



Procurement Sub (Finance) Committee

Date: TUESDAY, 24 MARCH 2020
Time: 11.15 am
Venue: COMMITTEE ROOM 3 - 2ND FLOOR WEST WING, GUILDHALL

Members: Deputy Hugh Morris (Chairman)
Deputy Robert Merrett (Deputy Chairman)
Randall Anderson
John Fletcher
Michael Hudson
Deputy Jamie Ingham Clark
Alderman Gregory Jones QC
Jeremy Mayhew
Susan Pearson
William Pimlott

Enquiries: Antoinette Duhaney, 020 7332 1408,
antoinette.duhaney@cityoflondon.gov.uk

Lunch will be served in Guildhall Club at 1PM
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes of the meeting held on 06.02.20.
For Decision
(Pages 1 - 6)
4. **PROCUREMENT SUB-COMMITTEE WORK PROGRAMME 2020**
Report of the Town Clerk
For Information
(Pages 7 - 8)
5. **CITY PROCUREMENT RISK MANAGEMENT - QUARTERLY REPORT**
Report of the Chamberlain
For Information
(Pages 9 - 18)
6. **CITY PROCUREMENT STRATEGY 2020-2024**
Report of the Chamberlain
For Decision
(Pages 19 - 40)
7. **RESPONSIBLE PROCUREMENT POLICY 2020-24**
Report of the Chamberlain
For Decision
(Pages 41 - 46)
8. **CORPORATE SPONSORSHIP GUIDANCE ON FOOD AND DRINK**
Report of the Director of Community and Children's Services
For Decision
(Pages 47 - 54)
9. **STRATEGY TO ENHANCE ENGAGEMENT WITH SUPPLIERS IN THE HOUSING CATEGORY TO YIELD MORE BIDDER RESPONSES**
Joint report of the Chamberlain and City Surveyor
For Decision
(Pages 55 - 78)
10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
11. **ANY OTHER PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

12. **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.
- For Decision**

Part 2 - Non-Public Agenda

13. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 06.02.20
- For Decision**
(Pages 79 - 82)
14. **PROVISION OF HAZARDOUS WASTE COLLECTION AND DISPOSAL SERVICES - PROCUREMENT STAGE 2 AWARD REPORT**
Joint report of the Director of the Built Environment and the Chamberlain
- For Decision**
(Pages 83 - 88)
15. **BARBICAN ART GALLERY - ART TRANSPORTATION: REQUEST FOR DELEGATED AUTHORITY**
Report of the Chamberlain
- For Decision**
(Pages 89 - 92)
16. **ROUGH SLEEPING OUTREACH SERVICE: REQUEST FOR DELEGATED AUTHORITY**
Report of the Chamberlain
- For Decision**
(Pages 93 - 96)
17. **CITY PROCUREMENT COMPLIANCE EXERCISE ON UNDER £50,000 WAIVERS APPROVED FOR ORDERS OUTSIDE OF A CORPORATE CONTRACT**
Report of the Chamberlain
- For Information**
(Pages 97 - 104)
18. **DEPARTMENTAL RESPONSE TO LATEST CHIEF OFFICERS PURCHASE CARD REPORT**
Report of the Chamberlain
- For Information**
(Pages 105 - 110)
19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
20. **ANY OTHER NON-PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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PROCUREMENT SUB (FINANCE) COMMITTEE

Thursday, 6 February 2020

Minutes of the meeting of the Procurement Sub (Finance) Committee held at the Guildhall EC2 at 1.45 pm

Present

Members:

Deputy Hugh Morris (Chairman)	Deputy Jamie Ingham Clark
Deputy Robert Merrett (Deputy Chairman)	Jeremy Mayhew
Randall Anderson	Susan Pearson
John Fletcher	William Pimlott
Michael Hudson	

Officers:

Christopher Bell	- Chamberlain's Department
Sandeep Dwesar	- Barbican Centre
James Murray	- City Surveyor's Department
James Rooke	- City Surveyor
Antoinette Duhaney	- Town Clerk's

1. **APOLOGIES**

Apoloiges for absence were received from Alderman Gregory Jones.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

Randall Anderson and William Pimlott declared an interest in agenda item 7 on the grounds that they were Barbican Estate Residents.

3. **PUBLIC MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and non-public summary of the meeting held on 27.11.19 be approved as a correct record subject to the correction to item 10 include the update from officers on the timescales for signing off the Procurement Strategy.

4. **PROCUREMENT SUB COMMITTEE WORK PROGRAMME 2020**

The Sub Committee considered a report of the Chamberlain setting out the forward programme of items for future meetings. During the course of debate Officers raised concern that the April of meeting was too close to the end of the financial year and officers would be focussing on year end reporting.

RESOLVED – That Officers explore the scope for moving the 9th March 2020 meeting to later in March and cancelling the meeting scheduled for 9th April.

5. **CITY PROCUREMENT QUARTERLY PROGRESS REPORT - QUARTER 3 - 2019/20**

The Sub Committee considered a report of the Chamberlain outlining performance across the Key Performance Indicators. A representative from the Barbican Centre attended for this item and gave assurances that measures were in place to reduce instances on non-compliance including earlier engagement with the Procurement Team and revisions to the Artist exemption Policy.

Officers also advised that processes were being streamlined and going forward, only waivers above the £50,000 threshold would require the Sub Committee's approval. Although performance had dipped slightly, notwithstanding the staff vacancies payments to SMEs would continue to be prioritised.

RESOLVED – That the progress of key strategic improvement projects and performance for Q1 – Q3 of 2019/20 financial year be noted.

6. **CHANGES TO PROCUREMENT CODE PART 1**

The Sub Committee considered a report of the Chamberlain requesting changes to the Procurement Code which would take effect from 1st April 2020. The main changes related to:

- Procurement thresholds and processes (Rule 15)
- Contracts lettings thresholds (Rule 16)
- Waiver process (Rule 25)
- Contract changes (Rules 30-33)
- Prompt payment (Rule 43)
- Responsible Procurement Policy (Rule 46)
- Social Value Panel (Rule 48)

During the course of debate and in response to questions from Members, the Sub Committee was advised that the proposed increase in the threshold under Rule 15 would also apply to waivers (Rule 25) and that many of the changes proposed were to align with other requirements such as EU and contract letting thresholds.

Following concerns raised by Members in respect of the removal of Rule 43, Officers gave assurances that the removal of this rule would not impact on the current practice of prioritising payments for SMEs but would reduce internal bureaucracy. Members were pleased that payments to SMEs would continue to be prioritised and requested that payments to SMEs be included as a target in future Quarterly Progress Reports in order to maintain oversight of performance in this area. Officers were supportive of this approach as a way of monitoring performance in this area whilst assessing the impact of the removal of Rule 43.

RESOLVED – That the proposed changes to the Procurement Code with effect from 1 April 2020 be approved.

7. **RESOLUTION FROM BARBICAN RESIDENTS CONSULTATION COMMITTEE (BRCC) 02.12.19 - HEATING INITIATIVES**

The Sub Committee considered a resolution from the Barbican Residents Consultation Committee (BRCC) meeting on 02.12.19 regarding energy saving initiatives.

Officers advised that the current supplier was contracted to provide fixed price energy for 12 months and that they had been involved in discussions with BRCC on this subject at the end of 2019. Officers suggested further discussions with BRCC over the coming months including benchmarking the existing contract to allow BRCC to make an informed decision on whether to make alternative arrangements for energy supply.

RESOLVED –

1. That it be noted that the Barbican Residential Committee supports the initiative of the BRCC's Underfloor Heating Working Party (UHWP).
2. That it be noted that the Barbican Estate Office has been asked to work with the UHWP to investigate the feasibility and commercial implications of a separate supply contract for the Estate, when compared to a joint one with the City, and to pursue negotiations should these investigations prove positive.
3. That Officer facilitate further discussions with BRCC over the coming months including benchmarking the existing contract to allow BRCC to make an informed decision on whether to make alternative arrangements for its energy supply.

8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT Gateway 1/2/3/4 Fire Door Replacement Programme – Resolution from Projects Sub Committee (27.01.20)**

The Sub Committee considered a late paper from the Projects Sub Committee in respect of the speed at which the Fire Door Replacement Programme was being delivered.

Officers advised that all possible action was being taken to expedite matters but there was a process to adhere to and that the most appropriate approach was not necessarily the speediest. A member also commented that there were so many factors impacting on the process including different types of door, some of which required testing by overseas contractors and other fire safety concerns not related to doors.

The Sub Committee was satisfied that Officers were doing all possible to expedite the procurement process and

RESOLVED – That the importance attached by the Procurement Sub Committee to the expeditious procurement and delivery of the City of London Corporation’s Fire Door Replacement Programme to ensure, as far as was possible, the highest standards of fire safety on the City’s housing estates, be noted.

10. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for items 11 – 19 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.

11. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the non-public minutes of the meeting held on 02.12.19 be approved.

12. **WAIVER REPORT - BARBICAN ART GALLERY - ART TRANSPORTATION**

The Sub Committee considered a report of the Managing Director, Barbican Centre in respect of transportation of art exhibits.

13. **ALL FUNDS USE OF DEVELOPMENT MANAGERS AND JOINT VENTURES**

The Sub Committee considered a report of the Chamberlain proposing guidelines outlining guidelines for the use and procurement of Development Managers, Architects and Professional Teams in the City’s direct development and refurbishment projects on the Investment Property Portfolio, and to outline key terms expected in Joint Venture Agreements on larger scale development opportunities.

14. **STAGES 1 (STRATEGY) & 2 (CONTRACT AWARD) COMBINED REPORT FOR PROVISION OF WATER SUPPLY AND SEWERAGE SERVICES**

The Sub Committee considered a joint report of the Chamberlain and the City Surveyor regarding the award of a contract for the provision of water supply and sewerage services for the City of London Corporation.

15. **STAGES 1 (STRATEGY) & 2 (CONTRACT AWARD) COMBINED REPORT FOR PROVISION OF ELECTRICITY AND GAS SUPPLIES**

The Sub Committee considered a joint report of the Chamberlain and the City Surveyor in respect of the recommended procurement strategy to be used in the selection of a preferred supplier and award of contract for the provision of electricity and gas supplies.

16. **CITY PROCUREMENT 2020/21 BUDGET**

The Sub Committee considered a report of the Chamberlain outlining the proposed City Procurement Budget for 2020/21.

17. **DISPUTE UPDATE**

The Sub Committee considered a report of the Chamberlain providing an update on negotiations in respect of delivering certain IT services.

18. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE

There were no non-public questions.

19. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There was no non-public urgent business.

The meeting closed at 2.58 pm

Chairman

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Procurement Sub-Committee – Work Programme 2020

Meeting:	24/03/2020	14/05/2020	11/06/2020	09/07/2020	07/09/2020
	Strategy, Policy, Continuous Improvements and Performance				
	*P-card Update Paper * City Procurement Risk Register * Procurement Strategy *City Procurement Compliance review	* E-Invoicing and Automation *Action Fraud Consultancy Support Stage 1 *Use of External Consultants for procurement exercises			
	Sourcing and Category Management				
	*Hazardous Waste Collection Stage 2 * Engaging with Suppliers Strategically to ensure Projects yield more responses when Tendering *Rough Sleeping Service – Request for delegated authority on Stage 2 *Art Transport Services (Barbican) – Request for delegated authority on Stage 1	* Approval to award Filming Location Agency Concession *Location Agency Services (Filming) Stage 2 *Secure City – Stage 1 *Architects Stage 1 *Power Purchase Agreement *Major Works Framework Project Management Services Stage 2 *Housing paper (for info) *Digital Interview Recording services - Lessons Learned Paper	*Parking Enforcement – Stage 1		
	Contract Management and Responsible Procurement				
	*Responsible Procurement Policy 2020-24	* Corporate Supplier Scorecard Results and Updates *Modern Slavery Statement	* Corporate Supplier Scorecard Results and Updates		

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Committee Procurement Sub Committee	Dated: 24 March 2020
Subject: City Procurement Risk Management – Quarterly Report	Public
Report of: Chamberlain	For Information
Report author: Lisa Moore, City Procurement, Chamberlain's	

Summary

This report has been produced to provide Procurement Sub Committee with an overview of the management of risks faced by City Procurement. Risk is reviewed regularly by the Senior Management Team within City Procurement as part of the ongoing management of the service.

The City Procurement team currently has one department-level risk and three service-level risks on its risk register. There are currently no RED or GREEN risks. All AMBER risks are summarised in the report below.

The Senior Management Team continues to monitor closely the progress being made to mitigate these risks.

Recommendation

Members are asked to note the report and the actions taken by the City Procurement team to monitor and manage risks arising from our operations.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. Departmental risks from City Procurement are included in a quarterly report to Finance Committee.
2. This paper is a summary of all risks identified by City Procurement including service level risks that are not typically reported to Finance Committee as part of the required departmental risk report.
3. City Procurement's risk management is reviewed on a monthly basis at Senior Management Team (SMT) meetings. Consideration is also given as to whether there are any emerging risks for inclusion in the risk register within each section within City Procurement and updates on key issues from each of the Assistant Directors, ensuring that adequate consideration is given to each risk.

4. Risk and control owners are regularly consulted regarding the risks for which they are responsible, with updates captured accordingly.

Summary of Risks

5. City Procurement currently has one department-level risk and five service-level risks on its risk register, attached as Appendix 1 to this report, assessed as 4 AMBER risks. There are currently no RED risks. City Procurement's risk register includes:

CHB CP001 – Brexit risk to City Corporation procurement and supply chains (Departmental Level - Current Risk: Amber)

6. City Procurement have been working closely with the City Corporation's Brexit Planning Group. As part of the communications plan, signed off by the Brexit Planning Group, letters were sent to all key suppliers requesting information about their Brexit planning including both the supply and cost risks, to their organisation/business and their supply chain and how they plan to mitigate the risk to our contract if any risk exists. Of the suppliers contacted, 64% responded. The Commercial Contract Management team are analysing the responses and will report to the Brexit Planning Group. No significant risks were identified in the initial sift. Some suppliers have highlighted that there will be some cost pressures post transition, but these are considered low risk.
7. During the transition period there are no identified supply or cost pressures.

