



## Procurement Sub (Finance) Committee

**Date:** WEDNESDAY, 20 OCTOBER 2021  
**Time:** 9.30 am  
**Venue:** COMMITTEE ROOM 3 - 2ND FLOOR WEST WING, GUILDHALL

**Members:** Hugh Morris (Chairman)  
Deputy Robert Merrett (Deputy Chairman)  
Randall Anderson  
Deputy Roger Chadwick  
Michael Hudson  
Deputy Jamie Ingham Clark  
Paul Martinelli  
Jeremy Mayhew  
Susan Pearson  
Deputy Philip Woodhouse

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<https://youtu.be/b4CvKCZC00U>

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 Items**

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 agree the public minutes of the meeting held on 15th July 2021.  

**For Decision**  
(Pages 5 - 8)
4. **PROCUREMENT SUB-COMMITTEE WORK PROGRAMME: OCTOBER 2021**  
Report of the Chief Operating Officer.  

**For Information**  
(Pages 9 - 10)
5. **CITY PROCUREMENT QUARTERLY PROGRESS REPORT (Q1 FY2021/22)**  
Joint report of the Chamberlain and the Chief Operating Officer.  

**For Information**  
(Pages 11 - 14)
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 Items**

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

To agree the non-public minutes of the meeting held on 15th July 2021.

**For Decision**  
(Pages 15 - 18)

10. **NPCC CYBERCRIME PROGRAMME NATIONAL FRAMEWORK AGREEMENT FOR THE PROVISION OF CRYPTOCURRENCY STORAGE AND REALISATION SERVICES - INCREASE IN CONTRACT VALUE**

Report of the Police Commissioner.

**For Decision**  
(Pages 19 - 24)

11. **CIVIL PARKING & TRAFFIC ENFORCEMENT; OFF STREET CAR PARKS MANAGEMENT AND BARRIER EQUIPMENT REPLACEMENT; PROVISION OF CCTV ENFORCEMENT CAMERAS; AND SUPPORT SERVICES FOR COLLECTING PAYMENTS AND ISSUING NOTICES PROCUREMENT STAGE 2 - CONTRACT AWARD**

Report of the Chief Operating Officer.

**For Decision**  
(Pages 25 - 34)

12. **PAN-LONDON SUBSTANCE MISUSE PROGRAMME PROCUREMENT STAGE 1 STRATEGY**

Report of the Chamberlain.

**For Decision**  
(Pages 35 - 42)

13. **INSURANCE - PROPERTY PROCUREMENT STAGE 2 AWARD**

Report of the Chief Operating Officer.

**For Decision**  
(Pages 43 - 48)

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**

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## PROCUREMENT SUB (FINANCE) COMMITTEE

Thursday, 15 July 2021

Minutes of the virtual meeting of the Procurement Sub (Finance) Committee held on  
Thursday, 15 July 2021 at 11.00 am

### Present

#### Members:

Hugh Morris (Chairman)  
Deputy Robert Merrett (Deputy Chairman)  
Michael Hudson  
Deputy Jamie Ingham Clark  
Paul Martinelli  
Susan Pearson

#### Officers:

Lisa Moore	- Chamberlain's Department
Liane Coopey	- Community & Children's Services Department
Gerry Kiefer	- Open Spaces
Sharon Lokko	- Chamberlain's Department
Graeme Quarrington-Page	- Chamberlain's Department
Darran Reid	- Chamberlain's Department
Oli Watling	- Chamberlain's Department
Darran Reid	- Chamberlain's Department
Antoinette Duhaney	- Town Clerk's Department

#### 1. APOLOGIES

Apologies for absence were received from Randall Anderson and Jeremy Mayhew.

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

None.

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

RESOLVED – That the public minutes of the meeting held on 9 June 2021 be agreed as a correct record.

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

The Sub Committee considered a report of the Chamberlain outlining the workplan for future meetings.

Given the light agenda for September, Members requested officers to consider whether this meeting could be cancelled and any business carried forward to the October meeting.

RESOLVED –

1. That the report be noted.
2. That Officers explore scope for cancelling the September meeting and carrying agenda items forward to the following meeting.

5. **CITY PROCUREMENT QUARTERLY PROGRESS REPORT**

The Sub Committee considered a report of the Chamberlain providing an overview of the work of City Procurement, key performance indicators and areas of progress.

