

Report to the Chief Officer for Culture & Sport

Date: 10 February 2017

Subject: Request to Waive Contract Procedure Rules 8.1 and 8.2 entering into an exclusive partnership for Leeds 2023 with Awesome Merchandise to place future orders without seeking competition

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 type="checkbox"/> Yes	<input checked="" 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 delayed announcement of the launch of the European Capital of Culture competition has impacted on our ability to procure merchandise in a timely manner.
- 2 The team have considered various procurement options including tendering for each item separately but these options do not represent value for money in terms of staff time, liaising with designers or the cost of bulk storage for bigger quantities to achieve economies of scale.
3. Awesome Merchandise is a Leeds based manufacturer and supplier of branded merchandise ranging from badges to mugs, notepads, pens and pencils. They manufacture and ship items worldwide from an industrial unit in Kirkstall. In discussions to understand the potential costs, Awesome Merchandise have offered a deal which represents exceptional value for money and quick delivery of orders in return for sponsorship benefits associated with the bid as an exclusive merchandise partner.
4. The first order of merchandise will be under the £10,000 but subsequent orders could go beyond this limit. The partnership will cover the bid phase until July 2018 when, if successful, any subsequent contract would be tendered by an external trust who will deliver the title for Leeds.

6. This report seeks approval to waive Contract Procedure Rules 8.1 and 8.2, entering into an exclusive partnership for Leeds 2023 with Awesome Merchandise to place future orders without seeking competition.

Recommendations

7. The Chief Officer for Culture and Sport is requested to:
 - i) approve the waiver of Contract Procedure Rules: 8.1 and 8.2 (Intermediate Value Procurement) and approve the awarding of an exclusive merchandise partnership with Awesome Merchandise covering the bidding period until July 2018.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Chief Officer, Culture and Sport, to waive Contract Procedure Rule 8 (Intermediate Value Procurement, contracts between £10k and £100k), and approve the exclusive merchandise partnership with Awesome Merchandise covering the bidding period until July 2018.

2 Background information

- 2.1 In December 2016 the Department for Culture Media and Sport (DCMS) launched the competition for a UK city to host the title of European Capital of Culture after a delay and months of speculation following the result of the EU Referendum.
- 2.2 The delay in the decision from DCMS has meant that our communications need to be quickly increased rather than slowly develop over a longer time frame. As the Leeds 2023 bid for the European Capital of Culture title enters a more high profile phase the team will require large quantities of Leeds 2023 branded merchandise for engagement events, roadshows, community and business packs.
- 2.3 The first order of branded merchandise is needed by the end of February 2017 for a number of high profile events including a business engagement event in Leeds, a briefing for senior stakeholders, policy and decision makers in London and the city's annual attendance at MIPIM property festival.

3 Main issues

Reason for Contracts Procedure Rules Waiver

- 3.1 The team have considered various procurement options including tendering for each item separately but these options do not represent value for money in terms of staff time, liaising with designers or the cost of bulk storage for bigger quantities to achieve economies of scale.
- 3.2 Awesome Merchandise is a Leeds based manufacturer and supplier of branded merchandise ranging from badges to mugs, notepads, pens and pencils. They manufacture and ship items worldwide from an industrial unit in Kirkstall. In discussions to understand the potential costs Awesome Merchandise have offered a partnership which represents exceptional value for money and quick

delivery of orders in return for sponsorship benefits associated with the bid as an exclusive merchandise partner.

- 3.3 The first order of merchandise will be under £10,000 but subsequent orders will go beyond this limit. The partnerships will cover the bid phase until July 2018 when, if successful the team will expect to tender again as the contract will move to an external trust who will deliver the title for Leeds.

Consequences if the proposed action is not approved

- 3.4 The Leeds 2023 bid for European Capital of Culture risks not be effectively represented at a range of high profile events in the coming weeks missing the opportunity to engage with senior stakeholders and investors.
- 3.5 Furthermore without an ongoing partnership in plan the cost of securing merchandise for future roadshows and engagement events during the bid phase could be much higher and take considerably longer to achieve.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Leeds 2023 Independent Steering Group has discussed the proposed partnership.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Equality and diversity will be considered in the design of the merchandise to ensure that it is legible for all abilities and accessible for all ages.

4.3 Council policies and City Priorities

- 4.3.1 The Leeds 2023 bid for European Capital of Culture will work towards delivering the Best City 2030 ambitions, most notably 'enjoy happy, healthy, active lives' and 'enjoy greater access to green spaces, leisure and the arts'.

4.4 Resources and value for money

- 4.4.1 The cost of the initial order is below £10,000. The package of benefits offered by Awesome Merchandise is considered better value for money than quoting for individual items separately and in small runs.
- 4.4.2 An exclusive partnership with Awesome Merchandise will enable the team to keep costs to a minimum over the course of the bid phase until July 2018.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The report is not subject to Call In and there are no grounds for treating the contents of this report as confidential with the Council's Access to Information Rules.

4.6 Risk Management

- 4.6.1 Various council teams have worked with Awesome Merchandise in the past and there has been no issue with quality of products or service.
- 4.6.2 The risks of a time consuming full procurement, or breaking down the products into smaller lots exceed risks associated with the waiver.

5 Conclusions

- 5.2 The optimum action in terms of both value for money and supporting the success of our 2023 bid is to work in partnership with Awesome Merchandise. 6.

6 Recommendations

- 6.1 The Chief Officer for Culture & Sport is requested to:
 - i) approve the waiver of Contract Procedure Rules: 8.1 and 8.2 (Intermediate Value Procurement) and approve the awarding of an exclusive merchandise partnership with Awesome Merchandise covering the bidding period until July 2018.

7. Background documents¹

- 7.1 None.

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.