CHB CP004 – City accelerate delays and impact on income levels (Current Risk: Amber)

8. In June 2019 the evaluation of City Accelerate changed and uptake increased but use of the scheme remains low with no new registrations in quarter three of this financial year. Our commercial partner assigned a dedicated account manager, but they have not provided the spend analysis or recommendations to engage our tier one contractors.

CHB CP009 – Monitoring Corporate Contract Spend (Current Risk: Amber)

9. The Commercial Contract Management team identified a weakness with our current Enterprise Resource Planning (ERP) system to set up and track contract level expenditure. The Assistant Director of the Commercial Contract Management team, working closely with the Chamberlain's Oracle team, identified a systems-based solution that will allow contract managers and City Procurement to track contract spend accurately reducing the process to a single point failure at requisitioner level. This should be implemented in the new financial year for all category A contracts.
10. In addition to the use of the ERP system, SMT will review the system and process around modifications to contracts during their term to make sure

CHB CP003 – VAT loss through use of Purchase Cards (Current Risk: Amber)

11. City Procurement have long monitored VAT recovery as part of our duties administering purchase cards (P-cards). It is also part of each Chief Officer's quarterly P-card report of which results are reported to Procurement Sub Committee. Previous reporting showed a number of VAT being lost each quarter. City Procurement, along with Lloyds Bank (our P-card supplier), are reviewing potential to import data for Level 2 and Level 3 suppliers which would negate the need for a VAT receipt. The requirement to import VAT data will be included as a KPI in the new P-card contract which is due to go live in June 2020.

Conclusion

12. Members are asked to note the actions taken to manage risks in relation to the operations of City Procurement.

Appendices

- Appendix 1 City Procurement Service Detailed Risk Register Feb 2020

Lisa Moore

Procurement Policy & Compliance Officer

Chamberlain's Department

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CHB CP City Procurement Detailed risk register EXCLUDING completed actions

Report Author: Lisa Moore

Generated on: 17 February 2020



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
P 001 13 CHB CP001 Brexit risk to City Corporation procurement and supply chains 12-Nov-2018 Christopher Bell	<p>Cause: The UK leaving the EU (Brexit) with no trading deals in place.</p> <p>Event: The result of the Brexit negotiations could have a negative impact on the Corporation's supply chain, both with direct tier 1 suppliers and their sub-contractor network.</p> <p>Effect: Brexit could effect changes to our direct suppliers and their supply chain, impacting negatively on the Corporation. A range of potential impacts are:</p> <ul style="list-style-type: none"> • Regulatory / Legal requirements -existing supply contracts may be impacted by changes in regulation, or legal requirements. • Assurance of Supply - risk that a complete failure in supply of the goods / service (e.g. Carillion) from key suppliers could be felt. • Quality- quality of the goods / service impact due to changes in our Supply Chain. • Service- Service levels be impacted negatively by any changes in the Supply Chain or access to workers, particularly in low skilled categories. • Financial risk -Are any supply changes likely to drive up 	Likelihood Impact	12	During the transition period there are no identified supply or cost pressures. Supplier Responses have been collected, with a response rate of 64%. The Commercial Contract Management team is now analysing all responses. No significant risks were identified in the initial sift. Some suppliers have highlighted that there will be some cost pressures post transition, but these are considered low risk. A report will be presented to Brexit Planning Group. 11 Feb 2020	Likelihood Impact	8	31-Dec-2019	 Constant

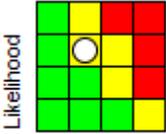
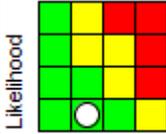
<p><i>costs of the Goods / Services/Works in the short/medium/long term.</i></p> <ul style="list-style-type: none"> • Sustainability- <i>risk that will change the level of innovation or sustainability of the goods / service/work against expectations?</i> • Workload- <i>Will changes in the Supply Chain cause significant workload to the Procurement/Commercial/Legal teams due to change controls/re-negotiation of terms?</i> 						
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP001e		<p>During the transition period there are no identified supply or cost pressures.</p> <p>Supplier Responses have been collected, with a response rate of 64%. The Commercial Contract Management team is now analysing all responses. No significant risks were identified in the initial sift. Some suppliers have highlighted that there will be some cost pressures post transition, but these are considered low risk. A report will be presented to Brexit Planning Group.</p>	Christopher Bell	11-Feb-2020	31-Dec-2020

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB CP009 Monitoring Corporate Contract Spend 22-Oct-2019 Darran Reid	Cause – There is a weakness in reporting and monitoring of contractual spend data Event – CCM has identified that the current ERP system is set up to track supplier level expenditure and not contract level expenditure Effect. Any issues or inconsistencies with the contract are not identified or proactively mitigated	 Likelihood	8	Working with the Oracle team, the AD for Commercial Contract Management has identified a solution to monitor spend for the Category A contracts. Alongside that change, City Procurement's SMT will be reviewing change control processes and the contract register requirements. 17 Feb 2020	 Likelihood	1		 Constant

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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP009a	AD for Commercial Contract Management and Procurement Operations Manager to work with the Oracle Team to explore options for a report and/or controls which might assist with this issue.	Review has identified a systems-based solution that will allow contract managers and City Procurement to track contract spend accurately reducing the process to a single point failure at requisitioner level. This should be implemented in the new financial year for all category A contracts.	Darran Reid	12-Feb-2020	01-Apr-2020
CHB CP009b	City Procurement SMT to review process and procedures for maintaining a Corporate Contracts Register.	City Procurement SMT to hold a workshop covering process and procedures for maintaining a Corporate Contracts Register including change controls.	Darran Reid	17-Feb-2020	01-Apr-2020
CHB CP009c	Commercial Contract Management to assure appropriate change controls and spend for contracts is being tracked.	City Procurement SMT to hold a workshop covering process and procedures for maintaining a Corporate Contracts Register including change controls.	Darran Reid	17-Feb-2020	01-Apr-2020

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB CP003 VAT loss through use of Purchase Cards 11-Dec-2018 Andrew Lenihan	Cause: P-card users not uploading valid VAT receipts to transactions Event: Quarterly reporting shows an average of £64,000 worth of transactions potentially being lost each quarter Effect: City is losing out on a significant proportion of the VAT that we are entitled to reclaim and incorrect reporting to HMRC can incur penalties.	 Likelihood Impact	6	Our current P-card supplier is still working on the data import solution. We expect implementation in the next couple of months. The new contract starts in June 2020 and there will be a corresponding KPI for VAT and reporting. 12 Feb 2020	 Likelihood Impact	2	31-Mar-2020	 Constant

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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP003d	Review possibility of a data import in CityCard system to exemption level 2/3 suppliers negating need to upload VAT receipts.	Our current P-card supplier is still working on the solution. We have been clear that this is a priority for the City and expect implementation within the coming months.	Andrew Lenihan	12-Feb-2020	31-May-2020
CHB CP003f	Procurement Sub have requested that the three lowest performing departments to provide full annotated commentary on all transactions which are marked as a VAT risk so there can be quality assurance that the transactions are being reviewed.	The Barbican and the City of London School have provided responses to Procurement Sub Committee. The Head of Accounts Payable has requested a response from the Chief Operating Officer of the City of London Police for the March 2020 Procurement Sub Committee.	Andrew Lenihan	12-Feb-2020	31-Aug-2020

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Committee Summit Group Procurement Sub Committee Finance Committee	Dated: 24 February 2020 24 March 2020 21 April 2020
Subject: City Procurement Strategy 2020-2024	Public
Report of: The Chamberlain	For Decision
Report author: Chris Bell, Commercial Director, Chamberlain's	

Summary

City Procurement published the Corporation's first Procurement Strategy in 2015. This paper introduces our new second-generation procurement strategy for the period of 2020-2024. It aims to build on the foundations of its predecessor and the achievements made over the last four years. The existing service is to be augmented with a range of value-added services that not only sustain a best in class procurement function but will increase its understanding of customer, corporate and supplier needs by developing our people, stakeholders and services. In doing so, it will maximise the opportunity to deliver real outcomes to the strategic, operational and financial health of the City Corporation for the next four years and beyond.

The City Procurement Strategy document includes the following sections:

1. A Foreword
2. Our service offerings
3. A review of achievements and the foundations established since 2015
4. The Strategy
5. How we will achieve this strategy
6. Measuring the success of this strategy
7. Supporting appendices *including the key actions plan*

The summary of the component parts of the new strategy are as follows:

Our vision - The City of London's procurement activities deliver robust, innovative and responsible outputs that further mature the Corporation's commercial performance.

Our target outcomes

1. Our key people across the organisation are upskilled in Commercialism, contract management and procurement.
2. Sustainable cost assurance is guaranteed for the future.
3. Opportunities to leverage responsible outcomes are maximised.
4. Our services provide what is needed and are easy to use.

Our service values *(these underpin everything we do)*

- a) Value for money is ensured.
- b) Operational excellence delivered through the highest of levels of customer service.
- c) Responsible business embedded by having Responsible Procurement practices at the heart of all we deliver.
- d) The organisation's assurance and risk are managed proportionally.

The City Procurement Strategy 2020-2024 can be found at Appendix 1.

Recommendation

Members of Procurement Sub are asked to:

1. Approve the City Procurement Strategy 2020-2024.
2. Approve the publication of the City Procurement Strategy 2020-2024 document on the City of London Corporation website.

Main Report

Background

1. City Procurement published the corporation's first procurement strategy in 2015.
2. The City Procurement's 2015-2019 Strategy was developed to ensure the Corporation put in place the foundation stones to allow a best in class procurement service to be developed during the initial years of this new corporate function.
3. This paper introduces our new second-generation procurement strategy for the period of 2020-2024 and illustrates where the organisation is on the Procurement Maturity curve.
4. It aims to build on the foundations of its predecessor and the achievements made over the last four years. The existing service is to be augmented with a range of value-added services that not only sustain a best in class procurement function but will increase its understanding of customer, corporate and supplier needs by developing our people, stakeholders and services. In doing so, it will maximise the opportunity to deliver real outcomes to the strategic, operational and financial health of the City Corporation for the next four years and beyond.

City Procurement Strategy 2020-2024

5. This report presents, at Appendix 1, the City Procurement Strategy 2020-2024.
6. The City Procurement Strategy document includes the following sections:
 - a. A Foreword
 - b. Our service offerings
 - c. A review of achievements and the foundations established since 2015
 - d. The Strategy
 - e. How we will achieve this strategy

- f. Measuring the success of this strategy
- g. Supporting appendices *including the key actions plan*

7. The summary of the component parts of the new strategy are as follows:

- a. **Our vision** - The City of London's procurement activities deliver robust, innovative and responsible outputs that further mature the Corporation's commercial performance.
- b. **Our target outcomes**
 - i. Our key people across the organisation are upskilled in Commercialism, contract management and procurement.
 - ii. Sustainable cost assurance is guaranteed for the future.
 - iii. Opportunities to leverage responsible outcomes are maximised.
 - iv. Our services provide what is needed and are easy to use.
- c. **Our service values** (*these underpin everything we do*)
 - i. Value for money is ensured.
 - ii. Operational excellence delivered through the highest of levels of customer service.
 - iii. Responsible business embedded by having Responsible Procurement practices at the heart of all we deliver
 - iv. The organisation's assurance and risk are managed proportionally.

Corporate & Strategic Implications

8. As a corporate service, our activities support delivery across all outcomes in the Corporate Plan, although a mapping exercise in conjunction with the corporate strategy team has identified that our strategic targeted outcomes directly impacts on the Corporate Plan outcomes of: *Businesses are trusted and socially and environmentally responsible; inspiring enterprise, excellence, creativity and collaboration; we are a global hub for innovation in finance and professional services, commerce and culture; we have access to the skills and talent we need and we are digitally and physically well-connected and responsive.*

Conclusion

- 1. The report presents the revised City Procurement Strategy 2020-2024 which is to be adopted from April 2020 with service planning and corporate policies and processes adapted to facilitate the new strategy being in place from April 2020.

Appendices

- Appendix 1 – The City Procurement Strategy 2020-2024

Chris Bell

Commercial Director, Chamberlain's Department

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CITY PROCUREMENT STRATEGY

2020-2024

“The City Procurement Strategy aims to build on the foundations of its predecessor and the achievements made over the last four years. The existing service is to be augmented with a range of value-added services that not only sustain a best in class procurement function but will increase its understanding of customer, corporate and supplier needs by developing our people, stakeholders and services.”

Chris Bell
Commercial Director

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1. Foreword – Maximising opportunity to deliver responsible outcomes

Our City Procurement service plays a vital part in improving how the City of London Corporation and City of London Police buys, pays for and manages the goods, works and services it needs. As we embark on the next phase of continuous development, this refreshed strategy is significant, as it will drive the enhancement of the organisation’s commercialism and maximise opportunity, whilst sustaining our core service values.



The impact of our approach will be fundamental due to the challenges the organisation faces at this time. Financial constraints are tightening, and the City Corporation has ambitious plans to maintain London’s position as a globally renowned centre for financial and professional services, commerce and culture by developing a range of major capital investments that will enhance the Square Mile’s reputation and role.

The need and urgency for securing value for money is therefore significantly increased. City Procurement’s ability to contribute to this through enhanced cost assurance, innovative service design, and continuous efficiency gains is vital, as is the commercial ability to launch sustainable income streams. Improving negotiation techniques and supplier relationships will also be crucial if our aims and outcomes are to be achieved.

Enabling the organisation to achieve the real value of efficiency and consolidation whilst acting responsibly at all times could not be more vitally important than now.