Members commended Officers for their efforts in achieving savings targets for 2020/21 in challenging circumstance and a request was made for a table detailing the savings achieved to be circulated to Sub Committee Members.

RESOLVED –

1. That the report be noted.
2. That a table detailing the savings achieved, be circulated to Sub Committee Members.

6. **CITY PROCUREMENT EFFICIENCY AND SAVINGS TARGET 2021/22**

The Sub Committee considered a report of the Chief Operating Officer detailing the efficiency and savings target set for City Procurement the 2021/22 financial year.

RESOLVED – That the City Procurement Efficiency and Savings target of £9,944,417 for the 2021/22 financial year be noted.

7. **HIGHWAY CONSTRUCTION & MAINTENANCE TERM CONTRACT  
TENDER: RESOLUTION FROM STREETS & WALKWAYS SUB  
COMMITTEE (29TH APRIL 2021)**

The Sub Committee considered a request from the Streets & Walkways Sub Committee (S&WSC) regarding the procurement strategy for the selection of a new term contractor for highway construction & maintenance services.

The Chairman reported that in the light of concerns raised by the S&WSC, he had met with the S&WSC Chairman to consider the budgetary and service challenges. Following, reassurances around the sound elements in the contract that have underpinned the work, and the overall approach, a revised 50:50 split was supported.

RESOLVED – That the revised 50:50 split for price and quality be agreed.

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

None.

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

See item 9a below.

9.1 **Modern Slavery Statement Update for 2020/21**

The Sub Committee considered a report of the Chamberlain regarding proposed updates to the statement to comply with any revised requirements for the City Corporation in the discharge of its local authority and other public functions.

RESOLVED – That the proposed updates to the CoL Modern Slavery Statement 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 the remaining 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**

The non-public minutes of the meeting held on 9 June 2021 were agreed as a correct record.

12. **CONTRACT VARIATION (CENTRAL LONDON WORK: WORK AND HEALTH PROGRAMME)**

The Sub Committee considered a report of the Director of Central London Forward seeking approval to increase the contract value of the Job Entry Targeted Support (JETS) component of the Central London Works, Work and Health Programme (CLW-WHP).

13. **CLOUD SERVICE PROVIDER (CSP) AWARD**

The Sub Committee considered a report of the Chief Operating Officer seeking approval to award a contract for a CSP.

14. **MECHANICAL AND GAS APPLIANCE TESTING AND MAINTENANCE AT DCCS HOUSING PROPERTIES - PROCUREMENT STAGE 2 AWARD REPORT**

The Sub Committee considered a report of the Chamberlain seeking approval to award a contract for the provision of mechanical and gas appliance testing and maintenance services for City of London housing properties, managed by the Department of Community & Children's Services (DCCS).

15. **EXTENSION ON CONTRACT FOR NATIONAL CYBER CRIME TRAINING**

The Sub Committee considered a report of the Commissioner, City of London Police regarding the provision of National Cyber Crime Training.

**16. DEPARTMENTAL RESPONSE TO LATEST CHIEF OFFICERS PURCHASE CARD REPORT - JULY 2021**

The Sub Committee considered a report of the Chamberlain regarding the use of purchase cards by the CoLP and measures in place to minimise potential VAT losses.

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

None.

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

There was one item of business.

**The meeting ended at 11.29 am**

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Chairman

**Contact Officer: Antoinette Duhaney, [antoinette.duhaney@cityoflondon.gov.uk](mailto:antoinette.duhaney@cityoflondon.gov.uk)**



**Procurement Sub-Committee – Work Programme October 2021**

Meeting:	15 July 2021	16 September 2021	21 October 2021	25 November 2021
	<b>Strategy, Policy, Continuous Improvements and Performance</b>			
	<ul style="list-style-type: none"> <li>• Response to Chief Officers Purchase Card Report (non-public, for information)</li> <li>• City Procurement Quarterly Update (public, for information)</li> <li>• Procurement Targets update (public, for information)</li> </ul>	Meeting cancelled	<ul style="list-style-type: none"> <li>• City Procurement Quarterly Update (public, for information)</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Update (public, for information)</li> <li>• Procurement Targets update (public, for information)</li> </ul>
				<ul style="list-style-type: none"> <li>• Architects, Stage 2 (non-public, for decision)</li> </ul>
	<b>Contract Management and Responsible Procurement</b>			
	<ul style="list-style-type: none"> <li>• Modern Slavery Statement Update (public, for information)</li> </ul>		<ul style="list-style-type: none"> <li>• NPCC cybercrime agreement for crypto currency storage</li> <li>• Civil parking &amp; traffic enforcement</li> <li>• Pan-London Substance Misuse Programme Procurement</li> <li>• Insurance - Property Procurement Stage 2 Award</li> </ul>	<ul style="list-style-type: none"> <li>• Update on the Purchased Goods &amp; Service Project Plan under the Climate Action Strategy (for information)</li> <li>• Responsible Procurement Policy Commitments and high level action plan (for approval)</li> <li>• Update on Supplier Diversity Action Plan (for approval)</li> </ul>

