



Report of Head of Business Support Centre

Report to Director of Resources

Date: 14/04/2021

Subject: Approval to procure and directly award a contract to a supplier (Lyreco UK Ltd) assessed as the most economically advantageous on the YPO 1001 Office Supplies Framework for the provision of office supplies, stationery and printer paper for a period of 24 months with the option to extend for two further 12 month periods commencing on 31st August 2021. The potential anticipated value over the life of the contract is approximately £384,000

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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

1. Main issues

- The provision of office supplies, stationery and printer paper is currently delivered by Lyreco UK Ltd. A contract is in place (DN200181) and is a 12 month variation to the previous contract awarded under the YPO1001 Office Supplier Framework until 30 August 2021. A new contract is required to ensure the continuation of critical services beyond this date as there is no further provision to extend.
- The ongoing impact of the Covid-19 pandemic and necessity for a flexible response to the nature of the emergency have resulted in a substantial drop in the volume of items purchased on the existing contract. At this moment it is not possible to determine when, or if, these volumes will return to pre-Covid-19 levels.
- The estimated annual contract spend will be £96,000 per annum - a potential total spend of £384,000 over the life of the contract. This is based on:
 - a. an analysis of actual spend between March-November 2020 with an increased focus on those months during which lockdown was not in force and office-based working was at slightly increased levels.

- b. an assumption that current Covid-19 mitigations, such as lockdown and vaccine rollout, will allow an increase in office-based working at some point in 2021.
 - c. an assumption that home-working, for part or all of the week, remains the primary way of working for most employees previously based in offices prior to the Covid-19 emergency.
- The Council has determined that a direct award to a supplier on the YPO 1001 Office Supplies Framework is the correct course of action, following consideration of value-for-money, and the need to maintain a reliable and consistent service whilst dealing with the ongoing disruption to normal business caused by the Covid-19 pandemic.
- The current contracted supplier, Lyreco UK Ltd, represents the most economically advantageous choice based on a weighted assessment of quality, sustainability/social value, and price criteria for suppliers on the framework. Furthermore, the contracted supplier has continued to meet Leeds City Council's requirements over the past 12 months despite the significant disruption caused by the Covid-19 pandemic.

2. Best Council Plan implications (see the [latest version of the Best Council Plan](#))

- The direct award of a contract to the supplier assessed as the most economically advantageous choice on the YPO 1001 Office Supplies Framework supports the Council's Medium Term Financial Strategy (MTFS) by achieving value-for-money through the best combination of quality, sustainability/social value and price.
- The contract supports the delivery of the Best Council Plan in contributing to becoming a more efficient and enterprising Council.

3. Resource implications

- The direct award of a contract to the supplier assessed as the most economically advantageous choice on the YPO 1001 Office Supplies Framework will reduce staffing resource requirements on both the Business Support Centre and Procurement and Commercial Services at a time of significant pressures and challenges to business operations due to the ongoing Covid-19 emergency.
- The direct award of a contract to the existing supplier with experience of working with the Council and meeting the Council's requirements will reduce the need for significant business change and ensure the continuation of proven and reliable ways of working.
- The core basket framework prices are refreshed annually by YPO and are effective as of 1.04.2021 for new call-off contracts. However, Lyreco have confirmed that pricing will be held at current levels for a fixed-term period of 12 months from the contract start date. The annual framework core basket price refresh does not apply to existing call-off contracts so at the end of the fixed term period a supplier is only permitted to increase prices where they can provide a clear rationale supported with evidence. These increases must be approved by Leeds City Council prior to being implemented.
- It should be noted that paper is not a core basket item and prices are subject to variation. This is known and standard within the office supplies and stationery

contract. A separate programme of work focused on mail and print activities is underway to progress a reduction in print demand.

Recommendations

- a) The Director of Resources is requested to approve the direct award of a contract to Lyreco UK Ltd under the YPO 1001 Office Supplies Framework for the provision of office supplies, stationery and printer paper.
- b) The contract will be for a period of 2 years effective from 31st August 2021 with the option to extend for two further 12 month periods.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval for the direct award of a contract to a supplier on the YPO 1001 Office Supplies Framework for the provision of office supplies, stationery and printer paper.
- 1.2 The contract will be for a period of 2 years effective from 31st August 2021 with the option to extend for two further 12 month periods.

2. Background information

- 2.1 Council staff utilise the office supplies and stationery contract on a daily basis to help perform their duties.
- 2.2 The existing contract for the provision of these goods is due to expire on 30th August 2021 with no provision to extend.
- 2.3 The existing contract Ref DN200181 was varied and extended for a period of 12 months effective from 31st August 2020 in order to address critical business and resource challenges resulting from the sudden and drastic impact of the Covid-19 pandemic.
- 2.4 Since the start of the Covid-19 pandemic in March 2020 there has been a significant reduction in the volume of goods purchased from the contract due to a significant and ongoing increase in remote working with a significant number of Council offices remaining closed. Given the ongoing challenges presented by the Covid-19 emergency and no certainty as to when or how increased levels of office-based working may happen, actual spend against the contract since March 2020 provides the best estimation of the potential contract value.

