



Procurement Sub (Finance) Committee

Date: WEDNESDAY, 7 OCTOBER 2020
Time: 1.45 pm
Venue: VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

Members: Deputy Hugh Morris, Finance Committee (Chairman)
Deputy Robert Merrett, Finance Committee (Deputy Chairman)
Randall Anderson, Finance Committee
Deputy Roger Chadwick
Michael Hudson, Finance Committee
Deputy Jamie Ingham Clark, Finance
Committee
Deputy Jamie Ingham Clark, Finance Committe
Alderman Gregory Jones QC
Jeremy Mayhew, Finance Committee
Susan Pearson, Finance Committee
William Pimlott, Finance Committee
Deputy Philip Woodhouse

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Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://youtu.be/PHr7NPz4OjQ>

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

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 FOLLOW)**

To agree the public minutes of the meeting held on 09.09.20

For Decision

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

Report of the Chamberlain

For Information
(Pages 1 - 4)

5. **CITY PROCUREMENT EFFICIENCY AND SAVINGS TARGET 2020/21**

Report of the Chamberlain

For Information
(Pages 5 - 6)

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

7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

8. **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

9. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING (TO FOLLOW)**

To agree the non-public minutes of the meeting held on 09.09.20

For Decision

10. **NATIONAL FRAUD AND REPORTING SERVICE STAGE 1 STRATEGY (TO FOLLOW)**

Report of the Chamberlain

For Decision

11. **ART TRANSPORTATION FRAMEWORK PROCUREMENT STAGE 2 AWARD**

Report of the Chamberlain

For Decision
(Pages 7 - 18)

12. **MINOR WORKS MTC LOT 1 BUILDING FABRIC MAINTENANCE & MINOR WORKS MTC LOT 2 MECHANICAL AND ELECTRICAL WORKS**

Report of the City Surveyor

For Decision
(Pages 19 - 28)

13. **DEPARTMENTAL RESPONSE TO LATEST CHIEF OFFICERS PURCHASE CARD REPORT**

Report of the Chamberlain

For Information
(Pages 29 - 34)

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

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

- Dispute Resolution Strategy – The Chamberlain to be heard

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Procurement Sub-Committee – Work Programme 2020

Meeting:	09/09/2020	07/10/2020	05/11/2020	07/12/2020	12/01/2021
	Strategy, Policy, Continuous Improvements and Performance				
	* City Procurement KPIs (quarterly update) * City Procurement Risk Register * Action Fraud & NFIB	*P-card Update Paper * Benefits of the new P-card contract			
	Sourcing and Category Management				
	*Major Works Framework Project Management Services Stage 2	*Art Transport Services (Barbican) – Stage 2 *Organisation Business Solutions, Stage 1 Report * Semi-independent / supported accommodation placements (16-25yrs), Stage 1 *Parking Enforcement – Stage 1 * Stage 1 & 2 report for Provision of Electricity and Gas Supplies *National Fraud and Cyber-Crime Reporting and Analysis Service * Brewery Road Refurbishment Works	* Route to Market- HR, Payroll and Finance, ERP Solution * Barking Power Station Remediation – Demolition	* Approval to award Filming Location Agency Concession *Architects Stage 1 * Fleet Street Estate – Procurement Strategy – Construction * Markets Consolidation Programme – Procurement Strategy - Strategic Property Adviser and Professional Services *Architects Stage 2 Award	
	Contract Management and Responsible Procurement				
	*CFL Contract Variation *London Sexual Health Transformation Contract Variation				

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Procurement Sub-Committee – Work Programme 2020

Meeting:	07/10/2020	05/11/2020	07/12/2020	12/01/2021	10/02/2021	03/03/2021
	Strategy, Policy, Continuous Improvements and Performance					
	* P-card Update Paper * Benefits of the new Lloyds P-card contract * Annual Procurement Savings Target 2021				* P-card Update Paper	
	Sourcing and Category Management					
	* Art Transport Services (Barbican) – Stage 2 * Organisation Business Solutions, Stage 1 Report * Parking Enforcement – Stage 1 * Stage 1 & 2 report for Provision of Electricity and Gas Supplies * National Fraud and Cyber-Crime Reporting and Analysis Service * Brewery Road Refurbishment Works	* Property Insurance, Stage 1 Report * Route to Market- HR, Payroll and Finance, ERP Solution * Barking Power Station Remediation – Demolition * Semi-independent / supported accommodation placements (16-25yrs), Stage 1 (moved)	* Approval to award Filming Location Agency Concession * Architects Stage 1 * Fleet Street Estate – Procurement Strategy – Construction * Markets Consolidation Programme – Procurement Strategy - Strategic Property Adviser and Professional Services	* Corporate Catering- Viability review of Guildhall, Barbican & GSMD		
	Contract Management and Responsible Procurement					
	* Minor Works Contract Extension – Lot 1 Fabric & Lot 2 M&E (new)					

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Committee(s):	Date:
Procurement Sub Committee	7 th October 2020
Subject: City Procurement Efficiency and Savings Target 2020/21	Public
Report of: The Chamberlain	For Information
Report author: Chris Bell, Commercial Director, City Procurement	

Summary

The report is to advise members of the Efficiency and Savings target set for City Procurement; for the financial year 2020/21 of £6,080,432

This is derived from three elements

- £942,932 of new sourcing savings to be generated within this financial year.
- £3,800,000 from savings from previous procurement activity that delivers savings in this financial year
- £1,337,500 from Commercial Contract Management

Recommendation(s)

Members are asked to:

- Note the Procurement Efficiency and Savings target of £6,080,432 for the financial year 2020/21

Main Report

Background

1. City Procurement is set an annual savings target at the start of each year. This target is based on the contracts to be let during the financial year and savings from commercial contract management.
2. This year's target is £6,080,432 million.

Method for Target Calculation

3. The process in setting the annual target includes:
The annual savings from Sourcing activity is set using two types of in-year savings. Those are:
 - *Previously let contracts generating savings (known as run-rate)* – Savings already guaranteed for the current financial year from contracts let in previous years. This is for contracts that span different financial years and is typically for service contracts that are let for a 2-7 year period when the savings are spread across the life of the contract.

- *New contracts let generating savings* – Savings targeted to be generated from new contracts let and commence during the financial year.
- *Commercial Contract Management Savings*: The savings target for Commercial Contract Management is derived from a return of 2.5:1 on salary costs.

With the impact of COVID-19, significant resources were refocused by departments and City Procurement. This particularly effected quarter one, when lockdown was introduced. This has led to a number of projects being rescheduled. However, since that time, Senior Category Managers have worked with Category Boards to reshape the programme of work. In addition, given the financial impact of COVID-19, Category Mangers are working with Category Boards to provide greater challenge to delivering savings.

It is to be noted that the set target has excluded projects that have been identified in departmental annual efficiency programme; income generation; major works contracts and projects where teams are yet to define the baseline.

Conclusion

City Procurement has finalised its Sourcing Plan for 2020/21 by gathering information from all departments on potentially new tenders to be run, combined with the expiry of contracts from our corporate contract register. The target set is £6,080,432

Chris Bell

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

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