MINUTES

Meeting: GLA Group Collaborative Procurement Board
Date: Wednesday 10 May 2017
Time: 11.00 am
Place: Committee Room 4, City Hall, The Queen's Walk, London, SE1 2AA

Summary minutes of the meetings of the Collaborative Procurement Board will be published on the GLA's website at https://www.london.gov.uk (except in those cases where information in the papers may be exempt from disclosure under the Freedom of Information Act). Meetings of this internal officer-level Board will not be held in public and are only open to those invited to attend by the Chair of the Board.

Present:

Members:
David Bellamy, GLA (Chair)
Sue Budden, LFEPa
Gerry Murphy, LLDC
Siobhan Peters, MOPAC
David Wylie, TfL
Michael Hawdon, PwC (Non-voting co-opted Member)

Officers and Guests:
Matt Beals, Financial Analyst, GLA
Paul Butcher, Metropolitan Police Service (MPS)
Eleanor Lloyd, Senior Board Officer, GLA
Martin Clarke, Executive Director of Resources, GLA
Andrew Mayes, Collaborative Procurement Lead, TfL
Tim Rudin, Supplier Skills Project Manager, TfL (Items 1-6)
Jasbir Sandhu, Head of Finance and Operations, GLA
Doug Simpson, Principal Policy and Programme Officer - Environment, GLA (Item 6)
Tim Steer, Head of Transport, GLA (Items 1-5)
Simon Wilson, Commercial Director, MPS
Hannah White, Freight and Fleet Programme Manager, TfL (Items 1-5)
1 Apologies for Absence and Chair’s Announcements (Item 1)

1.1 Apologies for absence were received from Doug Wilson, OPDC, for whom Jasbir Sandhu attended as an alternate.

2 Declarations of Interest (Item 2)

2.1 There were no declarations of interests.

3 Minutes of the Previous Meeting (Item 3)

3.1 DECISION:

That the minutes of the meeting of the GLA Group Collaborative Board held on 22 February 2017 be agreed as a correct record.

4 Actions Arising from the Previous Meeting (Item 4)

4.1 The Board received a report which set out the completed and outstanding actions arising from previous meetings. Verbal updates were provided as follows.

4.2 Actions from 22 February 2017:

- Information on cost benefit analysis for potential new categories was still being collated.
- Spend analysis had recently been received from the MPS that would enable future versions of the savings tracker to include a forecast. This would be circulated to the Board when available.  
  [Action: Andrew Mayes]
- The IR35 Intermediaries Legislation document provided to the last Board meeting had been final; there were no further updates.

4.3 Actions from 30 November 2016:

- Group IT meetings had been productive and similar meetings were being scheduled for estates to facilitate collaborative learning.
- The GLA Executive Director of Resources informed the Board that discussions regarding wider collaboration were ongoing. A meeting had been held with PwC to review the complex procurement categories with a view to developing a proposed way forward. Any proposal would be circulated to the Board, hopefully prior to the next meeting.  
  [Action: Martin Clarke]

4.4 Actions from 4 December 2015:

- Information was awaited from MOPAC on the potential use of the Customer Research and Insight Services Framework by the MPS.

4.5 The Chair requested that a summary of lessons learned from the original procurement categorisation process be presented to the Board at its next meeting.  
  [Action: Michael Hawdon]
5 HGV Direct Vision Standard: Incorporation into GLA Group Contracts (Item 5)

5.1 Hannah White, Freight and Fleet Programme Manager, TfL, gave a presentation on the proposed implementation of the Direct Vision Standard (DVS) for Heavy Goods Vehicles (HGVs). Introduction of the DVS was a Mayoral manifesto commitment that would improve the safety of cyclists and pedestrians by improving visibility and minimising blind spots from HGVs.