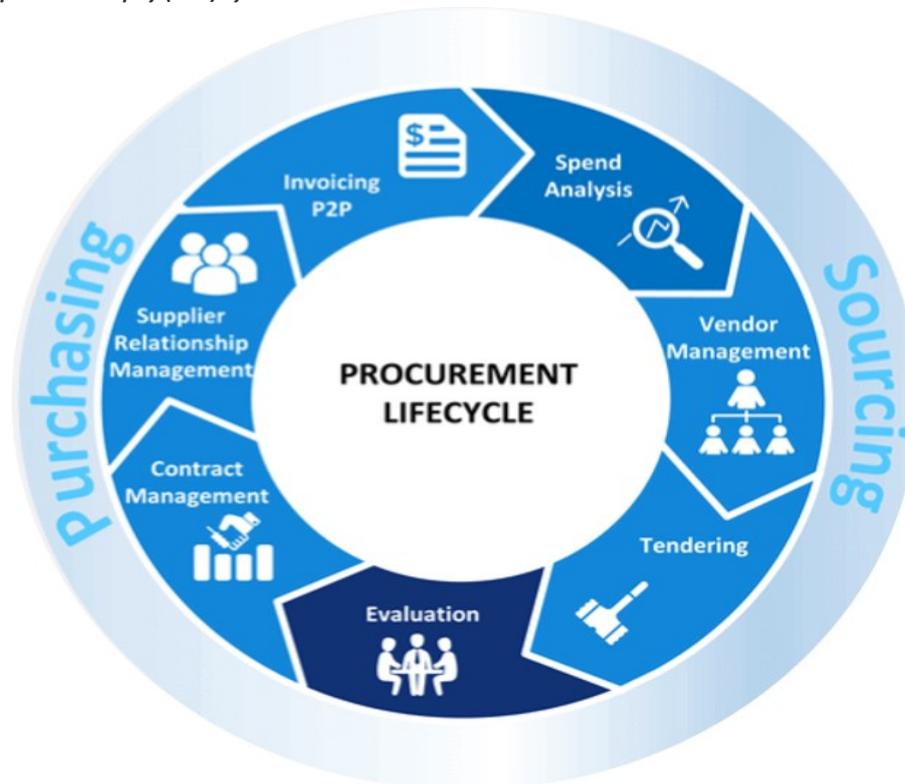
This strategy is built on supporting the outcomes of the City Corporation’s Corporate Plan for 2018-2023 and sets our vision to meet the ambitious standards we aim for and the targeted outcomes we expect from the investment in procurement and commercial services during the next four years.

Dr Peter Kane
The Chamberlain

2. Our service offerings

City Procurement forms an essential part of the Chamberlain's Department, with responsibility for managing the full purchase to pay (P2P) cycle on behalf of the City Corporation and City of London Police, and Category Management and Sourcing.

Figure 1 - The purchase to pay (P2P) cycle



The function is led by the Corporation's Commercial Director who has specialist teams delivering the following service offerings:

1. Procurement Operations
2. Commercial Contract Management
3. Developing Commercialism and Entrepreneurship
4. Accounts Payable
5. Responsible Procurement
6. Policy & Compliance
7. Service Performance Monitoring
8. Purchase Cards

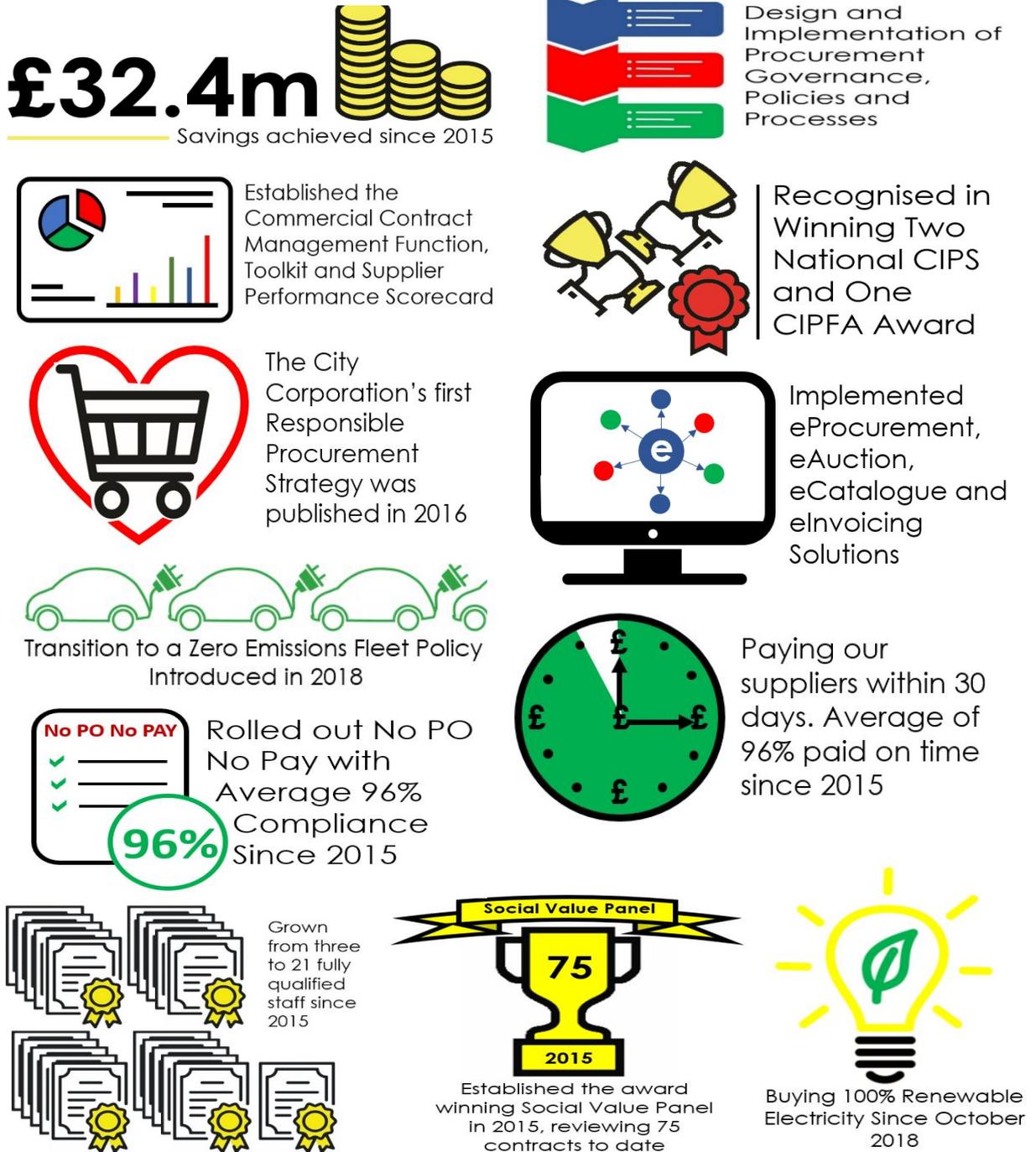
An overview of the roles, responsibilities and aims of each of these service functions can be found at *Appendix C*.

3. Achievements and Foundations established since 2015-2019

City Procurement was in a very different position in 2015. Whilst in its infancy, it had a huge range of challenges to overcome in its core service provision. The significant improvements made by the team have become widely recognised, especially in terms of savings, purchase to pay (P2P) efficiency, transparency, resources, embedding social value, influencing wider corporate policy and delivering complex procurement and commercial initiatives.

The journey to get to this state, is summarised in the infographics below, with high achievement being at the centre of the progress made. There is a continued expectation that City Procurement will enhance its service with pace, passion, pride and professionalism in delivering the targeted outcomes of the new strategy.

Figure 2 – 2015-2019 achievements infographic



4. Introducing the new City Procurement Strategy 2020-2024

The City Corporation is considering how it continues to improve residents’ lives; prioritise demand for public services; find more efficient ways to deliver services; and save money for all members of the community.

These challenges reinforce the need for the City Corporation to be commercial and prudent across all services, including our statutory, commercial, private and charitable services, delivering not only value for money but maximising our assets and services to deliver income that will help minimise the impact on services and offset rising costs. It will also need to deliver on its responsibilities to improve air quality, manage waste, promote social mobility etc. by leveraging the supply chain requirements formulated via our responsible procurement initiatives.

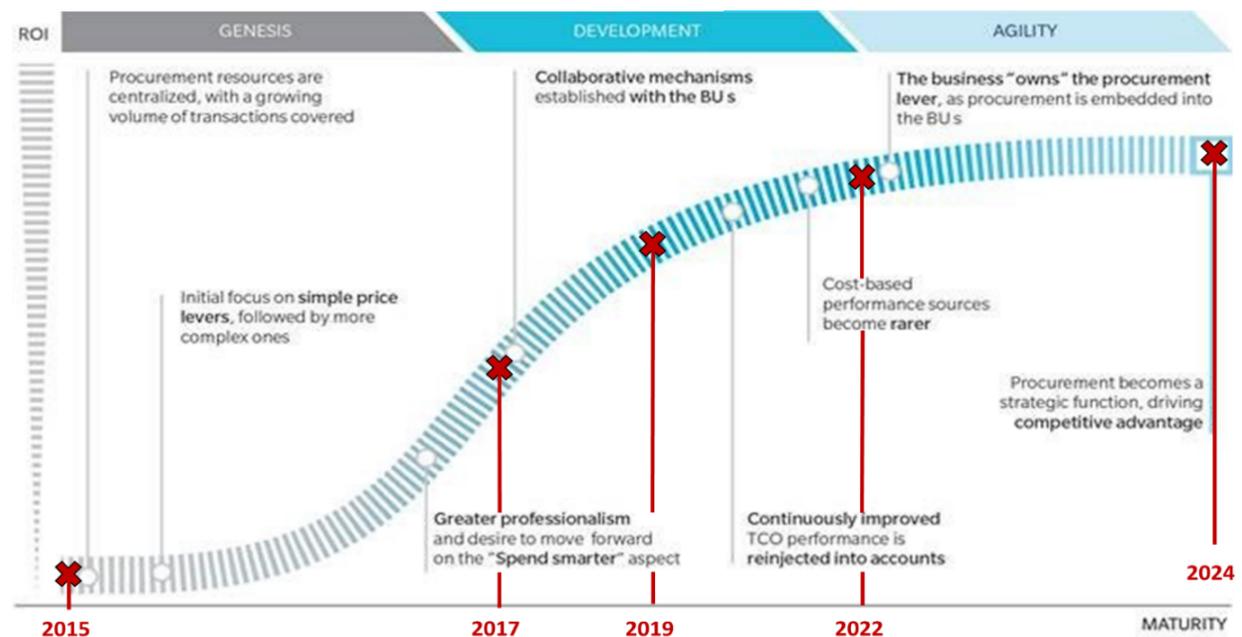
The City Corporation in response to these challenges has embarked on a Fundamental Review in order to:

- align our spending to the outcomes of our Corporate Plan
- strengthen financial discipline at a time of declining resources
- enable us to fund our major projects

This means that our spending and income needs to be carefully considered. The Fundamental Review will enable us to do this with the objective of ensuring that our resources are applied to best effect.

The new City Procurement Strategy aims to build on the foundations of its predecessor and the achievements made over the last four years. The growth in our maturity as a procurement service (as illustrated in figure 1) and our ability to provide advice, solutions and outcomes to the organisation means we will continue to raise our ambitions during the next four years.

Figure 3 - The procurement and commercial maturity curve



The existing service, as it matures, is to be augmented with a range of value-added services that will help to ensure the City Corporation will continue on a path to best in class procurement provision. Our targeted outcomes will see us further increase understanding of customer, corporate and supplier needs through developing our people, stakeholders and service features. In doing so, it will maximise opportunities to deliver real outcomes to the strategic, operational and financial health of the City Corporation for the next four years and beyond into the 2030s.

Intelligence tells us Procurement by the end of the decade is nothing like it is today. It will require a different set of skills, a new type of agility and a new mindset regarding what procurement is and how it operates. Data will be central to driving everything we do. Yet Procurement has the potential to create unprecedented competitive advantage, but only for those organisations that start working towards this new state today. Automation of routine, generic, non-differentiated and non-complex spend will be here and much of the 'buying' will simply

take care of itself with the full support and engagement of the wider business through the continued rise of virtual marketplaces and self-service. Framework agreements, catalogue buying, restricted source P-Cards, preferred suppliers and other mechanisms used to drive spend compliance will give way to a new sourcing world where the virtual marketplace will do the work for us and can be accessed and utilised by the entire organisation without concern. Integration with new cloud-based procurement and invoicing platforms using blockchain or distributed ledger to transform supplier payments will automate much of the P2P cycle, with full automation possible as we learn to combine customer demand and market condition data to what we buy and when.

The new City Procurement Strategy 2020-2024 aims to assist the generational move towards the future of procurement by enhancing the skillset, agility and understanding of the workforce whilst training the organisation to become more self-sufficient and leaving the procurement professionals to concentrate on the highly complex and valuable opportunities that arise.

5. Our vision

The City of London’s procurement activities deliver robust, innovative and responsible outputs that further mature the Corporation’s commercial performance.

