



Procurement Sub-Committee

Date: TUESDAY, 24 JULY 2018
Time: 11.30 am
Venue: COMMITTEE ROOMS - COMMITTEE ROOMS

Members: Hugh Morris (Chairman)
Deputy Robert Merrett (Deputy Chairman)
Randall Anderson
John Fletcher
Michael Hudson
Deputy Clare James
Susan Pearson
Deputy Jamie Ingham Clark
Jeremy Mayhew

Enquiries: Emma Cunnington
emma.cunnington@cityoflondon.gov.uk

N.B. Part of this meeting may be subject to audio-visual recording.

**John Barradell
Town Clerk**

AGENDA

1. **APOLOGIES FOR ABSENCE**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **TERMS OF REFERENCE**
Report of the Town Clerk.

For Information
(Pages 1 - 2)

4. **RESOLUTION FROM PORT HEALTH AND ENVIRONMENTAL SERVICES COMMITTEE**
To consider a resolution from the Port Health and Environmental Services Committee from its meeting on 16 July 2018.

(TO FOLLOW)

For Information

5. **PRESENTATION - CITY PROCUREMENT OVERVIEW STRATEGY AND GOVERNANCE**
The Commercial Director to be heard.

For Discussion

6. **CITY PROCUREMENT SERVICES GUIDE**
Report of the Chamberlain

For Information
(Pages 3 - 6)

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
9. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

10. **CONTRACT FOR THE PROVISION OF THE CITY REVENUES CAPITA ONE REVENUES BILLING SYSTEM WAIVER REPORT**
Report of the Chamberlain.

For Decision
(Pages 7 - 14)
11. **CORPORATE SECURITY SERVICES - PROCUREMENT STAGE 1**
Report of the Chamberlain

For Decision
(Pages 15 - 20)
12. **CORPORATE LIFT MAINTENANCE SERVICES - PROCUREMENT STAGE 1**
Report of the Chamberlain.

For Decision
(Pages 21 - 26)
13. **NON-COMPLIANT WAIVER REPORT FOR APRIL - JUNE 2018**
Report of the Chamberlain

For Information
(Pages 27 - 30)
14. **CONTRACT MANAGEMENT CORPORATE SUPPLIER PERFORMANCE SCORECARD RESULTS FY 2017/18**
Report of the Chamberlain

For Information
(Pages 31 - 40)
15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

This page is intentionally left blank

Procurement Sub Committee

Composition

- Chairman – to be proposed by the Chairman of the Finance Committee (if the Chairman of the Finance Committee does not intend to take up the position)
- Deputy Chairman – to be proposed by the Chairman of the Finance Committee (if the Deputy Chairman of the Finance Committee does not intend to take up the position)
- Chairman of the Finance Committee
- Deputy Chairman of the Finance Committee
- Between five and eight additional Members of the Finance Committee;

Terms of Reference

- To scrutinise and be responsible for value for money on all City of London Corporation and City of London Police procurement contracts above £2m (total contract value) at key stages, including initial tender strategy to final contract award sign off.
- To consider and recommend all procurement contracts above £4m to the Court of Common Council
- To invite representative(s) from the relevant Spend Committee to attend meetings ensuring decisions are made corporately
- To provide officers with advice focussed specifically on value for money, and consider lessons learned when major contracts are coming to an end (i.e. before the (re)tender process begins)
- To review and consider approvals of £50k+ waivers for the Chamberlain's department contracts
- To work with the Grand Committee to review and to monitor performance against the Chamberlain's Departmental Business Plan and related corporate initiatives in order to promote value for money and ensure compliance with the UK Public Contract Regulations and the Corporation's Procurement Code.

This page is intentionally left blank

Committee(s): Procurement Sub-Committee	Date: 24 July 2018
Subject: City Procurement Services Guide	Public
Report of: The Chamberlain	For Information
Report author: Chris Bell, Commercial Director, City Procurement	

Summary

City Procurement has a range of functional responsibilities in delivering corporate service to the Corporation from within the Chamberlain's department. This paper summarises these services to the new Members of Procurement Sub-Committee to assist familiarisation with the responsibilities of the committee.

The function headed by the Corporation's Commercial Director has fifty-eight staff across specialist teams in the areas of Category Management and Sourcing, Operations, Policy and Compliance, Responsible Procurement, Contract Management, Service Performance Monitoring, Commercialism, Accounts Payable and Purchase Cards Management.

