



Haringey Council

Agenda item:

[No.]

Procurement Committee

On 16th September 10

Report Title. Office Stationery – Award of Contract

Report of Director of Corporate Resources

Signed :

LEAD FINANCE OFFICER

28 AUGUST 2010

Contact Officer : Janet Siman

Principal Procurement Officer

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Wards(s) affected: All

Report for: Key

1. Purpose of the report (That is, the decision required)

- 1.1 To seek Member approval for the award of a contract for the provision of office stationery for Haringey Council

2. Introduction by Cabinet Member (if necessary)

- 2.1. Cabinet Member is aware of this report and has advised that no comment is necessary

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- A greener, cleaner and more sustainable future

A sustainable approach to purchasing office supplies of stationery. A greener environmental friendly product range of supplies.

- Spending wisely and investing in the future.

To provide through the contract a policy of reducing waste by the ordering of unnecessary products. A rationalisation of the products available to order.

4. Recommendations

- 4.1 Members to approve the award contract for the provision of office stationery to the contractor as identified in Appendix A

5. Reason for recommendation(s)

- 5.1 The supply of office stationery is an essential Council wide service. As part of this tender process a Value for Money review has also taken place with the Haringey Forward Team.

6. Other options considered

- 6.1 To carry out a full EU tender process that would prove to be costly and time consuming.
- 6.2 To re-award to the same supplier through LCSG.

7. Summary

- 7.1 Haringey Council currently purchase office supplies from the London Contract and Supplies Group (LCSG) framework. The contract was re-awarded to Office Depot for a period of 1st April 2010 – 31st March 2014. The contract documentation has just been agreed by Hammersmith Council and is currently being sent out to all London Boroughs for them to gain authorisation to join the Framework. Haringey have taken this opportunity to undertake a benchmarking exercise for stationery and if this recommendation is agreed will not be signing up to the new LCSG contract
- 7.2 The office of Government Commerce (OGC) Buying Solutions awarded a

framework agreement for stationery supplies to 5 suppliers which commenced on 08/01/2010 for 4 years. These suppliers are: Office Depot, Supplies Team, Lyreco, Commercial Group, Banner Solutions

- 7.3 A request to Quote (RTQ) process was undertaken on the OGC website to ensure that Haringey had the most cost effective stationery contract. CPU received 5 quotations through the OGC portal. The quotations were evaluated on "lowest price" as a quality evaluation had already been carried out during the EU compliant tendering process undertaken by the OGC Buying Solutions.
- 7.4 The quotations were also benchmarked against the LCSG providers' prices. The "lowest priced" bidder was selected as preferred supplier (Part B).
- 7.5 The recommended stationery provider will allow the Council to streamline its core items and reduce cost. Based on a shopping basket of core items used to benchmark the prices which had a spend of £242k at 2009-2010 prices, the contract will produce an efficiency saving of between £30 - 86k per annum dependant upon the % of own brand items included in the new core list.(see Part B for new prices)
- 7.6 Clarifications were made with the preferred supplier to ensure that their electronic ordering systems were compatible with the Council's SAP Finance System. The Council will not incur any change over cost with the ordering system.
- 7.7 Consultation has taken place with CPU, "Haringey Forward Team" and Haringey Facilities Management in determining a new approach to ordering, stocking and controlling the requisition of stationery.
- 7.8 CPU will engage in monthly contract reviews, with the Office Stationery Supplier until the contract is firmly up and running. When the contract is settled there will be 3 monthly reviews and customer satisfaction will be monitored through SRM on a monthly basis.
- 7.9 This is an essential service for the Council and as part of a VfM review is currently being re-structured to provide an improved service and controlled spending structure that will deliver VfM to the Council.

8. Chief Financial Officer Comments

- 8.1. The Chief Financial Officer has been consulted over the contents of this report.
- 8.2. The new contract does not commit the council to any minimum level of spend.
- 8.3. The budgets for stationery expenditure are held within business units and as such the potential annual saving as set out in paragraph 7.5 will need to be clawed back in order to realise the budget reduction. It should be noted that the forecast saving excludes paper, computer consumables and furniture which are being reviewed separately. Any resultant savings will be reported and captured separately.

9. Head of Legal Services Comments

- 9.1. The Head of Legal Services notes the contents of the report.

9.2. The Council has the power to enter into contracts for the supply of office stationery under section 1 of the Local Government (Contracts) Act 1997 on the basis that such supplies are properly required for the discharge of the Council's duties.

9.3. It is anticipated that the estimated value of this supply contract will be in excess of the threshold for application of the Public Contracts Regulations 2006 (PCR), currently £156,442.00, and therefore subject to the full application of the PCR. However, the report recommends that the Council enters into contractual arrangements under an existing framework agreement established by the Office of Government Commerce (OGC) Buying Solutions, which will counter the requirement to conduct a full procurement exercise.

9.4. The proposal to procure office stationery supplies via the Office of Government Commerce (OGC) Buying Solutions framework agreement for office stationery supplies is EU compliant, as it is our understanding that the framework agreement has been procured in accordance with the PCR. The supplies will be procured by way of call-off from the framework agreement in accordance with Regulation 19.7(a) of the PCR.

9.5. Under CSO 6.09(b), the Council's Contract Standing Orders shall not apply in the effect of requiring that a formal tender exercise is conducted, where the Council procures goods by selecting one or more contractors from a framework agreement established by a public sector body in accordance with the PCR.

9.6. The Procurement Committee has power to approve the report recommendations under CSO11.03 and award contracts with values in excess of £250,000.00.

9.7. The Contract will also be a 'key decision' and, as such, must be included within the Council's Forward Plan. The Corporate Procurement Unit has confirmed that this has taken place.

9.8. Legal Services is satisfied that the report demonstrates that the OGC framework agreement will deliver a cost effective solution in accordance with the PCR.

10. Head of Procurement Comments –[Required for Procurement Committee]

10.1 CPU have undertaken this procurement process and support the recommendation

11. Equalities &Community Cohesion Comments

11.1 An equalities impact assessment was carried out in advance of the Request to

Quote process.

12. Consultation

12.1 Consultation has taken place with end users and Haringey Forward team.

13. Service Financial Comments

13.1 The proposed contract covers all the supplies of office stationery across the Council.

13.2 A breakdown of the 2009/10 spend is outlined in Part B of this report. The greater spend is on toner cartridges. There is currently a review of rationalising the printer fleet throughout the Council with reviewed costs incurred.

13.3 The spend on paper is the next highest spend. This requirement is also being reviewed and will be supplied through a separate bulk paper provider.

13.4 The new contract will be for a period of 4 years. As this is a "call off" frame agreement the spend is variable.

13.5 The use of this contract is funded by individual budgets across the Council.

13.6 The proposed contract start date will be October 2010.

14. Use of appendices /Tables and photographs

14.1 Part B: Exempt information.

15. Local Government (Access to Information) Act 1

15.1 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A and is not for publication. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972):

(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).