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<b>Committee(s)</b>	<b>Dated:</b>
Procurement Sub Committee	20 October 2021
<b>Subject:</b> City Procurement Quarterly Progress Report (Q1 FY2021/22)	<b>Public</b>
<b>Report of:</b> The Chamberlain and the Chief Operating Officer	<b>For Information</b>
<b>Report author:</b> Andrew Lenihan, Head of Accounts Payable	

## Summary

The report updates Members on the work of City Procurement, key performance indicators and areas of progress.

Performance for Q1 2021/22 financial year is summarised below:

- Procurement savings Q1 FY 2021/22 of £974,000, made up of £360,000 Commercial Contract Management savings and £614,000 Sourcing & Category Management savings.
- Purchase order compliance was 99% (target of 97%).
- 96% of all supplier invoices were paid within 30 days (target of 97%).
- 89% of SME invoices were paid within 10 working days (target of 88%).
- Non-compliant waivers over £50k:
  - Two non-compliant waivers over £50,000 totalling £426,610 which were Procurement Code Breaches.

## Recommendations

- Members are asked to note the report.

## Main Report

### Background

1. City Procurement has three main functions: Category Management/Sourcing, Commercial Contract Management, and Policy & Compliance. City Procurement now sits within the remit of the Chief Operating Officer, while Accounts Payable has been removed from City Procurement and remains within the Chamberlain's Department. This report provides an update on the progress and current performance against the service KPIs set out in the Chamberlain's Business Plan.

### Efficiency and Savings

2. City Procurement is set an annual savings target at the start of each year based on the contracts to be let during the financial year that have the potential to make efficiency or cost savings and contracts let in previous years that are generating guaranteed savings in the current year. Contracts are reviewed by Category and savings are set using industry benchmarks. The 2021/22 City Procurement savings target is £9.9m.

### 2021/22 Efficiencies and savings as at 30 June 2021

- Sourcing & Category Management achieved procurement savings of £614,000 while Commercial Contract Management achieved efficiencies and savings to the value of £360,000, giving total savings for Q1 FY 2021/22 of £974,000.

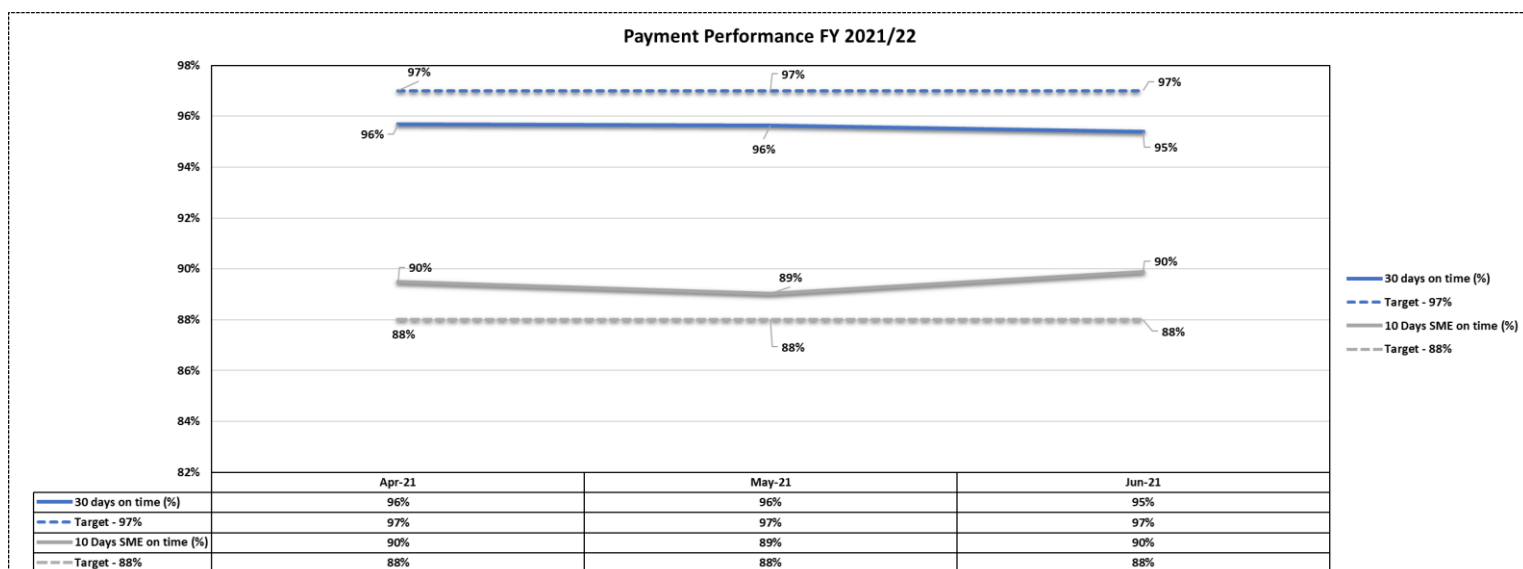
### Accounts Payable Performance – Compliance with No PO No Pay Policy

