

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 30 JUNE 2011**

Councillors *Goldberg (Chair), *Bevan, *Kober and * Reith

*Present

Also Present: Councillor Bull

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC01.	<p>DECLARATIONS OF INTEREST (Agenda Item 3)</p> <p>Councillor Bevan in respect of item 7 Downhills Primary School Reception and Kitchen Works</p>	HLDMS
PROC02.	<p>MINUTES (Agenda Item 4)</p> <p>RESOLVED</p> <p>That the minutes of the meeting held on 12 May 2011 be approved and signed.</p>	HLDMS
PROC03.	<p>COMMUNITY MEALS CONTRACT (Report of the Director of Adult and Housing Services - Agenda Item 6)</p> <p>We noted that the report sought our approval to a rectification of the decision taken at our meeting on 6 July 2010 to extend the contract for the provision of Community Meals by correcting the name of the contractor to whom the contract extension was granted from Sodexo Healthcare Services Ltd. to Sodexo Ltd. Approval was also sought to novate the contract from Sodexo Healthcare Services Ltd. to Sodexo Ltd.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That approval be granted to the variation of Minute PROC 10 (2010/11) so as to award the extension of the contract for the provision of Community Meals to Sodexo Ltd. 2. That approval also be granted to the novation the contract for Community Meals from Sodexo Healthcare Services Ltd to Sodexo Ltd. 	<p>DAHS</p> <p>DAHS</p>
PROC04.	<p>DOWNHILLS PRIMARY SCHOOL RECEPTION AND KITCHEN WORKS (Report of the Director of the Children and Young Peoples Service - Agenda Item 7)</p> <p>Councillor Bevan declared a personal interest in this item by virtue of being Chair of the London Housing Consortium.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt</p>	

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 30 JUNE 2011**

	<p>information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>We noted that the report sought approval to appoint a recommended contractor to carry out re-modelling works at Downhills Primary School and to issue a letter of intent prior to formal contract signature for 10% of the contract value. in accordance with CSO 12.02.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for the re-modelling works at the Mulberry Primary School to Diamond Build plc on the terms and conditions set out in the Appendix to the interleaved report. 2. That in accordance with Contract Standing Order 12.02 approval be granted to the issuing of a letter of acceptance prior to formal contract signature for 10% of the contract value. 	<p>DCYPS</p> <p>DCYPS</p>
<p>PROC05.</p>	<p>REVISIONS TO CONTRACT STANDING ORDERS (Report of the Director of Corporate Services - Agenda Item 6)</p> <p>We noted that the Council's Contract Standing Orders (CSOs) set out the rules that must be observed to ensure continued compliance with EU and English law and therefore needed to be reviewed from time to time to ensure they remain "fit for purpose". We also noted that the Council needed to achieve significant cost saving efficiencies and in this regard, it was proposed to increase the delegated powers of Directors and adjust the balance between "requests for quotation" and tendering procedures; whilst ensuring sufficient competition to achieve overall best value for the Council.</p> <p>Having noted that many of the changes involved the raising of threshold levels at which officers could award, vary or extend contracts clarification was sought of how the changes would be communicated to staff and what safeguards would be in place to ensure compliance with CSOs.</p> <p>We were informed that the proposals reflected the need of the Council achieve significant cost saving efficiencies and in this regard, it was proposed to increase the delegated powers of Directors and adjust the balance between "requests for quotation" and tendering procedures whilst ensuring sufficient competition to achieve overall best value for the Council. The proposed changes would provide alignment of delegated powers of authority across the CSOs and also raise the threshold at which tendering procedures were to be applied. These changes would enable staff cost efficiencies to be achieved.</p> <p>The only financial risk identified as a result of the proposed changes would apply to procurement below the amount at which Corporate Procurement would become involved, i.e. £50,000, if the business units should not follow procedures that would provide best value for the Council. This had been mitigated by the Head of Procurement</p>	

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 30 JUNE 2011**

	<p>reserving the right to determine another process for selecting a contactor that would meet the best value criteria. The decision and process in such cases had to be properly documented.</p> <p>We were also informed that the Head of Procurement would be writing to Directorates about the changes and arranging seminars for staff. Compliance with the revised CSO's across the Council would be tested as part of the annual internal audit programme of work and, during 2011/12, this would include a specific audit review to provide assurance that Directorates had adequate systems in place to ensure compliance with the new CSO limits. In addition, internal audit would work with Corporate Procurement to undertake ongoing reviews using expenditure information in SAP to ensure that Directorates' expenditure complied with the Council's CSO's.</p> <p>We requested that in addition to the programmed audit work the Head of Procurement carry out spot monitoring involving random samples of procurements made by Directorates within the increased delegated limits and report the results to us periodically. We also asked to be supplied with details of the bench making with other London Borough Councils exercise carried out by the Head of Procurement with regard to threshold limits.</p> <p>We were of the view that sufficient mitigation against risk from the increased thresholds proposed had been built in to the revised procedures and we</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That approval be granted to the proposed amendments to the Council's Contract Standing Orders as set out in the interleaved report. 2. That the amendments be recommended for adoption by the full Council. 	<p>HPr</p> <p>DCR</p> <p>DCR</p>
--	---	----------------------------------

The meeting ended at 18.55 hours.

JOE GOLDBERG
Chair