6. Our Targeted Outcomes



<p>Our key people across the organisation are upskilled in Commercialism, contract management and procurement.</p> <p>By 2024 we will have a strong sense of commercialism embedded across the organisation. This will be supported by a widespread knowledge of processes, buying channels, and act in line to maximise opportunity whilst respecting compliance.</p>	<p>Sustainable cost assurance is guaranteed for the future.</p> <p>During the next four years, we will improve cost certainty, establish clear mitigations to manage risk and develop partnerships to deliver mutual benefits and lasting results.</p>	<p>Opportunities to leverage responsible outcomes are maximised.</p> <p>We will enhance our strategic and commercial abilities, gain robust market intelligence, integrate spend analytics and establish collaborative buying channels to enhance our decision making.</p>	<p>Our services provide what is needed and are easy to use.</p> <p>We will have an enhanced self-service offering in place for all officers, streamlined and timely processes maximising automation and robotics and a range of digital innovations in place.</p>
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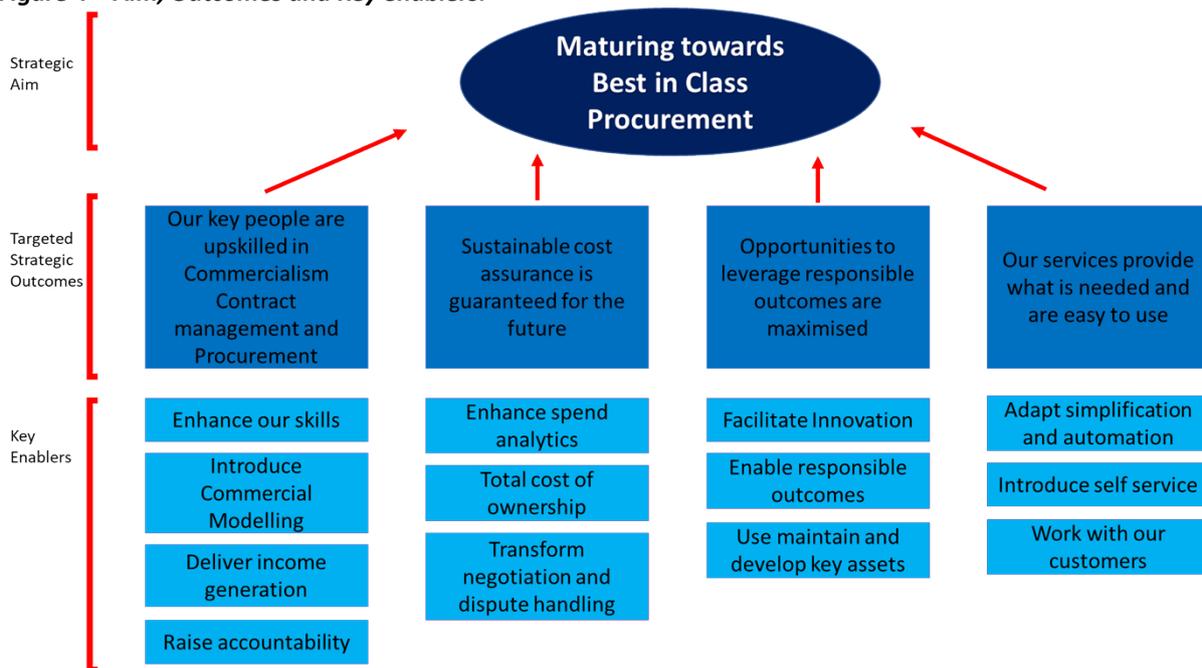
7. Our services values



8. How we will achieve this strategy?

This strategy will be delivered through key interventions and using existing resources where possible from within the Chamberlain’s Department but will require investment across the strategic aims to maximise the impact. There are links to both the forthcoming Digital Services Strategy and Customer Service Strategy which will help to drive the momentum needed to achieve the outcomes of this strategy and deliver the services and infrastructure required to successfully embed them within the organisation. Finally, the Responsible Business Strategy and upcoming Climate Action Strategy will underpin both its operational and strategic trajectory. We will manage the transformation through a high-level action plan (see Appendices A and B) and a live continuous improvement roadmap.

Figure 4 – Aim, Outcomes and Key enablers.



The following section outlines in more detail the interventions and enablers that are key to the success in delivering the strategic aims.



8.1 Our key people across the organisation are upskilled in Commercialism, contract management and procurement.

Reflecting on our Corporate Plan’s aim of *being a global hub for innovation in financial and professional services, commerce and culture* and to *having access to the skills and talent we need*, it is vital we enhance the strategic commercial performance of the City Corporation. This aim ranges from generation of income to maximising the efficiency of our outsourced services, ensuring that value for money is achieved during the operational phase of contracts.

In assuring the organisation is supported in its endeavours it is critical the business has a widespread knowledge of the component parts of a contract lifecycle and the people and skills to maximise our supplier performance.

We will commit to further develop and enhance the organisation’s talent and its approach to all future commissioning and procurements ensuring all contracted spend, where appropriate, is strategically managed through its Category Boards. This will see the Organisation work collectively to identify and exploit new commercial opportunities through market shaping and by working with partners to see innovation and knowledge/ information utilisation as a commercial opportunity. This will enable positive financial decisions to occur, including sound choices around return on investments and life cycle costings undertaken through a responsible business lens.

Our top priority interventions to achieve this strategic aim are to:

<p style="text-align: center;">Enhance our skills</p> <ul style="list-style-type: none"> Investment in our people is key to delivering this aim. We will develop an intensive learning and development programme for staff involved in the day to day delivery of procurement and contract management. Secondly, awareness and enhanced commercial skills are needed more widely across the organisation to deliver on instilling a culture of commercialism. An online academy of courses will be developed to support this aim. 	<p style="text-align: center;">Introduce new commercial modelling</p> <ul style="list-style-type: none"> Through greater pre-procurement planning, utilising market research, supplier engagement, pre-market testing and collaboration, both internal and external, we will aim to apply new methodologies and commercial models where appropriate in future tenders. This will deliver enhanced value for money and smarter outcomes, giving us a clear breakdown of the component costs of our services. 	<p style="text-align: center;">Deliver income generation</p> <ul style="list-style-type: none"> The establishment of a new Commercial Board will oversee the qualification, prioritisation, business case development, funding recommendations and return on investment of any potential income generation project. The focus will be on maximising our vast array of assets and skills, our brand and locations and our national and international reach.
<p style="text-align: center;">Stakeholder engagement</p> <p>Through our department liaison leads and the creation of a communication plan to build relationships with stakeholders whilst learning more about the operations and objectives of the specific departments. The growth in relationships should see positive benefits for both parties and an improved appreciation of the role and requirements of the parties involved.</p>	<p style="text-align: center;">Performance reporting</p> <p><i>Use performance reporting positively to continue to drive compliance, as well as the delivery of key performance indicators and responsible targets. Reports will be enhanced to allow a drill-down on the data for departments to locate trends, service issues or inefficiencies affecting service metrics.</i></p>	<p style="text-align: center;">Raise awareness and accountability</p> <p>Raise sourcing plan and responsible business awareness and accountability to all involved in procurement projects, to greatly enhance resource planning, ambition, ownership of key tasks and prioritisation when required.</p>

8.2 Sustainable cost assurance is guaranteed for the future



Having the ability to plan financially in the medium-term and beyond is critical to the future of the organisation. Underpinning this, and the corporate plan outcome of *businesses are trusted and socially and environmentally responsible*, is our ability to provide assurance that the projected future costs of third-party goods, works and services are as accurate as possible and in line with actual contracted values.

During the next 4 years, we aim to improve our cost certainty, have clear mitigations in place to manage risks and develop partnership style relationships with key suppliers delivering mutual benefits and lasting results. Enhancing our existing contract performance and supplier relationships is essential to providing assurance and developing a culture of continuous improvement that achieves:

- better value from contracts
- greater control over contract performance
- the appropriate amount of governance to reduce our risk and that of our customers
- strong relationships with our suppliers that build strategic and sustainable partnerships.

Our top priority interventions to achieve this strategic aim are to:

Increase our spend analytics capability	Total Cost of Ownership	Transform negotiation and dispute handling
<p>Developing existing data sets and systems whilst introducing new technology that provides live spend data. This will allow early intervention where needed through proactive monitoring and variance identification, giving greater certainty to our spend management and cost assurance aims.</p> <p>In addition, the introduction of trend monitoring across our key categories and supplier markets will ensure we identify industry innovations, issues and risks that could impact our financial and contractual costs. Such insight will be used to mitigate projected negative cost variances and inform future service cost projections.</p>	<p>Have as a consistent component of all procurement strategies, ensuring all impacts are fully considered and projected in recommended strategies or business cases moving forward. This will inform key decision makers of the implications of options presented, well in advance of committing future specifications or contract terms to the marketplace.</p>	<p>Through the City Procurement Commercial function who will ensure best in class strategic and tactical plans are put in place to produce the best outcomes in each scenario. This planned approach ensures that target outcomes consider operational impact, strategic importance, reputational risk and the value of the change or dispute in hand, prior to embarking in dialogue with the other parties.</p>



8.3 Opportunities to leverage responsible outcomes are maximised.

The strategy strives to ensure City Procurement is at the forefront of the corporate aim of *inspiring enterprise, excellence, creativity and collaboration*. We will seek to further enhance our strategic, commercial and service abilities utilising market intelligence, data and knowledge. City Procurement will look to drive thought leadership, service development and proactive collaboration internally and externally to future proof the services procured and ensure responsible outcomes are delivered and flow down our supply chain.

Our top priority interventions to achieve this strategic aim are to:

Facilitate innovation	Enable responsible business outcomes	Use, maintain and develop our key assets
<p>City Procurement will aim to enable innovative solutions in the enhancement of procedures, process automation, service delivery and data analytics. We aim to inform future decisions by ensuring we have up to date market knowledge on services being procured.</p>	<p>By working with every department to help shape procurement activities from the very outset. We will build on our relationships with internal stakeholder and supply chain partners to maximise our opportunity to translate responsible business goals into tangible and significant outcomes in the areas of human rights, air quality, sustainable transport and buildings, carbon reduction and climate resilience.</p>	<p>Whether the asset is people, property, data, brand or place, City Procurement will challenge any procurement or commercial strategy to ensure we utilise our assets for maximum returns, whilst developing appropriate commercial models that fund the maintenance and future development of key assets.</p>



8.4 Our services provide what is needed and are easy to use.

With a focus on our service being a *digitally and physically well-connected and responsive* one in line with our corporate plan aims, City Procurement will transform its offering by adopting simplification, automation and digital innovations to support more intuitive and self-service options for all staff.

Introducing streamlined and revised processes in a phased and timely manner, we will focus on maximising automation and robotics where possible, as well as a range of digital innovations that emerge during the next forty-eight months with efficiency and customer service being at the core of our aims.

As well as better use of technology, we will aim to work in a more innovative way to gain greater outputs from daily activities respecting the different operating models across the Corporation’s wide portfolio of services.

Our top priority interventions to achieve this strategic aim is to:

<p>Adopt simplification, automation and digital innovations</p> <p>Underpin all new or proposed improvements to support more intuitive service design and impactful return on investments.</p>	<p>Introduce self-service</p> <p>Introduce solutions to the organisation, particularly for instances of high volume, low cost or low risks items that need procured regularly. Continued development of eCatalogues, Corporate Contracts, eAuctions, eInvoicing, Dynamic Purchasing Systems and Corporate Frameworks will be key in delivering this aim.</p>	<p>Working with our customers</p> <p>We commit to working closely with stakeholders to enhance process efficiency and ensure our procedures, policies and the Procurement Code are continually improved to deliver an effective, flexible and fit for purpose service.</p>
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9. Measuring the success of this strategy

The delivery of actions will be measured by our continued growth in maturity as a procurement organisation. To assist in measuring performance in obtaining this growth the following dashboard will measure key indicators during the four-year period to confirm a positive shift. The dashboard is based on measurements that are standard across the procurement industry and allows us to plot our performance and benchmark against our peers in each discipline and map out how we are maturing with a target of achieving best in class scores by 2024. The current performance will be tracked and recorded as part of the City Procurement Quarterly updates to Procurement Sub and Finance Committees.

Measurement	Description	Outcome Impact	Target
Procurement operating cost as a percentage of total annual spend. <i>(not inclusive of Accounts Payable)</i>	This will benchmark our operating costs against industry benchmarks	Sustainable cost assurance is guaranteed for the future.	0.8%
Cost reduction savings achieved as a percentage of total annual revenue spend	This will compare our performance against industry peers and give an overlay of our performance above achieving our annual set target	Our key people across the organisation are upskilled in Commercialism, contract management and procurement.	Above 2%
Average PO Processing Cost	This will monitor our process efficiency and also set the bar where purchases	Our services provide what is needed and are easy to use.	Less than £330 per invoice

	should occur on pcards rather than PO.		
Percentage of Active Suppliers Accounting for 80% of total spend	This will ensure our supplier mix is correct allowing maximum impact to be achieved	Opportunities to leverage responsible outcomes are maximised.	Less than 6%
Performance against annual savings target set	This is a progress monitoring measure to ensure expected impact is being achieved against the opportunities per annum	Our key people across the organisation are upskilled in Commercialism, contract management and procurement.	More than 100% of target achieved
Percentage of contracts let with Small and Medium enterprises	This monitors our spread of wealth and ensures we are assisting SMEs and Social Enterprises as a vital make-up of our supply chain.	Opportunities to leverage responsible outcomes are maximised.	25%
Average key suppliers Corporate Supplier Performance Scorecard rating	This aims to ensure our key suppliers are delivering against the original terms of the contract and risks are mitigated.	Sustainable cost assurance is guaranteed for the future.	85%
Percentage of suppliers paid within 30 days	This monitors that our internal processes are working effectively to ensure we are in line with regulatory requirements.	Our services provide what is needed and are easy to use.	96%

10. In conclusion

This second-generation Procurement and Commercial strategy's aim are to further enhance the maturity of the service and the impact it delivers to the entire organisation in line with the Corporate plan. The delivery of the interventions and enablers that will take us forward to achieving our targeted outcomes will mark the continuing maturity of City Procurement and will stretch and challenge all involved to continue to develop whilst introducing appropriate technology, automation and self-service offerings to compliment the upskilled resource base we will have in place. The key performance metrics will help to ensure we continue to improve and operate in line with best in class in the industry.



