Health & Safety at Work Regulations, recognise environmental factors and encourage all suppliers to work in a socially responsible manner.

Kingdom actively encourage commitment from suppliers to pay the Living Wage as their minimum hourly rate and provide advice to those organisations where possible to help them achieve positive outcomes in paying this.

Kingdom's New Build Design Standards are regularly reviewed to ensure continuous improvement and best practice.

Kingdom is currently looking at ways to increase its use of e-purchasing and e-invoicing solutions to procurement.

Objective 3: Plan, monitor and review effectively current/ future procurement activities.

A Contracts Register has been developed to identify all current high level, high risk procurement activities for 2017/18. This has been published on Kingdom's website.

Kingdom successfully completed its PCIP assessment which was carried out by Scotland Excel in February 2018.

A Procurement Action Plan is in place to monitor and record progress of Kingdom's procurement activities.

Risk management processes have been reviewed to ensure that any associated procurement risks are managed appropriately.

Kingdom continues to measure supplier performance using results from customer/stakeholder feedback, quality and service delivery appraisal.

All regulated contracts are monitored through Key Performance Indicators (KPIs) and regular meetings with suppliers throughout the lifetime of the contract.

Kingdom have carried out a spend analysis to determine what areas across the organisation would benefit from a tendering process or a framework agreement process. This has been incorporated into Kingdom's Procurement Action Plan and Strategy.

Objective 4: Tender and award contracts in accordance with Kingdom's Financial Regulations, legislative requirements and best practice.

Kingdom's Financial regulations are regularly reviewed and approved by Board members.

All contracts are awarded in accordance with applicable regulations and based on the Most Economically Advantageous Tender (MEAT) in accordance with Kingdom's Procurement Policy.

Kingdom has an Anti Fraud, Bribery and Corruption Policy and Employment, Payments and Benefits policy in place to support its Procurement Strategy and vision.

Kingdom's regulated procurement opportunities are published on Kingdom's website.

Kingdom has a Counter Fraud Officer to manage the Fraud Register. Fraud prevention training has been undertaken by relevant staff.

6. Community Benefits Summary

Kingdom's Community Benefits Strategy provides a framework to ensure the delivery of Community Benefits through its procurement activities.

Kingdom's employability team assist suppliers in maximising opportunities for Community Benefits through all capital contracts no matter their value. The table shown in Appendix B provides information on Kingdom's Community Benefit outcomes for all regulated and unregulated capital contracts completed during the reporting period.

7. Supported Business Use Summary

Kingdom aim to facilitate the involvement of supported businesses in their procurement activities where possible. During the period contact was made with local supported businesses (Haven and Matrix Fife) to source signage and office furniture. Haven has been appointed to provide site signage.

8. Future Regulated Procurement Summary

Kingdom expects to commence 29 regulated procurements over the next 2 financial years. Details of these potential contracts can be found in Appendix C.

9. Other Relevant Information

Kingdom has engaged with the Scottish Government's Procurement Improvement Programme. Kingdom's PCIP (Procurement and Commercial Improvement Programme) assessment was carried out in February 2018 by Scotland Excel.

No formal procurement challenges were received during the period.

Kingdom is in the process of becoming accredited as a Living Wage Employer and is committed to supporting the Living Wage and encouraging suppliers to do the same.

Kingdom is a member of Scotland Excel and the Scottish Procurement Alliance as part of the Group's collaborative procurement arrangements. Kingdom also have their own Contractor and Consultant Frameworks in place which allow partners to call off works and services to add value and assist with the delivery of the Scottish Government's affordable housing programme.

10. **Conclusion**

Kingdom has updated its Procurement Strategy for the period to 31 March 2019 and will report on the outcomes from the updated Strategy next year.