5.2 Building on Work Related Road Risk (WRRR) clauses that had been built into TfL contracts since 2012, the Standard would be incorporated into GLA Group contracts from the 2017/18 financial year, requiring suppliers to achieve compliance in a phased manner. Compliance would also be required from all subcontractors operating within London. DVS implementation plans would be required from potential suppliers as part of the tender process and agreed plans would form part of any subsequent contract. There would be additional flexibility for smaller businesses to ensure they were not disproportionately affected by the requirements.

5.3 The implications for suppliers were discussed and it was recognised that relative costs would vary depending on where a given supplier was in its fleet renewal cycle. Any potential transfer of those costs into GLA Group contracts would in part be a function of the contract length, with impacts on long term contract costs expected to be relatively smaller than those for shorter term contracts.

5.4 Members heard that monitoring of compliance would primarily be operated and managed by TfL’s WRRR team. Detailed guidance had been developed for both potential suppliers and for staff involved in procurement to help them through the process. Achieving full compliance would be an iterative process and TfL had already engaged extensively with trade associations and its construction logistics group to raise awareness, in addition to the public consultation on the London-wide standard that had closed in April.

5.5 It was suggested that TfL convene meetings or workshops to enable staff of GLA Group organisations to access detailed technical guidance on how to implement the DVS in their contracts and their own fleets. Members were asked to provide relevant contacts and the Chair requested that a report be presented to a future meeting on progress and the challenges of implementation across the Group. [Action: Hannah White]

5.6 DECISIONS:

That:

(a) The Mayoral commitment to include the HGV Direct Vision standard within TfL and GLA contracts be noted;

(b) The approach taken by TfL to meeting this commitment within its own contracts and the support available for others to follow this approach be noted; and

(c) That a report be brought to a future meeting setting out progress towards implementation and associated challenges.
6a  GLA Group Responsible Procurement Policy (Item 6a)

6.1 Doug Simpson, Principal Policy and Programme Officer - Environment, GLA and Tim Rudin, Supplier Skills Project Manager, TfL, presented an updated version of the proposed GLA Group Responsible Procurement Policy (RPP). Minor updates had been made in response to comments from Members at the previous Board meeting and the GLA Deputy Mayors and Mayoral Directors had been consulted on the draft Policy.

6.2 Two amendments to the RPP V7.10, as set out below, were suggested and agreed.

1 Embedding Fair Employment Practices section, first bullet to be replaced with:
   “Establishing the Mayor’s planned compact with employers as a key part of our dialogue with suppliers, encouraging them to join the scheme and requiring that all suppliers have fair employment terms and pay, including the London Living Wage, to the extent permitted by law.”

2 Improving Environmental Sustainability section, final bullet to be replaced with:
   “Encouraging the uptake of walking and cycling including by their employees, customers and suppliers, and working with suppliers to improve the safety of cyclists and walkers”
   [Action: Doug Simpson]

6.3 Following a formal decision by the Mayor on the adoption of the policy, individual GLA Group organisations would then need to pass the RPP through their respective governance procedures as soon as was practicable to ensure there was no delay to implementation.

6.4 The Board discussed how the requirement to pay the London Living Wage would be handled on GLA Group premises where more than one tier of contractors was operating. Due to the complexity of the issue and range of individual circumstances it was agreed that the implementation of this aspect of the RPP should be dealt with by individual GLA Group organisations in the detailed action plans to be prepared following Mayoral approval of the policy.

6.5 DECISION:

That, subject to the amendments set out at 6.2 above, GLA Group Responsible Procurement Policy V7.10 be approved in principle for final approval by the Mayor.

6b  Responsible Procurement Policy Implementation (Item 6b)

6.6 Tim Rudin, Supplier Skills Project Manager, TfL, presented a report on the implementation and resourcing of the RPP, including a gap analysis setting out the key challenges. It was proposed that a new Responsible Procurement Team (RPT) should be established to ensure consistency in implementation plans across the Group, ensure best practice and anticipate new developments such as the DVS.