APPENDICES

Appendix A – City Procurement Strategy - Key Projects 2020 Action Plan

Procurement Strategic Outcome	Corporate Plan Outcome	Action	Target Date
Sustainable cost assurance is guaranteed for the future.	Businesses are trusted and socially and environmentally responsible.	Brexit Risk Mitigation Plan	December 2019
Our key people across the organisation are upskilled in Commercialism, contract management and procurement.	A global hub for innovation in financial and professional services, commerce and culture.	Establishment of a Commercial Board	February 2020
Maximise opportunities to leverage responsible outcomes.	<i>Inspiring enterprise, excellence, creativity and collaboration.</i>	Publish a Responsible Procurement Policy	March 2020
<i>Our key people across the organisation are upskilled in Commercialism, contract management and procurement.</i>	<i>A global hub for innovation in financial and professional services, commerce and culture</i>	<i>Devise category strategies</i> that are adopted and maintained regularly via our procurement category boards	April – December 2020
<i>Our services provide what is needed and are easy to use.</i>	Digitally and physically well-connected and responsive.	Review eTendering, eAuction and eInvoicing technology and specify future requirements maximising automation and robotics	July 2020
<i>Our key people across the organisation are upskilled in Commercialism, contract management and procurement.</i>	<i>Access to the skills and talent we need.</i>	Raise organisational awareness and performance/commitment through dedicated Learning and Development	August 2020
<i>Our services provide what is needed and are easy to use.</i>	Digitally and physically well-connected and responsive.	Onboard key suppliers to our corporate eInvoicing platform.	December 2020
Maximise opportunities to leverage responsible outcomes.	<i>Inspiring enterprise, excellence, creativity and collaboration.</i>	Enhance our contract and supplier relationship management	Ongoing
Sustainable cost assurance is guaranteed for the future.	Businesses are trusted and socially and environmentally responsible.	<i>Challenge how to meet need, thinking of utilising the opportunity of technology and supporting communities to meet their own needs where appropriate</i>	Ongoing
<i>Our key people across the organisation are upskilled in Commercialism, contract management and procurement.</i>	<i>Inspiring enterprise, excellence, creativity and collaboration</i>	<i>Utilising and developing our networks to improve collaboration, shared service and efficiency opportunities</i>	Ongoing
<i>Our key people across the organisation are upskilled in Commercialism, contract management and procurement.</i>	<i>A global hub for innovation in financial and professional services, commerce and culture.</i>	<i>Commercial negotiation: strategy planning, identifying opportunities for negotiation and further savings by supporting and guiding officers / departments as appropriate</i>	Ongoing

Appendix B – Responsible Procurement – Headline Commitments

UN SDGs Sustainable Development Goals	Corporate Plan	Responsible Business	Responsible Procurement Policy 2020 – 2024 commitments City Procurement will support the City Corporation to:	City Procurement Strategy Outcomes:
 Promote sustained, inclusive & sustainable economic growth, full & productive employment and decent work for all  Achieve gender equality and empower all women and girls  Reduce inequality within and among countries  End poverty in all its forms everywhere  Ensure healthy lives and promote well-being for all at all ages  Make cities and human settlements inclusive, safe, resilient and sustainable  Take urgent action to combat climate change and its impacts  Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt & reverse land degradation and halt biodiversity loss  Ensure sustainable consumption and production patterns	<p>We have access to the skills and talent we need.</p> <p>People have equal opportunities to enrich their lives and reach their full potential.</p> <p>Communities are cohesive with the facilities they need.</p> <p>People enjoy good health & wellbeing.</p> <p>People are safe and feel safe.</p> <p>Our spaces are secure, resilient and well-maintained.</p> <p>We have clean air, land and water and a thriving and sustainable natural environment.</p> <p>Businesses are trusted and socially and environmentally responsible.</p>	<p>Diverse organisations</p> <p>Engaging our employees</p> <p>Equal opportunities</p> <p>Using our convening power</p> <p>Connecting our communities</p> <p>Promoting human rights</p> <p>Prevent bribery, fraud & corruption</p> <p>People's wellbeing</p> <p>Air quality</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Leading Responsible Procurement</div> <p>Climate change</p> <p>Championing responsible investment</p> <p>Biodiversity</p> <p>Ensuring transparency</p> <p>Plastics & packaging</p> <p>Waste</p>	<p>a. Encourage and facilitate integration of VCSEs, SEs and SMEs within our supply chains</p> <p>b. Seek to reduce gender pay gaps and under-representation of people with protected characteristics that may exist in contractor workforces as part of supplier evaluation and through awareness raising, communication and transparency of our own performance</p> <p>c. Work with suppliers who take active steps to embed equality, diversity and inclusion</p> <p>d. Incentivise and facilitate work-related opportunities offered as part of service and works contracts, which are targeted towards those who need them most</p> <p>e. Achieve meaningful social value outcomes according to organisational and stakeholder priorities through internal collaboration, community input and supplier engagement</p> <p>f. Ensure that the Living Wage is paid to staff, apprentices, interns and (sub)contractors</p> <p>g. Guard against modern slavery, human and labour rights abuses and unfair working practices in high risk supply chains</p> <p>h. Ensure that suppliers minimise air and noise pollution associated with our contracts</p> <p>i. Procure the vehicles, plant and equipment with the lowest emissions & pollutants possible</p> <p>j. Strengthen road danger reduction requirements within goods, services and works contracts</p> <p>k. Achieve best value by assessing goods, services and works designs based on life cycle costing</p> <p>l. Ensure that all procurement related activities are aligned to meet Climate Action targets</p> <p>m. Procure 100% renewable electricity and continuously reduce carbon intensity of gas & fuel</p> <p>n. Build climate resilience, integrated water management, urban greening and biodiversity requirements into design, construction, public realm & landscape contracts</p> <p>o. Procure low environmental impact goods, services and works; avoiding pollutants, opting for low embodied carbon & water and maximising recycled and sustainable content</p> <p>p. Opt for practices that minimise supply chain environmental impacts: sustainable farming, fisheries & forestry; preventing land degradation, contamination, habitat & biodiversity loss.</p> <p>q. Eliminate single use plastics and minimise all waste internally & in supply chain operations</p> <p>r. Manage demand, maximise resource efficiency and support the circular economy</p>	<p>Our key people across the organisation are upskilled.:</p> <ul style="list-style-type: none"> • Raise awareness and accountability <p>Our services provide what is needed and are easy to use.</p> <ul style="list-style-type: none"> • Process focus groups <p>Our key people across the organisation are upskilled.</p> <p>Performance reporting</p> <p>Our key people across the organisation are upskilled.</p> <p>Stakeholder engagement</p> <p>Opportunities to leverage responsible outcomes are maximised:</p> <ul style="list-style-type: none"> • Enable Responsible Business outcomes <p>Sustainable cost assurance is guaranteed for the future:</p> <ul style="list-style-type: none"> • Total cost of ownership <p>Opportunities to leverage responsible outcomes are maximised:</p> <ul style="list-style-type: none"> • Facilitate innovation <p>Our key people across the organisation are upskilled.</p> <p>Enhance our skills</p> <p>Sustainable cost assurance is guaranteed for the future:</p> <ul style="list-style-type: none"> • Increase our spend analytics

Appendix C – The Functions within City Procurement

Category Management and Sourcing drive value for money for all strategic purchasing for the City Corporation (above £181k goods/services, £400k works) through our established Category Board governance, with oversight from the Corporation's Procurement Sub-Committee. This will ensure strategic and sustainable contracts are procured in line with the organisation's operational, policy and strategic objectives and are aligned with the Corporate Plan. Our Category Boards are Facilities Services, Digital Services, Construction and Property, Corporate Resources, Land Management and Community and Children's Services.

Procurement Operations is the engine room of purchasing, buying a full range of "one off" tactical purchases below the thresholds listed above as well as delivering and managing strategic solutions to low cost, high volume purchases such as e-catalogues, corporate contracts, corporate framework mini-competitions, e-auctions and by accessing dynamic purchasing systems to ensure best value is consistently obtained, regardless of the goods, works or service procured.

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. It also leads on commercial disputes and resolution.

Developing Commercialism and Entrepreneurship drives best value from our existing contracts, creating ongoing efficiency plans and savings opportunities through negotiation, transformation and change as well as generating, reviewing and developing new income generation opportunities.

Accounts Payable manage the supplier database, processing and paying of third-party invoices, and developing and introducing emerging automation and innovative solutions to streamline process efficiency and service our supplier base with a best in class payment offering.

Responsible Procurement aligns to our core service value of delivering real value in line with the Corporation's Responsible Business strategy and aims. It is at the heart of all our activity and all Sourcing, Procurement Operations and CCM staff are trained in implementing responsible procurement. This team plays an important role in influencing policy development in collaboration with departments across the City Corporation and ensures all aspects concerning social value, environmental sustainability, and ethical sourcing are built in to the all our contracts in a manner consistent with the level and nature of spend.

Policy & Compliance develops and maintains the Corporation's internal procurement regulations, associated guidance and related procurement policies. The team provides guidance and support to the organisation on our Procurement Code, EU/UK procurement regulatory requirements and internal policies. They also monitor in conjunction with Corporate Audit how well the City Corporation is complying with our procurement policies through a variety of compliance checks and reviews providing lessons learned, recommendations, continuous process enhancements and training.

Service Performance Monitoring is critical to achieving Operational Excellence and our suite of control tools track savings, spend, compliance, performance statistics and customer satisfaction surveys inform continuous improvements.

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.



Committee(s): Summit Group Procurement Sub Committee Finance Committee	Date(s): 24 February 2020 24 March 2020 21 April 2020
Subject: Responsible Procurement Policy 2020-24	Public
Report of: Chamberlain's	For Decision
Report author: Natalie Evans, Responsible Procurement Manager	

Summary

This report presents the City Corporation's new Responsible Procurement (RP) Policy; a set of 18 RP commitments that City Procurement will help the organisation achieve between 2020-2024. The RP Policy will be underpinned by a detailed action plan, which is being developed in collaboration with the Responsible Business team to ensure that the RP commitments are transformed into specific, measurable, achievable yet ambitious targets with clear milestones.

It also describes the proposed approach to implementing the RP Policy in order to support the achievement of the Responsible Business Strategy, the Corporate Plan and the United Nation's Sustainable Development Goals (UN SDGs). The RP Policy is presented in conjunction with the City Procurement Strategy 2020-24, whose focus areas will facilitate and drive the realisation of the policy commitments.

Recommendation(s)

Members are asked to:

- Approve the Responsible Procurement Policy for adoption from April 2020

Main Report

Background

1. This Responsible Procurement (RP) Policy is built on the foundations of the RP Strategy 2016-19, which has supported the development of key corporate policies and strategies over recent years and has been successful in driving the implementation of RP interventions throughout the City Corporation's current procurement processes. From market engagement and stakeholder consultation at the pre-procurement stage, through to contract mobilisation and management, and including the development of impactful specifications, supplier selection and evaluation criteria, RP is embedded throughout. It is integrated into all standard documents, the Procurement Code and staff training. Responsible procurement has simply become 'good procurement' within the organisation.

Current Position

2. Taking this progress into consideration, it has been deemed that there is no longer a need for a separate strategy to drive RP within City Procurement. This new RP Policy has been integrated into the City Procurement Strategy 2020-24 to highlight those aspects achieved so far and to give future action the right focus.

Proposal: The Responsible Procurement (RP) Policy 2020-24

3. The RP Policy (*see Appendix 1*) sets out the City Corporation's RP commitments 2020-24. Achievement of these commitments will support the continued delivery of the Responsible Business (RB) Strategy 2018-23, which is underpinned by the social and environmental aims of the Corporate Plan.
4. Like the RB Strategy, the RP Policy is based upon 9 of the 17 United Nations Sustainable Development Goals (UN SDGs) deemed most relevant to the City Corporation's activities; goals that we have the most potential to help achieve through continuous improvement of our local and global supply chain activities. The outcomes of the overarching City Procurement Strategy 2020-24 will help support the successful achievement of the RP commitments.
5. A detailed action plan is being developed in collaboration with the Responsible Business team to ensure that the RP commitments are transformed into specific, measurable, achievable yet ambitious targets with clear milestones. Progress on these actions will be reported to the Responsible Business Implementation Group as part of the RB Strategy 2018-2023 and will also form part of City Procurement's quarterly report to Procurement Sub Committee.

Corporate & Strategic Implications

6. Responsible Procurement has supported the development of the following corporate policies and strategies and the new RP Policy 2020-24 will continue to help drive and amplify their implementation, and will continue to drive the delivery of Strategies on 100% Renewable Electricity, Modern Slavery, Digital Skills, Fairtrade, Social Mobility, Transition to a Zero Emission Fleet, Living Wage, Air Quality, Strategic Transport, Waste, Single Use Plastics, Responsible Business and the Corporate Plan. It is also playing a key role in defining and helping to develop the City Corporation's Climate Action Strategy.

Implications

7. City Procurement's efficiency and savings targets have consistently been met, as RP requirements have been continuously strengthened over the last three years. Looking forward, any foreseen financial implications of e.g. investing in new technologies to improve environmental performance or in supply chain mapping exercises to minimise human & labour rights and or climate change risks will be presented through the relevant governance processes for endorsement.

8. In terms of property implications, the RP function works closely with City Surveyors to support continuous improvement in terms of environmental sustainability of existing assets, and feeds into design and construction of new builds and major refurbishment works. There are no IT, HR or legal implications.

The Future of Responsible Procurement

9. The whole City Procurement team and departmental stakeholders involved in procurement governance (Category Boards) are well trained and very supportive of the RP agenda, with a set of tools and guidelines at their disposal to help facilitate the integration of social, local economic, environmental and ethical criteria in partnership with stakeholder departments. The City Corporation's Social Value Panel have supported this upskilling and continuous improvement since the establishment of the Panel in 2014.
10. Going forward, the Responsible Procurement function will focus efforts on monitoring and actively facilitating social value, environmental and human rights outcomes associated with the City Corporation's contracts, whilst continuing to support and advise on RP implementation in strategic, high risk and high spend contracts. To reflect this shift in focus and make best use of panelists' time and expertise, the Social Value Panel's terms of reference will change to adopt a more strategic lens, looking at the broader responsible business agenda, whilst at the same time providing input and support on methods of supplier engagement and support, contract monitoring and management, and effective reporting and continuous improvement techniques.

