

Report of Jo Miklo, Head of Business Administration Service

Report to Helena Phillips, Chief Officer Shared Services

Date: 22 July 2016

Subject: Award of contract for office supplies and equipment

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The existing contract for office supplies and equipment is with Lyreco and was extended for 4 months to 31st August 2016. This allowed for the mini competition process under the YPO framework agreement 696. This was approved by a previous delegated decision report dated 29th April 2016.
2. A new contract needs to be in place and set up on FMS by 1st September 2016 to ensure continuity of service for the provision of office supplies and equipment.

Recommendations

3. Following a competitive tender process with 4 suppliers within Lot 2 of the YPO framework agreement 696 it is recommended that the contract is awarded to Lyreco with a contract start date of 1st September 2016. The contract is for a period of 3 years with the option to extend for a further 12 months.

1 Purpose of this report

- 1.1 The purpose of this report is to obtain approval to award the contract as recommended and to provide information to support the decision.

2 Background information

- 2.1 The existing contract was extended to 31st August 2016 which allowed for a mini competition within the YPO framework Lot2. The incumbent contractor was one of the suppliers within Lot 2 and advice from the procurement legal team was that the contract could be awarded direct to the incumbent contractor if it could be evidenced that the cost of the procurement would outweigh the benefits and potential savings of undertaking a competition process with the 4 suppliers.
- 2.2 Staff who are currently involved in the provision of office supplies and equipment were asked to consider the options of awarding direct to the incumbent provider or undertaking a mini competition. It was agreed that as the current contract had been in place for four years it was in the interests of the Council to undertake a mini competition to obtain the best value from the new contract.

3 Main issues

- 3.1 The current contract expires on 31st August 2016 at which time the supplier code will be removed from FMS, preventing orders being raised against this supplier. A delay in implementing the contract can be mitigated in the short term by ensuring that essential stocks are available through the central purchasing hub stock. However, stocks have been rationalised and storage space is limited so this would only be a short term solution.
- 3.2 Value for money is the main driver but the quality of standard items is also important e.g. the quality of printer paper; potential longevity of pens, folders etc. To address this, the evaluation panel evaluated 37 sample core products to determine quality and this was given a weighting of a maximum of 250 points out of a total maximum of 400 points for overall quality. The scoring was split 60/40 between price and quality respectively.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Staff and managers from the purchasing hubs who are involved in volume purchasing of office supplies were consulted on whether to award direct to the incumbent or to undertake a mini competition. During the tender process they were consulted on the requirements for a core list of products which formed the pricing schedule for the tender.
- 4.1.2 The evaluation panel was made up of purchasing hub staff and end users. This approach meant that the products could be evaluated on usability and also taking into account the experience of the hub staff who understand what is generally required from these products across the council.

4.2 Equality and diversity / cohesion and integration

4.2.1 N/A

4.3 Council policies and best council plan

4.3.1 The tender sought to support the following Council policies:

[Vision for Leeds 2011 – 2030](#)

[The City Priority Plan 2011 - 2015](#)

[The Best Council Plan 2015 - 2020](#)

[Information Sharing Protocol](#)

[Equality and Diversity policy 2011 - 2015](#)

4.4 Resources and value for money

4.4.1 The contract value is approximately £250k per year. The pricing of core products in the new contract is expected to deliver savings of approximately 30% per year based on 2015 volumes. Further savings are expected as paper based processes are reviewed and updated through the implementation of technology based systems e.g. electronic scanning.

4.4.2 The awarding of the contract will facilitate the move to bring the 4 directorate based purchasing hubs into a single point of ordering which will deliver standardised order forms and associated processes. This will allow resources to be used more flexibly and to enable the one purchasing hub to expand to process council wide orders for other contracts such as PPE and work wear.

4.5 Legal Implications, access to information and call In

4.5.1 This is an executive decision which is subject to call in.

4.6 Risk management

4.6.1 The mini competition was undertaken to ensure that a transparent process was followed to obtain the best value contract for the Council. PPPU provided support throughout the process and all evaluations were documented and are retained.

4.6.2 Feedback to tenderers was collated from the discussions at the evaluation panel and the terminology/language was approved by legal prior to publishing.

5 Conclusions

5.1 Following the tender process and evaluation of the tender responses the supplier that meets our requirements and offers best value based on price and quality is Lyreco.

6 Recommendations

6.1 It is recommended that the contract is awarded to Lyreco with a contract start date of 1st September 2016 for three years (to 31st August 2019) plus an option to extend for a further 12 months.

7 Background documents¹

7.1 Background documents are available if required.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.