


DECISION REPORT

Report for Director's Decision

Item number: N/A

Title: Award of Corporate Stationery and Paper Contract to the supplier "Lyreco UK Ltd". Contract Standing Order (CSO) 7.01.b applicable.

Report authorised by: Stephen McDonnell
(Director for Commercial and Operations)

signed.......... dated.....30th June 17.....

Lead Officer: Ananthi Raj, tel: 0208 489 1634,
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Ward(s) affected: None

Report for Key/Non Key Decision: Non Key Decision

1. Describe the issue under consideration

Haringey Council (the Authority) current Stationery requirements are provided by the supplier Lyreco UK Ltd under the National Public Sector Workplace Solutions Framework Agreement. This Framework Agreement expired in September 2016.

- 1.1. This report seeks the Director for Commercial and Operations approval as per Contract Standing Order (CSO) 9.07.1 c (A Director may award a contract up to £500,000) to enter into a direct call-off contract for the provision of the Authority's paper and stationery requirements with Lyreco UK Ltd from the Yorkshire Purchasing Organisation (YPO) Framework Agreement (Reference 696) for a period of 3 years (with the option to extend up to six months) in accordance with the Authority's CSO 7.01.b
- 1.2. Contract Period: 1 June 2017– 31 May 2020 (with an option to extend for a further 6 months)
- 1.3. Contract Value: up to £500,000 (3.5 years, including extension period).

6. Background information

- 6.1. The Authority's annual spend on paper and stationery was £166K in FY 2016 - 2017. Based on last financial year's spend, the estimated contract spend would be £597.6K over the 3 years and 6 month contract period.
- 6.2. However, the Authority will be able to save circa £32K each year on the top 100 frequently brought products through accessing the YPO Framework Agreement as shown below. (Based on the frequency of orders the Authority's top 100 items in Fy 2016 - 2017 account for 71% of the annual spend), therefore reducing the Authority's spend on paper & stationery to £134K p.a from £166K recorded in Fy 2016 - 2017.

Value of top 100 Paper and Stationery Products			
FY 2016-17	YPO Prices	Savings	% Savings
£112K	£86K	£32K	27%

The actual savings to be achieved will depend on the Authority's stationery requirements which will determine the quantities and frequency of items being ordered.

- 6.3. For any products that are non-core items the following discounts are in place; 50% from Lyreco UK Ltd branded items and 40% from branded items.
- 6.4. Lyreco UK Ltd has consistently delivered high quality products with a very good service throughout the current contract period. The supplier has shown a genuine willingness to work with the Authority to achieve both cost and efficiency savings to include;
- Introducing consolidated billing.
 - Working with the procurement team to identify a core list of products based on Authority's needs which are supplied at a discounted rate. This is monitored and reviewed on a bi-annual basis.
 - Changes to the website interface to enable end users to identify the Authority's core items and those that are most economical and environmentally friendly.

agreement is adhered to whilst exploring and implementing further improvements.

- 8.5. Strategic Procurement endorses the procurement approach taken. Using a "call - off" process from a recognised Framework Agreement (YPO) offers the best solution by way of best value to the Authority.

Finance Comments:

- 8.6. The total estimated contract value is c. £469k over 42 months (£134k per annum). This contract offers significant savings of £32,000 on Top 100 frequently brought products (27% of previous annual spend) per annum. This is mostly due to the attractive competitively priced item under the new contract with Lyreco.

- 8.7. The annual costs for stationeries will be met from individual business units and managed as part of the monthly budget monitoring process.

Legal Comments: N/A

9. Use of Appendices

10. Local Government (Access to Information) Act 1985