

## **PROCUREMENT SUB (FINANCE) COMMITTEE**

**Thursday, 30 May 2019**

**Minutes of the meeting of the Procurement Sub (Finance) Committee held at the Guildhall EC2 at 10.30 am**

### **Present**

#### **Members:**

Deputy Hugh Morris  
Deputy Robert Merrett  
Randall Anderson  
John Fletcher

Michael Hudson  
Deputy Jamie Ingham Clark  
Jeremy Mayhew

#### **Officers:**

Chris Bell	- Chamberlain's Department
Julie Smith	- Chamberlain's Department
Leyla Dervish	- Chamberlain's Department
Leslie Ross	- Chamberlain's Department
Andrew Lenihan	- Chamberlain's Department
Lisa Moore	- Chamberlain's Department
Oliquir Chowdhury	- Chamberlain's Department
Matthew Jones	- Chamberlain's Department
Sharon Lokko	- Chamberlain's Department
Natalie Evans	- Chamberlain's Department
Antoinette Duhaney	- Town Clerk's Departments

### **1. APOLOGIES**

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

The Chairman declared an interest in agenda item 19 – City of London Freemen's School, on the grounds that he was a Governor at the School.

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

**RESOLVED** – That the public minutes of the meeting held on 3<sup>rd</sup> April 2019 be agreed as an accurate record.

### **4. PROCUREMENT SUB-COMMITTEE WORK PROGRAMME**

The Committee considered a report of the Chamberlain providing an update on the work programme for 2019.

#### **RESOLVED –**

(1) That the report be noted.

(2) That it be noted that the next meeting of the Sub-Committee scheduled for 13<sup>th</sup> June 2019 has been cancelled.

**5. CITY PROCUREMENT QUARTERLY PROGRESS REPORT - YEAR END FOR 2018/19**

The Committee considered a report of the Chamberlain providing an update on areas of progress measured against Key Performance Indicators (KPIs) for 2018/19.

In response to questions and comment from Members, Officers advised that in the interests of transparency, a comprehensive list of contracts would be included with formal savings targets. However, it was expected some projects would not deliver savings for a variety of reasons. It was also reported that there was potential for departmental challenge on baseline costs and in the event of costs increasing, departments would have to identify how these additional costs would be met.

**RESOLVED** – That the progress report on the key strategic improvement projects and performance for the 2018/19 financial year as set out below be noted.

- (1) A total savings achievement of £8.4m in 2018-2019 financial year
  - (a) Procurement savings of £6.74m achieved against a target of £6.52m.
  - (b) Commercial Contract Management (CCM) savings of £1.66m against a target of £1.27m.
- (2) Purchase order compliance of 97% (on target).
- (3) 94% of all supplier invoices were paid within 30 days (target of 97%).
- (4) 84% of SME invoices were paid within 10 days (target of 85%).
- (5) Waiver trends:
  - (a) Total number of waivers has reduced by 32% compared to the previous financial year.
  - (b) Non-compliant waivers have decreased by 72% comparing the same periods.
  - (c) A total of 42 Procurement Breach waivers recorded in 2018/19 with a value of £2.5m.

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

None.

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

None.

**8. EXCLUSION OF THE PUBLIC**

**RESOLVED** - 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.

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

**RESOLVED** – That the non-public minutes of the meeting held on 3<sup>rd</sup> April 2019 be agreed as an accurate record.

10. **CONTRACT DISPUTE STRATEGY**

The Sub-Committee considered a report of the Chamberlain seeking approval of a recommended dispute strategy.

11. **IT MANAGED SERVICES 2020 PROCUREMENT - STAGE 1**

The Sub-Committee considered a report of the Chamberlain seeking approval of a procurement strategy and evaluation criteria for IT Managed Services.

12. **POWER PURCHASE AGREEMENT FOR OFF SITE RENEWABLE ELECTRICITY - STAGE 1 PROCUREMENT**

The Sub-Committee considered a joint report of the Chamberlain and City Surveyor seeking approval of a procurement strategy and evaluation criteria for the provision of offsite renewable electricity.

13. **MAJOR CONSTRUCTION WORKS (HOUSING) FRAMEWORK STAGE 2 AWARD**

The Sub-Committee considered a joint report of the Chamberlain and City Surveyor updating Members on progress with tendering the major works frameworks.

14. **PROVISION OF SECURITY SERVICES - PROCUREMENT STAGE 2 AWARD**

The Sub-Committee considered a joint report of the Chamberlain and City Surveyor updating Members on progress with tendering for Security Services.

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

The Sub-Committee considered a report of the Chamberlain on the use of purchase cards.

16. **ANNUAL WAIVER REPORT 2018/19**

The Sub-Committee considered a report of the Chamberlain detailing waivers processed during 2018/19.

17. **DELAYS TO CORPORATE CATERING CONTRACTS SIGN-OFF**

The Sub-Committee considered a report of the Chamberlain on the new catering contracts.

18. **REVENUES PRINT LESSONS LEARNED**

The Sub-Committee considered a report of the Chamberlain in respect of the Corporate Printing Contract.

19. **CITY OF LONDON FREEMEN'S SCHOOL MAIN HOUSE ENABLING WORKS - LESSONS LEARNED**

The Sub-Committee considered a report of the City Surveyor on the City of London Freemen's School.

20. **RESOLUTION FROM HOUSING MANAGEMENT & ALMSHOUSES SUB-COMMITTEE 26.03.19: PETTICOAT TOWER BALCONY DOORS AND WINDOWS**

The Sub-Committee considered a resolution from the Housing Management & Almshouses Sub-Committee in respect of Petticoat Towers balcony doors and window replacement.

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

None.

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

None.

23. **STAFFING MATTERS**

The Sub-Committee considered a report on staffing matters

**The meeting closed at 11.49am.**

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Chairman

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