6.7 It was agreed that, although reporting and data gathering would be required, any new RPT must first be a source of support and expertise for staff across the Group rather than focussing on performing a monitoring function. Given that responsible procurement standards would become embedded within GLA Group processes, this would avoid duplication of effort and ensure an RPT added value. Key functions would be to provide a single voice to the market, directing potential suppliers to relevant policies and providing further information and workshops as appropriate and advising Group staff on complex procurement issues.
6.8 The Board discussed options for the structure of any new RPT, weighing the benefits of a co-located team against the advantages of allocating an individual to be based in each GLA Group organisation. All team members would hold expertise in responsible procurement generally but would be likely to specialise in different fields. The team would report to a single manager and, on balance, it was felt that TfL Procurement may be the best place for this individual to be based and for team members to spend a proportion of their time, with the majority to be spent in other GLA Group organisations. A clear line of sight would be required from the Mayor’s office to the team. It was agreed that proposals for a team structure and location based on these principles be developed and circulated to the Board.  

[Action: Tim Rudin]

6.9 Funding options were considered and it was agreed that discussion would be taken forward outside the meeting and proposals circulated by email.  

[Action: Tim Rudin / Doug Simpson]

6.10 Officers were encouraged to take forward preparations for building the RPT in parallel with further governance processes to avoid introducing delays to delivery.

6.11 DECISION:

That, based on the discussion, options for the structure, location and funding of a GLA Group Responsible Procurement Team be developed and circulated to the Board for comment.

7 Collaborative Procurement Savings Tracker (Item 7)

7.1 The Board received the Collaborative Procurement Savings Tracker. A page had been omitted from the tracker and would be circulated following the meeting. This is attached to the minutes at Appendix 1.

7.2 It was observed that savings appeared to be slowing year on year. Andrew Mayes, Lead Commercial Manager, TfL confirmed that this reflected the fact that savings were shown when a new contract was agreed or when a contract was re-let. Savings would not be shown beyond the end of a contract period, although in practice it would be reasonable to expect a new collaborative contract to be put in place at that juncture. It was also noted that the Collaborative Procurement Team (CPT) was reaching the end of the categories originally identified for collaboration. It would now be necessary to identify additional categories for collaboration and/or to revisit the existing categories to try to identify additional savings and maintain momentum.

7.3 In terms of charges to GLA Group organisations for the collaborative procurement service, MPS spend data had now been provided so it would be possible to run analysis and identify charges for 2016/17 as well as project charges for the coming year. Analysis of categories had been undertaken to ensure that Group organisations were charged fairly for their use of the CPT and it was agreed that any information required by the MPS to undertake due diligence in relation to charging would be provided.

7.4 DECISION:

That the Collaborative Procurement Team Savings Tracker be noted.
Collaborative Procurement Implementation Plan (Item 8)

8.1 The Board received the Collaborative Procurement Implementation Plan, including the following updates:

- Office Equipment: Brexit-related price increases were expected to impact the LCG framework, used by TfL, the GLA and OPDC. The MPS would remain on the CCS framework until this issue was resolved. 

- Travel and accommodation: TfL was examining the option of joining the CCS framework, already used by the MPS. The GLA was about to seek a decision on joining the CCS framework. The CPT would provide support for framework implementation across the Group. 

- Postage: Multiple frameworks were available and it was recognised that the drivers for GLA Group organisations may differ and one framework would not necessarily be suitable for all. An update would be provided to the next meeting. [Action: Andrew Mayes]

- Records Storage: New framework agreements were now in place. It was noted that there were significant savings to be made in this category and other GLA Group organisations were encouraged to consider participating.

- Utilities: The CPT would pick up outstanding issues with LLDC to ensure this category was closed off. [Action: Andrew Mayes / Gerry Murphy]

- Recruitment Services: It was likely that all GLA Group organisations would go to market together for recruitment services later in 2017.

- Marketing: 2D/3D design: There had been little demand for these services from the Group.

- Events: A draft procurement strategy would be presented to the next Board meeting. [Action: Andrew Mayes]

- Legal Services: Support was required from lead Members to persuade service users of the benefits of wider frameworks.