Conclusion

11. Responsible Procurement has helped ensure that the City Corporation's approach to contracting reflects our responsible business values and ambitions since 2016; it has simply become 'good procurement'. It brings many benefits to the organisation by helping drive a culture shift towards more ambitious and progressive goals and has positively impacted our reputation and legitimacy amongst stakeholders and peers.
12. Using the new RP Policy 2020-24 as a framework of focus, the RP function will work closely with supply chain partners to support and facilitate the successful delivery of impactful sustainable development outcomes, drive the delivery of key corporate strategies including Responsible Business and Climate Action and maintain the organisation's position as a recognised leader in the field.

Appendices

- Appendix 1 – Responsible Procurement Policy: Commitments and alignment

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UN SDGs Sustainable Development Goals	Corporate Plan	Responsible Business	Responsible Procurement Policy 2020 – 2024 commitments City Procurement will support the City Corporation to:	City Procurement Strategy Outcomes:
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive & sustainable economic growth, full & productive employment and decent work for all</p>	<p>We have access to the skills and talent we need.</p>	<p>Diverse organisations</p>	<p>a. Encourage and facilitate integration of VCSEs, SEs and SMEs within our supply chains</p>	<p>Our key people across the organisation are upskilled:</p> <ul style="list-style-type: none"> • Raise awareness and accountability
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>	<p>People have equal opportunities to enrich their lives and reach their full potential.</p>	<p>Engaging our employees</p>	<p>b. Seek to reduce gender pay gaps and under-representation of people with protected characteristics that may exist in contractor workforces as part of supplier evaluation and through awareness raising, communication and transparency of our own performance</p>	<p>Our services provide what is needed and are easy to use:</p> <ul style="list-style-type: none"> • Process focus groups
 <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p>	<p>Communities are cohesive with the facilities they need.</p>	<p>Equal opportunities</p>	<p>c. Work with suppliers who take active steps to embed equality, diversity and inclusion</p>	<p>Our key people across the organisation are upskilled:</p> <ul style="list-style-type: none"> • Performance reporting
 <p>1 NO POVERTY</p> <p>End poverty in all its forms everywhere</p>	<p>People enjoy good health & wellbeing.</p>	<p>Using our convening power</p>	<p>d. Incentivise and facilitate work-related opportunities offered as part of service and works contracts, which are targeted towards those who need them most</p>	<p>Our key people across the organisation are upskilled:</p> <ul style="list-style-type: none"> • Stakeholder engagement
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>People are safe and feel safe.</p>	<p>Connecting our communities</p>	<p>e. Achieve meaningful social value outcomes according to organisational and stakeholder priorities through internal collaboration, community input and supplier engagement</p>	<p>Our key people across the organisation are upskilled:</p> <ul style="list-style-type: none"> • Stakeholder engagement
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>Our spaces are secure, resilient and well-maintained.</p>	<p>Promoting human rights</p>	<p>f. Ensure that the Living Wage is paid to staff, apprentices, interns and (sub)contractors</p>	<p>Opportunities to leverage responsible outcomes are maximised:</p> <ul style="list-style-type: none"> • Enable Responsible Business outcomes
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impacts</p>	<p>We have clean air, land and water and a thriving and sustainable natural environment.</p>	<p>Prevent bribery, fraud & corruption</p>	<p>g. Guard against modern slavery, human and labour rights abuses and unfair working practices in high risk supply chains</p>	<p>Sustainable cost assurance is guaranteed for the future:</p> <ul style="list-style-type: none"> • Total cost of ownership
 <p>15 LIFE ON LAND</p> <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt & reverse land degradation and halt biodiversity loss</p>	<p>Businesses are trusted and socially and environmentally responsible.</p>	<p>People's wellbeing</p>	<p>h. Ensure that suppliers minimise air and noise pollution associated with our contracts</p>	<p>Opportunities to leverage responsible outcomes are maximised:</p> <ul style="list-style-type: none"> • Facilitate innovation
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>		<p>Air quality</p>	<p>i. Procure the vehicles, plant and equipment with the lowest emissions & pollutants possible</p>	<p>Our key people across the organisation are upskilled:</p> <ul style="list-style-type: none"> • Enhance our skills
		<p>Leading Responsible Procurement</p>	<p>j. Strengthen road danger reduction requirements within goods, services and works contracts</p>	<p>Sustainable cost assurance is guaranteed for the future:</p> <ul style="list-style-type: none"> • Increase our spend analytics
		<p>Climate change</p>	<p>k. Achieve best value by assessing goods, services and works designs based on life cycle costing</p>	
		<p>Championing responsible investment</p>	<p>l. Ensure that all procurement related activities are aligned to meet Climate Action targets</p>	
		<p>Biodiversity</p>	<p>m. Procure 100% renewable electricity and continuously reduce carbon intensity of gas & fuel</p>	
		<p>Ensuring transparency</p>	<p>n. Build climate resilience, integrated water management, urban greening and biodiversity requirements into design, construction, public realm & landscape contracts</p>	
		<p>Plastics & packaging</p>	<p>o. Procure low environmental impact goods, services and works; avoiding pollutants, opting for low embodied carbon & water and maximising recycled and sustainable content</p>	
		<p>Waste</p>	<p>p. Opt for practices that minimise supply chain environmental impacts: sustainable farming, fisheries & forestry; preventing land degradation, contamination, habitat & biodiversity loss.</p>	
			<p>q. Eliminate single use plastics and minimise all waste internally & in supply chain operations</p>	
			<p>r. Manage demand, maximise resource efficiency and support the circular economy</p>	

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<p>Committees: Summit Group – For decision Health and Wellbeing Board – For decision Procurement Sub-Committee – For decision Policy & Resources Committee – For information Community & Children’s Services Committee – For information Culture, Heritage and Libraries Committee – For information Open Spaces Committee – For information Port Health & Environmental Services Committee – For information</p>	<p>Dates: 24 February 2020 28 February 2020 24 March 2020 19 March 2020 24 April 2020 23 March 2020 7 April 2020 19 May 2020</p>
<p>Subject: Corporate Sponsorship Guidance on Food and Drink</p>	<p>Public</p>
<p>Report of: Director of Community and Children’s Services</p>	<p>For Decision</p>
<p>Report author: Xenia Koumi</p>	

Summary

This draft guidance outlines a procedure by which City of London Corporation teams evaluate opportunities – with a value of less than £10,000 – to partner with external bodies, to ensure that partnership, sponsorship or goodwill/ in-kind agreements with parties involved in the production, manufacture, or retail of food or drink products, do not conflict with, nor undermine, Corporate strategic objectives.

This guidance has been developed by the City Corporation’s Public Health team, with support from Chamberlain’s and insights from a range of departmental leadership teams across the City Corporation.

Recommendation

Members are asked to:

- Note the report.
- Endorse the guidance.

Main Report

Background

1. In September 2018, the City Corporation signed a declaration on Sugar Reduction and Healthier Food¹ as a commitment to tackling obesity and overweight among those living and working in and visiting the Square Mile.

¹ <http://www.businesshealthy.org/wp-content/uploads/2018/10/CoL-poster-FINAL.pdf>

2. In doing so, it pledged to take action across several areas to make healthier choices easier and more accessible to everyone living or working in, or visiting, the City of London, with the view that this becomes “business as usual” over time.
3. One of the pledges of this cross-Corporation agreement was to develop corporate sponsorship guidance to minimise local promotion of HFSS (high fat, salt and sugar) food and drink.
4. While some governing bodies and local authorities hold Corporate Sponsorship Policies that determine the nature of organisations that they can commercially partner with, it has been decided that the introduction of corporate sponsorship guidance for contracts, sponsorship and in-kind or goodwill agreements with a value of £10,000 or below, with external parties engaged in the manufacturing, advertising/ promotion, or retail/ delivery of food and/ or drink, is the most appropriate way forward for the City of London Corporation.

Current Position

5. This guidance is a short educational piece with the aim of helping to ensure that the City of London Corporation departments and teams secure the best value and advantage from any opportunities that arise to work with organisations that can provide direct or in-kind sponsorship, to help the City Corporation develop and promote services that benefit its residents, workers and visitors and ensure that its activities do not conflict with or undermine its strategic objectives or statutory duties with regards to the protection and improvement of local public health.
6. Sponsorship should be entered into only where it helps promote the City Corporation’s aims and objectives and assist it in meeting its statutory duties around public health, as set out in the Corporate Plan, the Responsible Business Strategy and the Joint Health and Wellbeing Strategy, for example. This guidance covers food and drink and supports the City Corporation’s public health duties to prevent and reduce overweight and obesity, for example.

Proposals

7. Members are asked to endorse and support the guidance.

Corporate & Strategic Implications

8. The proposal supports a range of corporate and strategic objectives, including:
 - The Corporate Plan (2018-23): “Contribute to a flourishing society”
 - Joint Health and Wellbeing Strategy (2017-20): “A healthy urban environment” and “Promoting healthy behaviours”
 - Responsible Business Strategy (2018-23): “Individuals and communities flourish”
 - DCCS Business Plan: “Promoting equality in health through outreach to all the City communities”; “Supporting City businesses and the City Corporation to improve their employees’ health and wellbeing and participation in health and wellbeing activities”.

Implications

9. Opportunities will be assessed on a case-by-case basis by Public Health and/ or Commercial Contract Management. It is not expected that there will be a high volume of cases to assess.

Conclusion

10. Draft Corporate Sponsorship Guidance on Food and Drink has been developed to assist City Corporation staff to ensure that opportunities to collaborate with external parties do not conflict with or undermine the City Corporation's strategic objectives or legal duties.

Appendices

- Appendix 1 – Draft Corporate Sponsorship Guidance on Food and Drink

Background Papers

- The Local Government Declaration on Sugar Reduction and Healthier Food (Health and Wellbeing Board, 2 February 2018)
- Annual review of progress of the City Corporation's Declaration on Sugar Reduction and Healthier Food (Update Report) (Health and Wellbeing Board, 2 November 2019)

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Draft Corporate Sponsorship Guidance on Food and Drink

Application

This guidance will apply:

- To contracts or sponsorship/ in-kind/ goodwill agreements between the City of London Corporation/ City Corporation-owned or managed sites with external parties engaged in the manufacturing, advertising/ promotion, or retail/ delivery of food and/ or drink, valued at £10,000 or under per year, and/ or those signed off at a local Departmental level (by City Corporation officers), whether the agreements are formal or informal. This includes hospitality events where the City Corporation (for example Remembrancer's), is the host and/ or directly involved in the event, where the direct sponsorship/ partnership element is valued at less than £10,000 per year.*
- Where the guidance can be implemented without the City Corporation incurring a charge or penalty.
- Where advertising or marketing agencies are acting on behalf of an external organisation or individual and request approval to use City Corporation-owned assets or sites to promote food and/ or drink, even if there is no direct or indirect benefit to the City Corporation.

It will not apply:

- To partnerships/ relationships held between parties hiring out City Corporation-owned or managed sites and third parties. However, where relevant and appropriate, City Corporation staff are encouraged to advise the hirer where they feel this third-party agreement may be in conflict with City Corporation objectives and duties.
- Where the City Corporation-owned/ managed site has charity status, for example Tower Bridge; the charity is required to operate to its own governance requirements, abiding by their specific objectives. Charities for which the City Corporation is Trustee can therefore be mindful of the objectives outlined within the Corporate Plan and apply this policy where possible, considering the reputational risks that may apply. However, the objectives of the charity take precedence.

It is understood that existing commercial contracts held by the City Corporation may be affected by this. Where possible, contract-holders should seek to apply this guidance to existing contracts and agreements, where this does not incur penalties from the third-party, or a significant loss of income to the relevant department or team that cannot be covered through short-term centralised funding. This will be considered on a case-by-case basis.

If it is not possible to apply to existing contracts or partnerships, this guidance should be applied during the renewal/ re-tender/ revision phase.

Procedure

When a City Corporation department or team is considering renewing, or entering into a commercial partnership, or sponsorship/ in-kind/ goodwill agreement to the value of £10,000 or below (per year), with an organisation engaged in the manufacturing, advertising/ promotion, or retail/ delivery of food and/ or drink, it should first approach the Public Health (HealthyCity@cityoflondon.gov.uk) and Chamberlains' Commercial Contracts Management (CCM) (CityProc.CCM@cityoflondon.gov.uk) teams before proceeding, as they will be able to assist with the case-by-case assessment of a potential commercial partner, ensuring that the partnership will not contradict or undermine City Corporation strategic objectives or statutory duties related to protecting and improving the health of local populations or visitors with regards to food and/ or drink.

City Corporation departments and teams holding contracts that fit any of the below categories should complete the associated spreadsheet, listing their sponsorship/ corporate partnership relationships (paid-for and in-kind). This will be overseen by the City Corporation's Health and Wellbeing Advisory Group and will help to build a clear picture of the types of contracts held at a local level within the City Corporation, helping the increase and sharing of organisational intelligence. Where possible,

opportunities will be identified to ensure existing partnerships, or those up for renewal, align with corporate objectives and duties.

What does this guidance cover?

This guidance has been developed by the City of London Corporation's Public Health team, with support from Chamberlain's and insights from a range of departmental leadership teams, listed below:

- Category Board
- Chamberlain's Senior Leadership Team
- Open Spaces Business Managers
- DCCS Departmental Leadership Team
- Culture Management Team (including Culture and the City Information Centre)
- Tower Bridge Management Team
- Remembrancer's
- Culture Mile Board (at the time of the presentation of the draft guidance, it was not appropriate for the CMB to comment, as it had no significant fundraising or sponsorship activity and this is not due to change until mid-2020 at the earliest.)

In September 2018, the City Corporation signed a declaration on Sugar Reduction and Healthier Food¹ as a commitment to tackling obesity and overweight among those living and working in and visiting the Square Mile. In doing so, it pledged to take action across several areas to make healthier choices easier and more accessible to everyone living or working in, or visiting, the City of London, with the view that this becomes "business as usual" over time. One of the pledges of this cross-Corporation agreement was to develop corporate sponsorship guidance to minimise local promotion of HFSS food and drink. The pledges also recognise the introduction of specific KPIs relating to healthy eating and drinking within the Corporate Catering Contract that went live in September 2018.

