

Cherwell District Council
Budget Planning Committee

28 February 2017

Review of Procurement Strategy Progress
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Report of Chief Finance Officer

This report is public

Purpose of report

To summarise the Council's Procurement Strategy progress for Q3 of the financial year 2016-17.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the progress made during q3 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 Q3 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	Q3	
Cost savings				
Satisfaction survey	£21,000			
Banking services (£18,000 over 4 years)		£1,125	£1,125	
Early payment discount for Diesel (£500 over 1 year)		£125	£125	
Woodgreen leisure centre management (£938,000 over 18 years)		£13,000	£13,000	
Legal support (£10,000 over two years)			£1,250	
On line legal database access (£9,000 over three years)			£750	
Sub total	£21,000	£14,250	£16,250	£51,500
Process saving				
Contract payment schedule correction	£1,000			
Internal audit contract extension		£6,000		
Choice based letting software leasing			£6,000	
ICT support			£3,000	
Staff benefit service			£3,000	
PAT testing			£3,000	
Sub total	£1,000	£6,000	£15,000	£22,000
Under budget				
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			
Commercial health check consultancy			£8,700	
Commercial training			£7,740	
Sub total	£617,500	£0	£16,440	£633,940
Total	£639,500	£20,250	£47,690	£707,440

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

Project	Comment
Car park management	Currently conducting a competitive dialogue process.
Distribution of Cherwell Link	Talking to DDC about possible collaboration with CDC & SNC prior to tender exercise.
Internal Audit services	In discussions with Kettering & Wellingborough about aggregating requirement and using an established framework.
Cash collection	Reviewing specification and possible contract extension or retender with collaboration with DDC.
Advertising services	Working with Communications team to agree a joint CDC/SNC specification prior to running a competitive process.
Debt and money advice	Selection finalised, contract sign imminent service due to go-live April.
Agency staff	Following authority to award being granted from Executive working to ensure successful launch and contract management is in place.
Bicester Sports Village and Stratfield Brake Sports Grounds management	Tendering requirement to manage both facilities.
Dry waste recycling	Early market engagement to shape project.

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 q3 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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