

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

Apologies 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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