Not only does this commitment support corporate strategic objectives and legal duties outlined within the Corporate Plan, Joint Health and Wellbeing Strategy and Responsible Business Strategy, it brings the City Corporation in line with work being done across the capital – both at local government level and pan-London. Tackling obesity requires a collaborative approach.

Why is it needed?

Background

Obesity is on the increase among adults and children. Almost half of Londoners aged ten years or older are either overweight, or obese². Among other causes, including an increasingly sedentary lifestyle, the availability of unhealthy, high-fat and highly-processed foods and drinks is a key contributing factor, especially as these foods and drinks are often cheaper than fresh produce. Obesity is also closely linked to health inequalities, with adults and children experiencing deprivation more likely to be overweight or obese³.

Despite prevention of overweight and obesity being better than cure, spend on obesity prevention programmes is greatly outweighed by spend on the medical costs of conditions related to being overweight or obese. According to Cabinet Office data, if diets matched nutritional guidelines, it is estimated that 70,000 deaths annually could be avoided and £20 billion could be saved⁴.

At a national level, Government bodies are working with food and drinks manufacturers and retailers to reformulate products, looking to achieve reductions in salt, sugar and fat over the longer-term. In

¹ <http://www.businesshealthy.org/wp-content/uploads/2018/10/CoL-poster-FINAL.pdf>

² <https://data.london.gov.uk/dataset/obesity-adults>

³ <https://researchbriefings.files.parliament.uk/documents/SN03336/SN03336.pdf>

⁴ http://webarchive.nationalarchives.gov.uk/20100407165056/http://www.cabinetoffice.gov.uk/strategy/work_areas/food_policy.aspx

addition, the Soft Drinks Industry Levy (the “Sugar Tax”) came into effect in April 2018. It directly targets the producers and importers of sugary soft drinks to encourage them to remove added sugar, promote diet drinks and reduce portion sizes for high-sugar drinks⁵. In addition, Public Health England and the NHS have been running campaigns, such as Change4Life, aimed at increasing literacy around healthier choices among the general public. Closer to home, Transport for London recently announced that as of February 2019, all adverts promoting food and drink high in fat, salt and/ or sugar (HFSS), will be banned from its assets. This represents a major step-change.

Aims

While some governing bodies and local authorities hold Corporate Sponsorship Policies that determine the nature of organisations that they can commercially partner with, it has been decided that the introduction of corporate sponsorship guidance for contracts, sponsorship and in-kind or goodwill agreements with a value of £10,000 or below, with external parties engaged in the manufacturing, advertising/ promotion, or retail/ delivery of food and/ or drink, is the most appropriate way forward for the City of London Corporation. This establishes a principle and supports the City Corporation’s vision to contribute to a flourishing society, shape outstanding environments and support a thriving economy, for the benefit of people who live, learn, work and visit the Square Mile.

The City of London Corporation has a long-standing and well-respected reputation locally, across the UK and globally. Endorsement of a product or service by the City Corporation is highly-valued and can have a significant positive impact on consumers’ perception of that product or service.

This guidance is a short educational piece with the aim of helping to ensure that the City of London Corporation departments and teams secure the best value and advantage from any opportunities that arise to work with organisations that can provide direct or in-kind sponsorship, to help the City Corporation develop and promote services that benefit its residents, workers and visitors and ensure that its activities do not conflict with or undermine its strategic objectives or statutory duties with regards to the protection and improvement of local public health.

Sponsorship should be entered into only where it helps promote the City Corporation’s aims and objectives and assist it in meeting its statutory duties around public health, as set out in the Corporate Plan, the Responsible Business Strategy and the Joint Health and Wellbeing Strategy, for example. This guidance covers food and drink and supports the City Corporation’s public health duties to prevent and reduce overweight and obesity, for example.

Evidence is showing that HFSS (high fat, salt and sugar) food and drink is harmful to the population’s health. The use of this guidance will help to ensure that all of the City Corporation’s departments and teams take a uniform approach to agreeing sponsorship, which aligns with the City Corporation’s corporate and strategic objectives, with regards to the health and wellbeing of its residents, workers, students and visitors. In addition, with regards to the pledges the City Corporation has made within its Declaration on Sugar Reduction and Healthier Food, the implementation of this guidance helps the organisation to lead by example.

Definitions

- **The Supplier:** Means a Company, a Partnership, a Public Sector Body, a Charity, a Local Authority, a Government Body, an individual or any other legal entity that entered into a Contract with the City.
- **The City:** Means the City of London Corporation – legally the Mayor and Commonalty and Citizens of the City of London, including in its capacity as Police Authority
- **Contract:** Means any Contract, Agreement, Order Form, Terms & Conditions of any value that the City of London Corporation entered into with a Supplier in exchange for a consideration via a procurement procedure, direct award or any other way that created a contractual relationship between the City and the Supplier. Please note that for the purpose of this paper Sponsorship Agreement is defined separately.

⁵ <https://www.gov.uk/government/news/soft-drinks-industry-levy-12-things-you-should-know>

- **Sponsorship Agreement:** Means a Contract between the City of London Corporation or City Corporation-owned or managed site and a Supplier, where the City Corporation receives either money or a benefit in kind from a Supplier for an event, campaign, promotion, or initiative, which, in turn, helps the third party to gain publicity or other benefits.
- **In Kind/Goodwill** - For the purpose of this paper this means a Contract where a Supplier provides an opportunity to support the City Corporation through the provision of a non-financial benefit, for example providing a venue to host an event, or prizes for a competition, in exchange for public promotion/ partnership with the City Corporation (i.e. to be associated with the City Corporation in some way).

DRAFT

Committee: Procurement Sub Committee – For Decision Projects Sub Committee – For Information Department of Community and Children Services Committee – For Decision	Date: 24 March 2020 22 April 2020 24 April 2020
Subject: Strategy to enhance engagement with suppliers in the Housing category to yield more bidder responses.	Public
Report of: Joint report of the Chamberlain and City Surveyor	For Information
Report author: Michael Harrington, Senior Category Manager, Chamberlain's	

Summary

Members of the DCCS Committee raised concerns in October 2018 around perceived failures in the procurement exercises undertaken for some projects where poor or no responses were received. In one instance, this resulted in the Contract being 'Set Aside' due to the winning supplier refusing to accept the terms of the contract. This led to delays to the Housing Programme. This issue illustrates general concerns around responses from the Housing Construction Marketplace to Corporation projects.

In response to a resolution from DCCS Committee on this matter, the Procurement Sub Committee approved a recommendation that a bespoke Housing Working Group be set up to review the Housing Projects, document lessons learned and make recommendations on how to improve on the quality and number of Tender returns received for future housing projects.

The aim of advertising tenders is to ensure we receive sufficient interest from potential suppliers, whilst working proactively with Departments to encourage higher quality and competitive returns from the market. Due to the pressures to maintain our housing stock, the Housing Delivery Programme was set up to manage and deliver housing projects.

For the past year, the Housing Working Group met Bi-Monthly to identify the problems and create an Action Log to improve engagement with the market and identify specific challenges whilst developing objectives to deliver the Housing Programme ensuring contracts are awarded within the terms of the Procurement Code.

Recommendation

Members of the Committee are asked to:

1. Approve the recommended strategy proposed by the Working Group on behalf of the Procurement Sub-Committee.
2. Note the disbandment of the Housing Working Group.

Main Report

1. The Housing Working Group consisting of officers across Housing, City Surveyors and City Procurement undertook a review of the procurement challenges within the City and created an Action Plan which identified the key issues, potential improvements and lessons learnt from previous tenders. Two projects were earmarked for a deep dive. The Cullum Welsh Balustrades project and the Isleden House Infill Project.
2. As part of the Deep Dive, a questionnaire was sent to the Housing Working Group covering all aspects of the exercise such as tender programme, tender sum, clarity of documentation (*A full list of areas covered can be found in Appendix 2*), this enabled the Group to review the projects under the following headings. All responses to the questionnaires were reviewed in detail at the Housing Working Group and a summary of the Group's findings as follows:

Cullum Welsh

3. Cullum Welsh was a balustrade replacement project. Following the Tender exercise, the appointment of the contractor was set aside due to queries from the winning bid which exposed some inconsistencies. This led to a subsequent tender which was successful and therefore was awarded. Both tenders were an Open Below OJEU Tender using the Design and Build form of Procurement. The section below summarises the key learnings from both tender exercises.

First Tender Exercise (Set Aside)

4. Only two tender responses were received. The tender was awarded to the bidder with the lowest price, £465,582.55. The highest bid was £640,450.00. This tender was set-aside as the Contractor submitted a variation to the tender sum based on the 'opening up' investigations. The Variation request was for £67,000 which would have brought the total figure to £532,582.55 plus any additional variations scheduled. Ideally the contractor's initial bid should have priced using scaffold. Once the tender was awarded, they subsequently refused to sign the contract and were asking for more money before they even really got started.
5. At the time of tender publication, it was believed a comprehensive specification had been supplied by Architect, Engineer and Corrosion Specialist. However, the construction method of how the Balustrades had been attached to the main structure was not included in the specification, which made it difficult for the contractor to price this element of the works.
6. The tender return period was only 30-days. This should have been longer due to the intricate nature of the project. The contractors were aware of this and therefore requested two extensions to the tender period, however these requests were not accepted by the project team.
7. Under a design and build contract, it is expected that the contractor takes full responsibility for the design. This is a risk most contractors will only accept if they have full details of the project and have undertaken detailed surveys. The Winning Bidder refused to accept these conditions. Making a fixed price bid for

the contract as a Design and Build suggests that they were willing to accept these conditions to win the tender.

Second Tender Exercise - Successful

8. The second tender exercise was run for 44-days, over the Christmas period. As a result, a request for an extension to 77 days was made and accepted by the project team. This second exercise received six tender returns. The winning bid was for the sum of £619,911.36, the highest being £1,442,874.05, and the average £946,786.49.
9. The Specification was similar to the first tender exercise, but now included more detailed information, such as the opening up images. This helped the contractor's price more accurately, as it showed the full extent of works. Additional detailed information was also included in the subsequent successful tender.

Lessons Learned

10. Risk - Where the City transfers risk to the bidder. The City needs to request bidders' assumptions to be explicit. In the Set Aside tender the Risk was pushed to the bidders. without consideration of the quantum of the risk.
11. Variation - The variation specified by the Set Aside Tenderers bid was £532,582.55 plus any additional variations scheduled, this added to their submitted price was. If the change control had been accepted the unsuccessful tendered price, would have been comparable.
12. Procurement Process - There is a danger that officers use the Procurement Process as a 'method to recover time on a project rather than utilising the procurement tools to achieve the best outcome. This can be counterproductive. Note the unsuccessful original tender has a much tighter turnabout with no extensions accepted, in comparison to the successful tender. Officers need to work more effectively to utilise the experience of the procurement team and be realistic about the tender timeframes.
13. Documentation - The Report on the condition of the Reinforced Concrete Structures included in the tender was from 2014, this should have been updated before going out to tender. The 'opening up' images and other relevant information helped mitigate the most contentious risk.

Isleden House Infill project

14. The project involves the construction of an infill development at Isleden House providing social housing units. In March 2017, a multi-disciplinary design team was appointed to progress design proposals up to detailed design RIBA Stage 4 only. The commission included an architect, principal designer, structural engineer, mechanical and electrical engineer. Unfortunately, the project has suffered delays from the start. The appointed architect recommended that amendments be made to the original planning application to rationalise the design, reduce costs and enable the building process to be less complicated.

The variation to the planning application took some time to resolve and, the London Borough of Islington (LBI) would not consider the planning amendments until the variation had been completed. This took the London Borough of Islington almost one year to approve the planning amendments and enable the design team progress to RIBA Stage 3.

15. The Housing Working Group undertook a workshop to review the procurement issues of this project. Summary from the workshop is as follows;
16. Procurement - The procurement exercise was undertaken during August/September 2019 for the main contract works using the new City Housing Lot 1 framework. Unfortunately, only one tender was received from a potential framework of six contractors. This was possibly attributed to unfortunate timing of the tender exercise which took place over the summer months. The construction industry slows down during August and although there is a return to capacity in September, the ability to coordinate subcontractors and the supply stream to provide accurate pricing can be challenging.
17. Design team - The Design team had only been appointed to deliver design services up to RIBA Stage 4. In early 2019 a new tender exercise was undertaken to appoint a design team to deliver the project through to completion. This change in design team at a critical stage could lead to gaps in the project information as the level of engagement and responsibility may have diminished.
18. The project is yet to commence on site, and a Gateway 5 Report is being prepared for committee consideration in April. A value engineering (VE) exercise is being undertaken with the contractor to reduce the tender costs from £1.5m to £1.4m. It is possible that if cost reductions are not achieved, the project may be retendered, but this could put in jeopardy the GLA grant secured for this project of £180,000.

Overall Findings

19. On completion of the review of both projects, the Working Group embarked on identifying common procurement issues. A full breakdown can be found in Appendix 1, but the main elements are highlighted below:
 - a) Route to market – The selected route to market may limit the level of interest from suppliers, for example, on one of the Housing projects, the Architect for a Windows replacement project, was selected from an existing framework. The City selected the Homes and Communities Agency (HCA) framework to procure the Architect. The HCA framework is set up specifically to support delivery of the design intensive projects. Later feedback from the suppliers on this Framework would confirm that the niche requirements of the window replacement project, made the project unattractive to Architects on that framework. The City should be mindful of selecting appropriate frameworks depending on the type of project.
 - b) Approach to Market – Programme - Cullum House Balustrade Project was advertised over the Christmas period, a time in which the Construction

industry shuts down. A tender advertised during this period and given additional time to cover the shutdown will allow suppliers a better opportunity to plan their resources. During the Second tender exercise the project team worked hard to communicate with the market and engage with potential suppliers, this input provided by the Project Team we had a valuable impact on receiving 6 compliant returns instead of 2.