11. **Contact Details**

For more information about this Report or Kingdom's Procurement Strategy please contact:

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APPENDIX A

COMPLETED REGULATED PROCUREMENT (Completions during 01.01.17 – 31.03.18)

Contract Description	Award Date	Supplier	Estimated Contract Value	Start Date	End Date	Procurement Classification
Construction of Affordable Housing - Burnbrae, Kincardine	25 January 2017	Hadden Construction	£4,699,953	13 March 2017	November 2018	Works Call off from Kingdom Framework
Construction of Affordable Housing - Fraser Avenue, Inverkeithing Phase 1	20 March 2017	Campion Homes	£6,915,439	20 March 2017	February 2019	Works Call off from Kingdom Framework
Construction of Affordable Housing - Alloa Road, Tullibody Phase 2	6 March 2017	Campion Homes	£3,931,786	27 March 2017	July 2018	Works Call off from Kingdom Framework
Construction of Affordable Housing - Trynmuir, Cuparmuir	28 February 2018	Campion Homes	£3,159,499	21 March 2018	April 2019	Works Call off from Kingdom Framework
Construction of Affordable Housing - Banklands, Newburgh	8 January 2018	Robertson Partnership Homes	£4,540,009	12 February 2018	May 2019	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS
Construction of Affordable Housing – Pitdinnie Road, Cairneyhill	13 March 2018	Avant Homes	£3,154,914	14 May 2018	April 2019	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS

Construction of Affordable Housing - Harbour View, Alloa Phase 1	1 September 2017	Lochay Homes	£2,707,373	15 September 2017	March 2019	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS
Construction of Affordable Housing – Bertha Park, Perth	9 March 2018	Springfield Properties	£6,704,370	30 March 2018	September 2019	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS
Construction of Affordable Housing – Lynebank, Dunfermline	9 February 2018	Barratt	£3,559,750	6 March 2018	April 2019	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS
Construction of Affordable Housing – Kirkland Farm, Ballingry	27 February 2018	Springfield	£9,432,685	9 July 2018	December 2020	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS
Consultant Services - Affordable Housing	1 January 2017 to 31 March 2018	Various	£815,499	n/a	n/a	Services Call off from Kingdom Framework
Gas Heating Servicing and Maintenance	July 2017	Kingdom Gas Services and Gas Call Services	£1,800,000	1 July 2017	30 June 2020	Services Open Tender
Development Cyclical Painterwork		Bell Group	£500,000	1 April 2017	30 March 2020	Services Open Tender

Window & Door replacements		CMS	£185,000	1 October 2017	31 March 2018	Services Open Tender
Medical Adaptations Term Contract		Various	£200,000	1 March 2016	31 June 2019	Services Open Tender
Communal Stair cleaning		Confida	£450,000	1 April 2015	31 March 2018	Services Open Tender
Landscaping		Continental Landscapes & Tivoli	£290,000	1 April 2017	30 March 2020	Services Open Tender
Internal and External Audit Services	20/03/2017	Henderson Loggie and RSM	£37,000	1 April 2018	31 March 2023	Services Open Tender
Integrated HR and Payroll solution	29/09/2017	MHR	£100,000	30 April 2018	29 April 2023	Services Open Tender
Cloud based unified communications solution including Orchard Housing CTi integration	15/6/2017	8x8	£350,000	15 June 2017	30 May 2022	Services Open Tender

APPENDIX B

COMMUNITY BENEFIT OUTCOMES (01.01.17 – 31.03.18)

Contract Name	Contract Description	Work Placements	Jobs Created	New Apprenticeships	Existing Apprenticeships	Other Activities
Devilla, Kincardine	Newbuild Affordable Housing	0	4	1	4	Artwork.
Paton Street, Dunfermline	Newbuild Affordable Housing	4	4	2	2	Construction Academy participation, site tours, employer talks, Q&A sessions for unemployed individuals.
Dunlin Drive, Dunfermline	Newbuild Affordable Housing	3	2	1	3	Construction, commercial and technical talks with pupils from Woodmill and St Columbus High Schools
Primrose Place, Alloa	Newbuild Affordable Housing	3	4	0	2	Engaged with local college to provide construction course support.
Canal Street, Perth	Newbuild Affordable Housing	28	3	2	3	Curriculum support, group work in HMP Perth.
Law View, Leven	Newbuild Affordable Housing	1	3	1	1	Construction Academy Participation: site tours, employer talks, Q&A sessions for unemployed individuals.
Durham Wynd, Lower Largo	Newbuild Affordable Housing	0	6	1	6	Primary school site visit.
Methil Brae, Methil	Newbuild Affordable Housing	11	12	10	7	Curriculum support at High and Primary Schools, Group work, site tour and activities.

