

Committee(s): Procurement Sub (Finance) Committee	Date(s): 2 nd December 2019
Subject: Procurement of Vehicles	Public
Report of: Town Clerk	For Decision
Report author: Rohit Paul	

Summary

This report proposes that the procurement of vehicles is removed from the Gateway Process and no longer considered a project. A range of thresholds are proposed to maintain an appropriate level of scrutiny. This includes a revised threshold of £2,000,000, for which any vehicles procured above this amount will report to Procurement Sub Committee, for Member oversight.

Recommendation(s)

Members are asked to:

- Agree that the procurement of vehicles is removed from the Gateway Process;
- Delegate authority to the Transport Co-ordination Group (officer board) to approve the procurement of vehicles up to £250,000;
- Delegate authority to the Strategic Resources Group (officer board chaired by the Chamberlain) to approve the procurement of vehicles in the range of £250,000 - £2,000,000;
- Agree that the procurement of vehicles to the cost of £2,000,000 or above requires approval from Procurement Sub Committee.

Main Report

Background

1. The Projects Procedure currently defines projects as activities that 'result in tangible, physical deliverables.' The current procedures also contain a threshold of £50,000 for capital acquisitions.
2. As this threshold is relatively low and captures all capital acquisitions above £50,000, basic procurement activities such as the purchase of vehicles are considered projects, which therefore mandates they formally enter the Gateway Process.
3. Consequently, officers are required to produce formal Gateway Reports and submit these to various Committees, which is a bureaucratic and inefficient way of processing procurement exercises.
4. Project Sub Committee has previously expressed a view that such activities should not be considered projects.

Proposals

5. The Corporate Programme Office has reviewed the thresholds and procedures in consultation with the Commercial Director. The following revisions are suggested to streamline the process:
 - Delegating authority to the Transport Co-ordination Group (officer group) to approve the procurement of vehicles up to £250,000;
 - Delegating authority to the Strategic Resources Group (officer group) to approve the procurement of vehicles in the range of £250,000 - £2,000,000;
 - Mandating that the procurement of vehicles to the cost of £2,000,000 or above require approval from Procurement Sub Committee;
 - Removing the procurement of vehicles from the Gateway Process henceforth.
6. These proposals will ensure Members still retain oversight over any procurement with significant costs attached, to consider issues such as VFM and whether to purchase or lease, however they will also remove some of the existing inefficiencies.
7. The figures proposed are consistent with existing thresholds. £250,000 is the threshold for projects with revenue/ring-fenced funding and £2,000,000 is the current level of delegation from Procurement Sub Committee.
8. The City's Projects Procedure will be revised in the future to reflect these changes.

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