- c) Quality of Tender Documentation – Our Tender documentation instructs the tenderers on process, clarifications methods, and response procedures. Some of this detail can sometimes be overlooked by Suppliers. In addition, some of this tender pack may not include the clarity they require. If the documents do not have the level of clarity the contractors require, they may not be able to properly price the tender and in some instances decline or simply price in risk.
- d) Procurement Timelines - This report notes the constrained time allowed for the procurement process by respective projects. In the case of Cullum Welsh Balustrade project, 3 separate requests for an extension of time were submitted. Realistic Procurement timelines should be agreed before going out to tender. The markets capacity and willingness to respond will be subject to other demands and opportunities that the supplier may be bidding for, and therefore a short timeframe may discourage them for submitting a tender. A common approach to meeting programme is to squeeze tender timeframes but this does not always ensure positive outcomes.
- e) Procurement method/Contract strategy – In respect of the consultant appointments for the Architect to deliver the Windows programme it appears that the contract strategy to combine packages was not effective in generating interest through the selected external framework. The feedback received referred to the multitude of materials, general differences and listed type of building to not submit a tender. On reflection a better approach would be to combine similar packages and tender on that basis.
- f) Form of contract – Construction market consultation carried out by the City in 2017 and 2018 suggested that were happy with our contractual approach. For the smaller projects, the bespoke City contract terms, with ease of execution and drafting approach suited SME's. However, it is noted that making local amendments to industry standard forms of contract may affect a contractor's willingness to tender for a project. It is also noted that the City's schedule of amendments is not onerous and larger suppliers are willing to accept in most circumstances.

Recommendations

- 20. Procurement Methodology – This should be heavily influenced by the type of project and should be approved by the Construction Category Board.
- 21. Approach to Market – The timing of the tender should be reviewed. Usually the summer and Christmas break should be avoided, likewise when major sports activities are on, for example the World Cup.
- 22. Quality of Tender Documentation – Tender packs must include as much information as possible, where the information does not exist, surveys must be undertaken. In addition, coordination exercises should be undertaken to ensure all drawings and specifications are detailed. If necessary, a peer

review could be undertaken. This will enable the contractor to provide a robust price.

23. Supplier engagement - Where possible contractors should be given an opportunity to seek clarification on the tender pack before submission, this could be by way of a Mid Bid Site Visit or an open session with the design team to table a clarifications document.
24. Procurement Timelines – Tender timeframes should be realistic as squeezing the tender timeframes can result in poor quality submissions in which tender responses can lack important details.
25. Procurement method/Contract strategy and Form of contract – The form of contract and procurement method proposed should be appropriate for the project and determined by the project team. However, this decision needs to be in line with the City's policies.
26. Project Team Consistency- The project team should be maintained for the duration of the project where at all possible. Changing the project team mid-way through will alter the quality of service and increase the programme loss of knowledge.

Conclusion

27. The Major Works and Intermediate works frameworks are now available and include provision for housing related project in the value range £250k to £15m and should help resolve some of these issues. These frameworks give the City the ability to continue to have dialogue with a select group of suppliers, who can advise on industry best practice. This will be achieved with regular supplier forums to improve communication and quality of documentation.
28. The Working Group has considered the projects in question, the lessons learned and reasons for the challenges. The proposals put forward should deliver better outcomes for our projects. The Housing Working Group, Action log and this report provides a clear way forward and therefore it is proposed that the Housing Working Group be closed, and the Actions monitored regularly at the Construction Category Board.

Related Papers: Community and Children's Services Committee, 8 February 2019, approval to proceed with the establishment of the Housing Working Group.

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Appendix 1: Action Log from the Working Group

Appendix 2: Questionnaire used to analyse the Callum Welsh Project and typical response

Appendix 1 – Action Plan identifying items covered by the Housing Working Group

No	ITEM	DETAIL	ACTION PLAN
1	Tender Submission	Create less arduous requirements for contractors to submit a tender for example awareness that some information need not be repeated, as it had been submitted prior	Provide/create guidance notes to aid SME when tendering for work and account for additional information.
2	Terms and Conditions	Elements within Terms and Conditions, may not be suitable for some suppliers	Request Legal review the terms and identify the possibilities of making the terms clearer to SME's
3	Insurances	How can we better identify insurance levels on a project by project basis?	Draft initial proposal for discussion and agreement with CoL Insurance team
4	Terms and Conditions	Suppliers reviewing T&C's before submitting tenders.	Draft communications with supplier's mid tender to request any amendments to the T&Cs and provide any help/support they require.
5	Tender pricing calculations	To clarify what options are available for calculating the tender price and what steps do we take to review on a project by project basis.	Review the price/quality matrix to ensure the scoring is based on the average cost and not the lowest cost
6	Template form for example projects	To create a template to distribute, that answers the questions that we want to know from the supplier. Also, to include relevant accreditations.	Draft Template and Issue to the working group for review
7	Tailor Scoring - Reviewing Scoring descriptions	Review current scoring methodology and redraft to represent housing projects, to give the evaluators clearer guidance.	Issue draft proposal for the revised scoring matrix to the working group
8	Soft Market Testing	Look at feedback on tender exercises and how we are perceived in the market.	Issue draft questionnaire for the soft market testing to the Working Group for approval
9	Sharing Pipelines	To redact and distribute current housing works programme with suppliers.	Issue version to Working Group before publishing final list at the supplier's day
10	Supplier Engagement	To arrange open days for each tender.	Ongoing

11	Deep Dive into a Housing Project	To distribute the Cullum Welsh concrete tender to the team. Arrange a lesson learnt to compare the differences between the Set Aside tender and the successful tender, to help mitigate possible risk and delays to projects.	distribute the Cullum Welsh concrete tender to the team
12	Deep Dive into a Housing Project	To distribute the Cullum Welsh concrete tender to the team. Arrange a lessons learnt to compare the differences between the Set Aside tender and the successful tender, to help mitigate possible risk and delays to projects.	Arrange the lessons learnt workshop
13	Deep Dive into a Housing Project	To distribute the Cullum Welsh concrete tender to the team. Arrange a lesson learnt to compare the differences between the Set Aside tender and the successful tender, to help mitigate possible risk and delays to projects.	Issue project synopsis report from the lessons learnt session
14	Communication Strategy	To better engage with specialist contractors, Tenders should be advertised in the trade press with directions to the portal Once confirmed, look at producing a strategy in doing so.	To confirm if we can advertise in trade press/Journals & Magazine
15	Improving our Approach	Produce a Committee report on results, this will identify how we tendered for work previously compared to now.	Collate results from the action log for the committee report - submission
16	Price vs Quality	Be clear in our message that the City is not price only and more quality driven,	promote during the supplier engagement open days.

Appendix 2 - Questionnaire used to analyse the Callum Welsh Project

Cullum Welsh Concrete Tender Questions

Technical CPG Team

1. Tender Sum

Successful:

Potential issues when requesting single price of repair type on priced schedule. E.g. that the Contractor will price most likely repair types the highest and larger, less likely repairs the lowest. This will help them win the tender but also to charge a higher rate for repairs on site.

Failed:

2. Clarity of Specification

Successful:

Failed:

3. Clarity of Employers Requirements

Successful:

Few areas of doubled up information e.g. the prelims as V3 in the prelims section but as V2 in the appendices.

Failed:

4. Supporting Documents

Successful:

High resolution survey photos very helpful to enable Contractor idea of the full extent of works required without needing specialist access.
Noted that Martech report was dated 2014.

Failed:

5. Programme

Successful:

Page 4 of Broomfields specification outlines detailed programming requirements of the contractor. P1,4,3 of the Watermans spec also calls for specific approvals process that would need to be programmed too.
Unlikely that all contractors will have picked up on this potentially onerous requirement

Failed:

6. Insurance Levels

Successful:

Failed:

7. Form of Contract

Successful:

Looks to have been successful though it is noted that most of the design (barring the balustrades) had been mostly completed by others pre-tender. Suggested that perhaps a JCT IC with Contractors design could have been used.

Failed:

Noted that failed tender didn't have quality question that specifically referred to the D&B contract

8. Site Inspections / Visit / Survey

Successful:

List of drawings/documents was helpful when reviewing.

Failed:

9. Procurement Route

Successful:

Failed:

10. Tender Process – Time frame

Successful:

Noted that this was extended over the Christmas shutdown to enable contractors more time to seek sub-contractors quotes etc

Failed:

Tender issued at the end of the summer – often a busy time for contractors etc. Also not extended.

11. Allocation of Risk between parties

Successful:

Failed:

12. Contract Partnering

Successful:

Noted that employer’s agent was referenced but not used.

Failed:

Legal Team

1. Tender Sum

Successful:

Failed:

2. Clarity of Specification

Successful:

Failed:

3. Clarity of Employers Requirements

Successful:

Failed:

4. Supporting Documents

Successful:

Failed:

5. Programme

Successful:

Failed:

6. Insurance Levels

Successful:

Failed:

7. Form of Contract

Successful:

The Form of Contract (modified JCT DB 2016) was the same for both tenders, which might lead to the conclusion that the Conditions of Contract had no bearing on the outcome. However, it is worth noting that the City's modifications to the JCT terms are onerous from the Contractor's perspective in that the Contractor bears the risk of:

- the entire design, including any errors and deficiencies in the designs provided by the Employer (clauses 2.14 & 2.17); and
- physical conditions (clause 2.1.7)

It may be difficult for a tenderer to price these risks within the time scale allowed within a single stage tender. In my opinion, this form of contract is more suitable for use with a two-stage tender process – allowing for pre-construction site investigations and design development by the Contractor before it is committed to offer a final price.

Failed:

See above

8. Site Inspections / Visit / Survey

Successful:

Failed:

Refer to comments section 7 above regarding single stage tender

9. Procurement Route

Successful:

Failed:

Refer to comments section 7 above regarding single stage tender

10. Tender Process – Time frame

Successful:

Failed:

Refer to comments section 7 above regarding single stage tender

11. Allocation of Risk between parties

Successful:

Failed:

Refer to comments section 7 above regarding single stage tender

12. Contract Partnering

Successful:

Page 70

Failed:

Cullum Welch Concrete Tender Questions

Technical Housing Team

1. Tender Sum

--

Successful:

Failed:

2. Clarity of Specification

Contractor realised they had not allowed enough to cover the cost upon further investigation, but it should be noted that this was to recreate existing specification rather than review and change accordingly. Costs were lower but this could have been through alternative access. Contractor should have priced using scaffold (so to compare apples with apples) and then worked with Client to save costs, post contract award.
--

Successful:

A higher level of detail was provided as a D&B contract to help contractors price more accurately. The same specification was provided for the second tender which has resulted in a successful appointment and six responses.
--

Failed:

--

3. Clarity of Employers Requirements

Successful:

--

Failed:

4. Supporting Documents

Successful:

Large quantity of supporting documents provided by architects (appointed directly by CoL) including existing and proposed elevations & sections, 3D visualisation of proposed replacement balustrade panels, existing balustrade panel plans and sections, engineers concrete specification and 40+ images detailing the opening up works completed to ascertain how the balustrades are attached to the building.

We could have further stressed through supporting documents that we were not aware of how the balustrade were structurally installed, and the contractor was responsible for this.

Failed:

5. Programme

Successful:

Failed:

6. Insurance Levels

Successful:

Failed:

7. Form of Contract

Successful:

It was made clear that this project was a design and build and the responsibility for removing and installing the new balustrades was entirely down to the contractor.

Failed:

With hindsight we could have stressed with more emphasis that the contractor was responsible for the design of the balustrades in their entirety.

8. Site Inspections / Visit / Survey

Successful:

Failed:

Mandatory site visits and inspections could have been stipulated.

9. Procurement Route

Successful:

Failed:

10. Tender Process – Time frame

Successful:

Page 73

Failed:

11. Allocation of Risk between parties

Successful:

It was stipulated in the contract documents that the design (and therefore design risk) was the contractor's responsibility. They refused to accept this and hence the tender failed.

Failed:

12. Contract Partnering

Successful:

--

Failed:

--

Cullum Welsh Concrete Tender Questions

Procurement Team

1. Tender Sum

Successful:

6 Responses received Winning Bidder (Also Lowest) = £619,911.36 Highest Cost = £1,442,874.05 Average = £946,786.49

Failed:

2 Responses.
Winning bidder (Also lowest) = £465,582.55
Highest Bidder = £640,450.00
Average = £553,016.28

2. Clarity of Specification

Successful:

10 Clarifications received.
Specification similar to before but included opening up images from the failed tender.

Failed:

14 Clarifications received.
Comprehensive specification supplied by Architect, Engineer and Corrosion Specialist.

3. Clarity of Employers Requirements

Successful:

ER's similar to before but included a detailed overview of the Appendices to the ER's.

Failed:

Detailed ER's provided, unable to locate the Appendices located in the Failed tender.

4. Supporting Documents

Successful:

Included Opening Up images and Appendices to ER's compared to the failed tender

Failed:

5. Programme

Successful:

Programme is dependent on the tender returns.

Failed:

Programme is dependent on the tender returns.

6. Insurance Levels

Successful:

Standard Insurance Levels - No issues

Failed:

Standard Insurance Levels – No Issues

7. Form of Contract

Successful:

JCT D&B provided no issues raised by the tenderers.

Failed:

JCT D&B provided no issues raised by the tenderers.

8. Site Inspections / Visit / Survey

Successful:

Site Visits – Not offered or requested via the portal.

Failed:

9. Procurement Route

Successful:

Open below OJEU tender exercise, opened up to Capital eSourcing

Failed:

Open below OJEU tender exercise, opened up to Capital eSourcing

10. Tender Process – Time frame

Successful:

44-day tender over the Christmas period. A request for extension was accepted due to Sub-Contractor costing delays. To 77 days.

Failed:

30-day tender process 2 extension requests received.

11. Allocation of Risk between parties

Successful:

Unknown

Failed:

Unknown

12. Contract Partnering

Successful:

Unknown

Failed:

Unknown

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