

Cherwell District Council
Budget Planning Committee

31 October 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 Quarter 2 of the financial year 2017-18.

1.0 Recommendations

- 1.1 That the Committee notes the progress made during Quarter 2 2017-18 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 whilst maintaining or improving quality.
- 3.3 Examples of added value achieved by the shared Procurement Team for Cherwell District Council Quarter 2 17/18 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	
Cost savings			
Banking services (£18,000 over 4 years-starting q2 16/17)	£1,125	£1,125	
Early payment discount for Diesel (£500 over 1 year starting q2 16/17)	£125	£125	
Woodgreen leisure centre management (£938,000 over 18 years starting q2 16/17)	£13,000	£13,000	
Legal support (£10,000 over two years starting q3 16/17)	£1,250	£1,250	
On line legal database access (£9,000 over three years starting q3 16/17)	£750	£750	
Waste Management software (£7,621 over 4 years starting q4 16/17)	£476	£476	
Agency Staff (£230,000 over 2 years starting q4 16/17)	£28,750	£28,750	
Internal Audit (£35,887 over 3 years starting q1 17/18)	£2,990	£2,990	
Distribution of Cherwell Link (£15,663 over 3 years starting q1 17/18)	£1,305	£1,305	
Car Park Management Services (£461,000 over 5 years starting q1 17/18)	£23,050	£23,050	
HR & Payroll software (£115,500 over 4 years starting q1 17/18)	£7,218	£7,218	
Wider Area Network supply for both councils (£232,960 over 5 years starting q2 17/18)		£11,648	
External Data centre (£137,000 over 5 years starting q2 17/18)		£6,850	
Installation of Xmas lights (£1500 over 2 years starting q2 17/18)		£187	
Sub total	£80,039	£98,724	£178,763

Process saving			
Wide area network		£3,000	
Sub total	£0	£3,000	£3,000
Under budget			
Sub total	£0	£0	£0
Bid differential			
Sub total	£0	£0	£0
Total	£80,039	£101,724	£181,763

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

Project	Comment
Advertising services	Implementing new single on line portal and finalising training.
External printing	Currently finalising documents for market engagement.
Insurance	Currently reviewing cover and excess details with a broker prior to competitive market engagement via CCS framework.
Water dispensers	Working with FM to rationalise existing estate prior to competitive process.
Dry waste recycling	Tender advertised, await submission of bids.

4.0 Conclusion and Reasons for Recommendations

4.1 The shared procurement service continues to provide a valuable service to both Councils by delivering added value whilst striving to improve quality and ensuring compliance with Procurement regulations. The Budget Planning Committee is recommended to note the progress made in Quarter 2 2017/18.

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 This report is for information only, members may ask for further information if required.

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:

Sanjay Sharma, Interim Head of Finance, 01295 221564
sanjay.sharma@cherwellandsouthnorthants.gov.uk

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:

Nigel Bell, Interim Legal services Manager, 01295 221687,
nigel.bell@cherwellandsouthnorthants.gov.uk

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	
Report Author	Richard Stirling
Contact Information	01327 322113 richard.stirling@cherwellandsouthnorthants.gov.uk