

PROCUREMENT SUB (FINANCE) COMMITTEE

Tuesday, 24 September 2019

Minutes of the meeting of the Procurement Sub (Finance) Committee held at the Guildhall EC2 at 11.30 am

Present

Members:

Deputy Hugh Morris (Chairman)	Michael Hudson
Deputy Robert Merrett (Deputy Chairman)	Deputy Jamie Ingham Clark
Randall Anderson	Susan Pearson

Officers:

Christopher Bell	- Chamberlain's Department
Connie Dale	- Chamberlain's Department
Natalie Evans	- Chamberlain's Department
Sean Green	- Chamberlain's Department
Matthew Jones	- Chamberlain's Department
Mark Vincent	- Chamberlain's Department
Antoinette Duhaney	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were submitted by John Fletcher and Jeremy Mayhew.

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

No declarations were made.

3. PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes of the meeting held on 10.07.19 be approved as a correct record.

4. BREXIT UPDATE (ORAL REPORT)

Officers reported that targeted communications on implications for suppliers would be sent close to the time for Brexit. The Brexit Risk Group had considered a list of 637 tenders to identify and assess key risks on the basis of “no deal.” However, it was not possible to mitigate for every possible scenario.

RESOLVED – That the update be noted.

5. PROCUREMENT SUB-COMMITTEE WORK PROGRAMME 2019

RESOLVED – That the report be noted.

6. **CITY PROCUREMENT QUARTERLY PROGRESS REPORT (SEPTEMBER 2019)**

The Sub-Committee noted that with the exception of payment targets, performance indicators were being met/exceeded. It was also suggested that time should not be spent tendering for software maintenance suppliers when it was known that only one supplier could do this task as they possessed the source codes. It was felt that this time could be better spent negotiating with a sole supplier to get the most economically advantage terms.

In response officers stated that there was limited leverage on negotiations owing to public contract regulations and in addition, many products were single sourced such as the current HR software with which there had been longstanding issues. There was potential for longer length contracts outside the framework and the issue of the CoL establishing its own framework was a consideration for the IT Category Board.

Officers also flagged up their concerns in respect of contracts which City Procurement were not aware of and the budgetary challenges of end of contract spending. Members echoed the concerns of officers and recommended that in view of the reputational and finance risk, this matter should be included in departmental risk registers.

RESOLVED – That progress on the key strategic improvement projects and performance for Q1 of 2019/20 financial year (FY 19/20) as set out below be noted:

- (1) Procurement savings at end of June 2019 of £1.9m, made up of £235k Commercial Contract Management savings and £1.69m Sourcing & Category Management savings.
- (2) Purchase order compliance of 98% (target 97%).
- (3) 95% of all supplier invoices were paid within 30 days (target of 97%)
- (4) 86% of SME invoices were paid within 10 days (target of 88%).
- (5) 80% of invoices are currently received in True PDF format (target of 75%)
- (6) Waiver trends:
 - a) Total number of waivers has reduced by 11% compared to same period during the previous financial year.
 - b) Non-compliant waivers have decreased by 33% comparing the same period during the last financial year.
 - c) A total of 8 Procurement Breach waivers have been recorded in Q1 2019/20 with a value of £272k.

7. **RESPONSIBLE PROCUREMENT STRATEGY**

Note: During consideration of this item, the Chairman left the meeting and the Deputy Chairman took over the Chair.

The Sub-Committee considered a report of the Chamberlain outlining the achievements of the Responsible Procurement Strategy (RPS) which in the interest of upholding responsible business principles, had been published on the CoL website but not included in printed agenda packs.

Officers reported that the RPS had guided the COL's approach to ensuring that contracting reflected the CoL values and aspirations by providing a framework through which departmental strategies informed targets for supply chain partners.

The RSP had objectives which were set in the context of

- Social value
- Environmental sustainability
- Ethical sourcing

In response to questions and comments from Members, Officers advised that the CoL transport fleet was gradually being upgraded to leased electric vehicles and continuous improvements were being made to technology to improve battery life.

Vehicle fleet costs were closely monitored by the Corporate Fleet Management Group.

Discussions had taken place with Small and Medium Sized Enterprises to encourage suppliers to pay the London Living Wage and as Landlord, Officers were exploring the scope for including lease clauses to ensure that business tenants and suppliers at a minimum, paid employees the London Living Wage.

RESOLVED – That the report be noted.

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**

Re-procurement of the London Boroughs' Legal Alliance (LBLA) Barristers Framework - Officers reported that this matter was being progressed on schedule in accordance with the agreed Procurement Timetable and the tender evaluation process was under way.

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 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.

11. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
RESOLVED – That the non-public minutes of the meeting held on 10.07.19 be approved as a correct record.
12. **PROPERTY INSURANCE CONTRACT EXTENSION**
The Sub-Committee considered a report of the Chamberlain seeking an extension to the existing Property Insurance contract for the CoL.
13. **RECOMMISSIONING OF INTEGRATED DRUG AND ALCOHOL SERVICE**
The Sub-Committee considered a Joint report of the Director of Public Health and the Director of Community and Children's Services regarding the recommissioning of Drug and Alcohol Support Services.
14. **DISPUTE STRATEGY UPDATE**
The Sub-Committee considered a report of the Chamberlain providing an update on delivery of the Action Fraud/Know Fraud Service.
15. **HAZARDOUS WASTE COLLECTION - STAGE 1**
The Sub-Committee considered a report of the Chamberlain seeking approval of the procurement strategy and evaluation criteria to select a preferred supplier for household and hazardous waste collection and disposal services.
16. **ARCHITECT CONSULTANTS (FOR CONSTRUCTION) FRAMEWORK PROCUREMENT STAGE 1 STRATEGY REPORT**
The Sub-Committee considered a report of the Chamberlain seeking approval of the recommended procurement strategy and evaluation approach for selecting preferred supplier(s) for the Architectural Consultant (in construction) Framework.
17. **MEDIA PLANNING AND BUYING SERVICES FOR THE BARBICAN CENTRE PROCUREMENT STAGE 2 AWARD REPORT**
The Sub-Committee considered a report of the Chamberlain seeking approval to award a contract for Media and Buying Services for the Barbican Centre.
18. **SOFTWARE LICENCE AND MAINTENANCE FOR MICROSOFT ENTERPRISE AGREEMENT AND COMMERCIAL OFF-THE-SHELF OF THE SHIELD OR CORPORATION OF LONDON & CITY OF LONDON POLICE PROCUREMENT STAGE 2 AWARD REPORT**
The Sub-Committee considered a report of the Chamberlain seeking approval of the award of a contract for a Software Licence and Maintenance for Microsoft Enterprise Agreement and Commercial-off-the-Shelf products.
19. **CORPORATE SUPPLIER SCORECARD RESULTS UPDATE**
The Sub-Committee considered a report of the Chamberlain updating Members on key suppliers' performance against a range of corporate policies, contract KPIs and terms and conditions.

20. DEPARTMENTAL RESPONSE TO CHIEF OFFICERS PURCHASE CARD UPDATE

The Sub-Committee considered a report of the Chamberlain updating Members on actions being taken by departments following the issue of the quarterly Chief Officers Purchase Card Report.

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

There were no non-public questions.

22. 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 urgent business.

The meeting closed at 12.56 pm

Chairman

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