In 2017/18 City Procurement procured over 165 strategic new contracts, 313 one-off tactical purchases, and processed and paid circa 100,000 invoices worth £530m with 95% paid within our 30-day contractual terms. Since its launch in October 2014, City Procurement has delivered efficiency savings over £27m and is projected to save an additional £6.52m for 2018/19.

Recommendation(s)

Members are asked to:

- Note the services within the City Procurement division.

Main Report

Introduction

1. One of the divisional areas of the Chamberlain's Department, City Procurement is responsible for how the City of London Corporation buys, manages and pays for the goods, works and services it needs. Its core strategic principles are Operational Excellence, Value for Money, Innovation and Responsible Business. In 2017/18 City Procurement procured over 165 strategic new contracts, 313 one-off tactical purchases, and processed and paid circa 100,000 invoices worth £530m with 95% paid within our 30-day contractual terms. Since its launch in October 2014, City Procurement has delivered efficiency savings over £27m and is projected to save an additional £6.52m for

2018/19. The savings generated are a critical intervention to assist the corporation close the organisation's budget gap and protect critical front-line services.

Functions within City Procurement

2. The function headed by the Corporation's Commercial Director has fifty-eight staff across specialist teams in the areas of Category Management and Sourcing, Operations, Policy and Compliance, Responsible Procurement, Contract Management, Service Performance Monitoring, Commercialism, Accounts Payable and Purchase Cards Management. Each of these is explained in a little more detail below:
3. *Category Management and Sourcing* manage all strategic purchasing for the City Corporation (above £100k goods/services, £400k works) through our Category Board governance to ensure strategic and sustainable contracts are procured in line with the Organisation's operational and strategic objectives. Our Category Boards are Facilities Services, Information Technology, Construction and Property, Corporate Resources, Land Management and Children and Community Services.
4. *Procurement Operations* is the engine room of purchasing, buying a full range of "one off" tactical purchases under £100k ensuring best value is obtained always regardless of the goods, works or service procured.
5. *Policy & Compliance* develops and publishes the Corporation's policies in relation to procurement and provides guidance and support to the organisation on our Procurement Code, EU/UK procurement regulations, internal policies (such as Living Wage and Purchase Card) and monitor how well the City Corporation is complying with these policies through a variety of compliance checks and reviews.
6. *Responsible Procurement* is the 'golden thread' running through the City Corporation's Procurement Strategy. This team ensures all aspects concerning social value, environmental sustainability, and ethical sourcing are built in to the all our contracts at an interventional level appropriate for the level and nature of our spend.
7. *Commercial Contract Management* develops, improves and seeks to embed best practice contract management consistently across our existing contract management provision to deliver greater cost assurance through cost avoidance, supplier performance monitoring, and contract variations oversight.
8. *Service Performance Monitoring* is critical to achieving Operational Excellence and our suite of control tools track savings, spend, compliance, performance statistics and customer satisfaction.
9. *Commercialism* drives best value from our existing contracts, create efficiency and savings opportunities through negotiation, transformation and change as well as generate new income generation opportunities.

10. *Accounts Payable* is responsible for managing the supplier database, processing and paying invoices, and developing supplier relationships to deliver key policies like No PO No Pay and E-invoicing.
11. *Purchase Cards Management* oversees our card holder population, policy and systems that drive an efficient and secure alternative to traditional invoicing methods. The team is responsible for ensuring card security and detecting potential fraudulent or mis-use activities.

Strategy and Regulations

12. City Procurement has clear strategies and guidelines to continue to transform the City Corporation from a start up to industry leader in terms of operational excellence, innovation and value for money in procurement.
 - i. [City Procurement Strategy 2015-2018](#) sets out the need to modernise to achieve best value, efficient use of resources, use of technology, innovation and practices and procedures.
 - ii. [Responsible Procurement Strategy 2016-2019](#) recognises the City Corporation's responsibility to help the organisation procure value for money goods, services and works, whilst maximising social value, minimising environmental impacts and ensuring the ethical treatment of people.
 - iii. [City Procurement Code 2015](#) constitutes the rules that must be followed when any procurement is undertaken by the City Corporation and are designed to ensure that risks are minimised and procurement complies with the Public Contracts Regulations 2015 and other relevant legislation.

Conclusion

13. City Procurement has a range of functional responsibilities in delivering corporate service to the Corporation from within the Chamberlain's department. This paper summarises these services to the new Members of Procurement Sub-Committee to assist familiarisation with the responsibilities of the committee.

Chris Bell

Commercial Director, City Procurement, Chamberlain's Department

T: 020 7332 3961

E: Christopher.bell@cityoflondon.gov.uk

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank