

**Cherwell District Council**  
**Budget Planning Committee**

**1 November 2016**

<b>Review of Procurement Strategy Progress</b>
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**Report of Chief Finance Officer**

This report is public

**Purpose of report**

This report summarises the Council's Procurement Strategy progress for Q2 of the financial year 2016-17.

**1.0 Recommendations**

The meeting is recommended:

- 1.1 That the Committee note the progress made during Q2 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 procurement team continue to sell procurement support to the Graven Hill Development Company, advising on procurement projects with a total spend of circa £40m.
- 3.2 The Procurement Team continue to deliver best value for the Council and aggressively seek to reduce the whole life cost of projects.
- 3.3 Examples of added value achieved by the shared Procurement Team for CDC Q2 16/17 are shown in the table below.
- 3.4 The budget for running the Procurement Team for Cherwell District Council is £104,000 per annum.

Project	Procurement added value		Cumulative Total
	Q1	Q2	
<b>Cost savings</b>			
Satisfaction survey	£21,000		
Banking services		£18,000	
Early payment discount for Diesel		£500	
Woodgreen leisure centre management		£938,000	
<b>Sub total</b>	<b>£21,000</b>	<b>£956,500</b>	<b>£977,500</b>
<b>Process saving</b>			
Contract payment schedule correction	£1,000		
Internal audit contract extension		£6,000	
<b>Sub total</b>	<b>£1,000</b>	<b>£6,000</b>	<b>£7,000</b>
<b>Under budget</b>			
n/a			
<b>Sub total</b>		£0	
<b>Bid differential</b>			
Bicester sports facilities review	£7,500		
Bicester master plan consultancy	£10,000		
Retender of Kingsmere sports pavilion works	£600,000		
<b>Sub total</b>	<b>£617,500</b>	<b>£0</b>	<b>£617,500</b>
<b>Total</b>	<b>£639,500</b>	<b>£962,500</b>	<b>£1,602,000</b>

3.5 The list below is a sample of current procurement activity:

Project	Comment
Car park management	Currently at early stages of a competitive dialogue process.
Off site document storage	Reviewing requirement, seeking to reduce requirement prior to competitive process.
Internal Audit services	In discussions with Kettering & Wellingborough about aggregating requirement and running a further competition using established framework.

PAT testing	Established detailed specification prior to direct appointment using established framework.
Paper shredding	Currently benchmarking prices prior to deciding strategy.
Cash collection	Reviewing specification and possible contract extension.
Advertising services	Seeking service area contacts and commitment to participate in single cdc/snc wide project prior to running a competitive process.
Website design/hosting and support	Specification being finalised prior to sourcing via CCS GCloud.
Debt and money advice	Currently out to tender, responses due back end of the month.
Biomass wood pellet supply	Reviewing specification and evaluation criteria and weightings prior to running competitive process.
Agency staff	Seeking authority to award contract for non-professional agency staff from Executive and Cabinet in December. Devising strategy to ensure successful implementation if authorisation given

## 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 q2 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

<b>Background Papers</b>	
None	
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