

Cherwell District Council

Budget Planning Committee

30 August 2016

Review of Procurement Strategy Progress

Report of Chief Finance Officer

This report is public

Purpose of report

This report summarises the Council's Procurement Strategy progress for Quarter 1 of the financial year 2016-17.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the progress made during Quarter 1 2016-17 in implementing the Council's Procurement Strategy.

2.0 Introduction

- 2.1 The shared procurement team is used to ensure we drive down costs wherever we can, improve the procurement process so it is as streamlined as possible (these are known as process savings) and ensure the regulatory minefield of procurement legislation is adhered to in order to protect the interests of the Council.

3.0 Report Details

- 3.1 The shared Procurement Team continue to collaborate with the wider procurement community to secure best value for CDC and lower the cost of procurement exercises. Examples of this are:
 - Team is currently working with Oxford City & SNC to procure tyres for the Authorities' vehicles.
 - Team recently collaborated with Oxfordshire Fire & Rescue service, Oxford City Council, Oxfordshire County Council and West Oxfordshire District Council to purchase diesel. This collaboration resulted in a total diesel requirement in excess of 1.4 million litres a year.
- 3.2 The procurement team continue to sell procurement support to the Graven Hill Development Company, advising on procurement projects with a total spend of circa £40m.

- 3.3 The Procurement Team continue to deliver best value for the Council and aggressively seek to reduce the whole life cost of projects.
- 3.4 Examples of added value achieved by the shared Procurement Team for CDC Q1 16/17 are shown in the table below.
- 3.5 The budget for running the Procurement Team for Cherwell District Council is £104,000 per annum.

Project	Procurement added value
Cost savings	
Satisfaction survey	£21,000
Sub total	£21,000
Process saving	
Contract payment schedule correction	£1000
Sub total	£1,000
Under budget	
n/a	
Sub total	£0
Bid differential	
Bicester sports facilities review	£7,500
Bicester master plan consultancy	£10,000
Retender of Kingsmere sports pavilion works	£600,000
Total	£639,500

4.0 Conclusion and Reasons for Recommendations

- 4.1 The shared procurement service continues to provide a valuable service to both Councils by delivering value for money both in terms of cost savings, cost avoidance and back end savings. The service also strives to ensure compliance with Procurement regulations. The Budget Planning Committee is recommended to note the progress made in q1 2016/17.

5.0 Consultation

The work of the Procurement Team is scrutinised by the Procurement Steering Group that comprises:

- The Monitoring Officer
- The Section 151 Officer
- The Resources Portfolio Holder

6.0 Alternative Options and Reasons for Rejection

6.1 No reasonable alternatives.

7.0 Implications

Financial and Resource Implications

7.1 There are no adverse financial effects on the Council by implementing the procurement strategy. Cashable savings will assist in protecting Council services and managing funding reductions.

Comments checked by:

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Legal Implications

7.2 Legal work closely with procurement to ensure that our processes are compliant and not open to challenge. The monitoring officer also plays a key role as part of the Procurement Steering Group.

Comments checked by:

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

Sound budgets and customer focused council

Lead Councillor

Not applicable.

Document Information

Background Papers	
None	
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