8.2 DECISION:

That the Collaborative Procurement Implementation Plan be noted.

9 Print Services Category Review (Part reserved) (Item 9)

9.1 The Board received a report setting out options and recommending an approach to taking forward the Print Services category, where a mixture of delivery models was currently in operation across the Group.

9.2 A range of options had been analysed, including a Group tender for a print management company (PMC), procuring a PMC through the Crown Commercial Services (CCS) framework, a multi-lot framework and in-house print teams. Following additional analysis since the circulation of the papers, a single option of appointing a PMC via the CCS framework was now recommended.

9.3 It was important that all GLA Group organisations received a high quality service regardless of size. This would be made clear during the tender process.
9.4 DECISION:
That the CPT proceed toward selection of a single print management company for the Group via a mini-competition through the Crown Commercial Services Framework.

10 Market Research Category Review (Part reserved) (Item 10)

10.1 The Board received a report that provided an update on the position of GLA Group organisations in relation to market research services. The GLA, MPS and TfL had been considered in the recommended option as the other GLA Group organisations had no regular market research needs, although future contracts would be open to the whole Group to use.

10.2 It was noted that there were a range of different forms of market research for which Group members could align themselves (e.g. monthly polling, service user conversations) as required to make savings and improve turnaround times. The potential advantages were significant and a willingness to embrace change would be required across the Group to realise the benefits.

10.3 Further conversation would be required between the CPT, MOPAC and the MPS to distinguish the needs and aims of the latter two organisations in terms of market research.

[Action: Andrew Mayes / Siobhan Peters/ Paul Butcher]

10.4 Care would be taken to ensure that the adopted route would not disadvantage SMEs.

10.5 DECISIONS:
It was agreed that:

a) A full analysis of the current Crown Commercial Services (CCS) framework be completed and, if suitable, this framework should be utilised; and

b) If the CCS framework was not suitable, the process to issue an OJEU notice for a bespoke framework or contract should be commenced.

11 Brokerage and Insurance Services Review (Part reserved) (Item 11)

11.1 The Board received a report outlining research undertaken in to the range of insurance and brokerage agreements across the GLA Group. Extensive work had been undertaken to ascertain each organisation’s position within this category, in particular in relation to risk appetite, and those diverged widely. Expert advice had been sought from across the insurance sector and from industry experts to analyse whether a more cost effective strategy was possible.

11.2 The analysis had concluded that no significant savings would be possible if GLA Group organisations were to attempt to procure insurance services jointly and that indeed the disparity in requirements would make this exceptionally difficult to achieve. However, it was agreed that the collaborative exercise undertaken to reach the conclusion had been extremely beneficial in facilitating shared understanding of practices across the Group and that similar exercises should be encouraged.
11.3 DECISIONS:

It was agreed that:

a) Existing arrangements for both insurance broking services and the transfer of risk should remain; and

b) Each GLA Group organisation should build stronger relationships within their risk purchasing / management teams.

12 Date of Next Meeting (Item 12)

12.1 The Chair suggested that the next meeting of the Board be arranged for mid-July 2017. This was agreed.

13 Any Other Business (Item 13)

13.1 David Wylie, TfL informed the board that the CPT was expending its activities to look for new categories for collaboration and that progress would be reported to the board in due course.

13.2 Complex procurement categories represented approximately £1.1bn while the simpler categories were worth approximately £620m. It was agreed that a positive ethos of collaboration was being established and that while in some complex categories savings might not be made immediately, a general collective approach to analysis would eventually realise benefits.

13.3 It was noted that the MPS would shortly be going out for new IT and communications providers and that the CPT would be happy to advise although this was not a listed CPB category. The MPS would then also share relevant information with nationwide emergency services procurement groups.

Contact Officer: Eleanor Lloyd, Senior Board Officer; Tel 020 7983 5633; eleanor.lloyd@london.gov.uk