

RESOLUTION

FROM: PROCUREMENT SUB (FINANCE) COMMITTEE

9th September 2020

TO: PROJECTS SUB (POLICY & RESOURCES) COMMITTEE 21st October 2020

PERFORMANCE BONDS

In response to a resolution from the Projects Sub Committee, the Procurement Sub Committee at its meeting on 9th September, considered an oral report of the Chamberlain updating Members on the practicalities of using performance bonds.

Members noted that following the resolution from the Projects Sub Committee, Officers were exploring the scope to include performance bonds as part of contract tendering process as part of the options appraisal to inform decisions on whether a performance bond was appropriate/counter productive on a case by case basis.

In response to observations from Members, Officers stated that this was a balancing act as only larger entities were able to deploy on demand bonds and an element of flexibility was needed so that SMEs were not disadvantaged in the bidding process and avoid unnecessarily onerous financial assessments.

Members requested Officers to ensure that the use of Performance Bonds would be part of the standard options appraisal template used for all future projects and that the Projects Sub Committee be advised accordingly.

RESOLVED – That Project Sub Committee notes that the use of Performance Bonds will be part of the standard options appraisal template used for all future projects.