Station Road, Springfield	Newbuild Affordable Housing	0	4	0	5	None
Cook Square, Lochgelly	Newbuild Affordable Housing	0	1	1	1	None
Silver Tassie, Leven	Newbuild Affordable Housing	2	2	0	3	School site visits.

FUTURE REGULATED PROCUREMENT (Expected to start - 01.04.18 to 31.03.20)

Estimated Award Date	Contract Description	Estimated Total Contract Value	Procurement Classification	Estimated Contract Period
April 2018	Construction of Affordable Housing - South Avenue, Blairhall	£9,883,794	Works Call off from Kingdom Framework	Oct 18 – Dec 20
November 2018	New Build Housing at Denbeath Bowling club, Denbeath	£2,638,832	Works Call off from Kingdom Framework	Dec 18 – Nov 19
November 2018	New Build Housing at Dean Park, Kirkcaldy	£3,177,036	Works Call off from Kingdom Framework	Nov 18 – Jan 20
February 2019	New Build Housing At Nairn Street, Kirkcaldy Phase 1A	£4,706,720	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS	Feb 19 – March 20
February 2019	New Build Housing At Nairn Street, Kirkcaldy Phase 1B	£4,118,380	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS	Feb 19 – March 20
June 2019	New Build Housing at Hall Street, Lochgelly	£4,000,712	Works Call off from Kingdom Framework	Jun 19 – Jun 20
June 2019	New Build Housing at Fraser Avenue, Inverkeithing Ph 2	£7,177,748	Works Call off from Kingdom Framework	Jun 19 – Dec 20
June 2019	New Build Housing at High Street, Cowdenbeath	£3,412,372	Works Call off from Kingdom Framework	Jun 19 – Jun 20
January 2020	New Build Housing at Inner Court, Cupar	£3,530,040	Works Call off from Kingdom Framework	Jan 20 – Jan 21
May 2019	New Build Housing at Mansfield, St Monans	£4,589,052	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS	Jun 19 – Oct 20

January 2019	New Build Housing at Silverdykes, Anstruther	£2,353,360	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS	Jan 19 – Oct 19
November 2019	New Build Housing at Balgove Road, Gauldry	£3,530,040	Works Call off from Kingdom Framework	Nov 19 – Jan 20
January 2019	New Build Housing at Caskieberran Road, Glenrothes	£2,824,032	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS	Jan 19 – Jan 20
June 2019	New Build Housing at Woodend Road, Cardenden	£2,824,032	Works Call off from Kingdom Framework	Jul 19 – Sept 20
December 2018	New Build Housing at Hawsklaw Road, Leven	£2,353,360	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS	Dec 18 – Jan 20
December 2018	New Build Housing at Meadowlands South, Dunfermline	£2,824,032	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS	Dec 18 – Nov 19
July 2019	New Build Housing at Main Street, Ballmulo	£3,530,040	Works Call off from Kingdom Framework	Jul 19 – Oct 20
April 2018	New Build Housing at Glenalmond Road, Rattray	£6,702,480	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS	May 18 – May 19
October 2019	New Build Housing at Thorndale Gardens, Allandale	£4,706,720	Works – Voluntary Ex-Ante Transparency (VEAT) notice published via PCS	Nov 19 – Nov 20
May 19	New Build Housing at Primrose Street, Alloa Phase 1	£2,941,700	Works Call off from Kingdom Framework	Jun 19 – Sept 20
May 19	New Build Housing at Elm Grove, Alloa	£7,060,080	Works Call off from Kingdom Framework	Jun 19 – Sept 20

April 2019	Provision of Training Consultancy Services	£200,000	New Framework to be Established.	April 2019 – March 2023
April 2020	Provision of Legal Services	£300,000	Framework Call Off	April 2020 – March 2024
March 2020	Provision of Consultant Services (Multi Disciplinary)	£5,000,000	New Framework to be Established.	April 2020 – March 2024
April 2018	Scotland Excel - Material Supplies	£800,000	Framework Call off	April 2018 – March 2020
April 2018	SPA – Kitchen material Supply	£80,000	Framework Call off	April 2018 – March 2020
September 2018	Window & Door Replacement	£900,000	Supplies contract	September 2018 – March 2019
November 2018	Communal Stair cleaning	£300,000	Services Contract	November 18 – October 20
May 2018	Mobile Phone Contracts (Mobile Iron)	£100,000	Services Contract	October 2018 – October 2020