- We continued to achieve high levels of compliance with 99% PO compliance for Q1 FY 2021/22, thereby exceeding our target of 97%.

### Payment Performance

- The Corporation's 30-day invoices paid-on-time performance for Q1 FY 2021/22 was 96%, falling just short of the target of 97%. Our 10-day SME invoice payment performance for Q1 FY 2021/22 was 89%, exceeding the 88% target.

**Figure A: 30-Day and 10-Day Payment Performance trend charts**



### Electronic Invoices Received

- Of all the invoices received from suppliers in Q1 FY 2021/22, 95% were in the desired True PDF format, far exceeding the target of 80%.
- Throughout Q1 Accounts Payable staff continued to work from home (or remotely). They started to return to office-working on 19 July and since the start of September have been working in the office twice a week. Even though there is now a regular team presence in the office, the necessity for invoices to be submitted electronically remains. Furthermore, we have not issued any cheques, which are comparatively expensive and inefficient, since returning to regular office-based working.

### Non-compliant Waivers

- The use of non-compliant waivers continued to be exceptional with only one Poor Operational Planning and two Procurement Breach waivers issued in Q1 of FY 2021/22:

<b>Waiver Reason</b>	<b>Total Number</b>	<b>Total Value (£)</b>
Poor Operational Planning	0	0
Procurement Code Breach*	2	426,610
<b>Total</b>	<b>2</b>	<b>426,610</b>

9. In Q1 of the previous financial year there were also two Procurement Code breaches. City Procurement will continue to monitor the situation and deploy Waiver Danger messaging as required.

### **Freedom of Information (FOI) Requests**

10. City Procurement received thirteen FOI requests between April and June 2021 totalling twenty-two hours of officer time. This has significantly increased from the previous quarter which saw 7 requests take up 8 hours of officer time.
11. Members of Procurement Sub Committee have asked City Procurement to review any solutions which would make FOIs easier and quicker to answer. Weekly touch-ins for officers answering FOIs and the Assistant Director of Commercial Contract Management have been put in place for this review. City Procurement will report any interventions in the next quarterly update.
12. Analysing the make-up of FOIs for this period gives the following categorisation:

<b>Nature of FOI Query</b>	<b>Instances</b>
Contract Specific	8
Compliance Specific	1
Seeking Sales Opportunity	4
<b>Grand Total</b>	<b>13</b>

13. City Procurement received a total 13 FOI requests, amounting to 22 hours of officer time, during Q1 FY 2021/22. This compares to 7 requests and 16 hours of officer time in Q1 FY 2020/21.

### **Conclusion**

14. Both the 30-day and 10-day payment performance figures for Q1 FY 2021/22 saw a significant improvement compared to the previous quarter, with the former rising from 91% to 96%, just short of the 97% target, and the latter climbing from 85% to 89%, exceeding 88% target. PO compliance remained high at 99%, above the 97% target, and 95% of invoices were received in the desired True PDF format, well above the 80% target. The number of FOIs received in Q1 FY 2021/22 has nearly doubled compared with the corresponding quarter of the previous financial year, so weekly touch-ins have been booked to monitor FOIs and decide how best to manage these requests.

### **Report Author**

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