3. Main issues

- 3.1 The provision of office supplies, stationery and printer paper is currently delivered by Lyreco UK Ltd. A contract is in place (DN200181) and is a 12 month variation to the previous contract awarded under the YPO1001 Office Supplies Framework until 30 August 2021. A new contract is required to ensure the continuation of critical services beyond this date as there is no further provision to extend.
- 3.2 The ongoing impact of the Covid-19 pandemic and necessity for a flexible response to the nature of the emergency have resulted in a substantial drop in the volume of items purchased on the existing contract. At this moment it is not possible to determine when, or if, these volumes will return to pre-Covid-19 levels.

- 3.3 The estimated annual contract spend will be £96,000 per annum - a potential total spend of £384,000 over the life of the contract. This is based on:
- an analysis of actual spend between March-November 2020 with an increased focus on those months during which lockdown was not in force when office-based working was at slightly increased levels.
 - an assumption that current Covid-19 mitigations, such as lockdown and vaccine rollout, will allow an increase in office-based working at some point in 2021.
 - an assumption that home-working, for part or all of the week, remains the primary way of working for most employees previously based in offices prior to the Covid-19 emergency.
- 3.4 The Council has determined that a direct award to a supplier on the YPO 1001 Office Supplies Framework is the correct course of action, following consideration of value-for-money, and the need to maintain a reliable and consistent service whilst dealing with the ongoing disruption to normal business caused by the Covid-19 pandemic.
- 3.5 The current contracted supplier, Lyreco UK Ltd, represents the most economically advantageous choice based on a weighted assessment of quality, sustainability/social value, and price criteria for suppliers on the framework. Furthermore, the contracted supplier has continued to meet Leeds City Council's requirements over the past 12 months despite the significant disruption caused by the Covid-19 pandemic.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The current working arrangements with Lyreco UK Ltd are effective and in the main they provide a quality service and prompt delivery. The spend on office consumables has dropped drastically since the March 2020 due the current Covid-19 pandemic and it is felt unwise to put at risk the continuity of supply at the current time which may have a detrimental effect on service delivery .This approach retains the continuity of supply with an existing supplier that has been procured via an approved framework. It is therefore in the best interests of the Council that this procurement route is taken at the current time. Consultation on this approach has been undertaken with the Procurement Category Lead and the Head of the BSC.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 There are no equality and diversity/cohesion and integration issues involved in this decision.

4.3 Council policies and the Best Council Plan

- 4.3.1 The direct award of a contract to the supplier assessed as the most economically advantageous choice on the YPO 1001 Office Supplies Framework supports the

Council's Medium Term Financial Strategy (MTFS) by achieving value-for-money through the best combination of quality, sustainability/social value and price.

- 4.3.2 The contract supports the delivery of the Best Council Plan in contributing to becoming a more efficient and enterprising Council.

Climate Emergency

- 4.3.3 Social value was at the forefront when designing the specification for the YPO 1001 Office Supplies Framework. Key activities include:

- a) Designing a core basket to include a wide range of sustainable/ environmentally friendly products.
- b) Requiring suppliers use an online catalogue as standard, to reduce on unnecessary paper use and waste.
- c) Requiring suppliers use recyclable packaging and to reduce their use of plastics in packaging materials.
- d) Requiring suppliers to have a formal and documented environmental management system in place.
- e) Encouraging suppliers to identify replacement products for items in the core basket which are 'greener'/more sustainable.
- f) Requiring suppliers to facilitate a reduced number of deliveries through order consolidation, scheduled deliveries and minimum order values.
- g) Reserving 10% of the overall evaluation score for social value and sustainability, with suppliers required to set out their approach to maintaining ethical supply chains and reducing their carbon footprint.
- h) Requiring suppliers to submit a sustainability action plan with at least three goals that will be achieved over the duration of the framework.
- i) All suppliers are required to join and keep updated annually, YPO's Sustainability Portal which helps to measure achievement against sustainability objectives.

4.4 Resources, procurement and value for money

- 4.4.1 The provision of office supplies, stationery and printer paper requires a supplier who will work flexibly with Leeds City Council to ensure requirements are met during this period of ongoing change and uncertainty.
- 4.4.2 Under the YPO Office Supplies Framework the suppliers must be considered in order of rank and a direct award can be made to the supplier that represents the most economically advantageous offer based on our requirements.
- 4.4.3 The chosen supplier has been assessed as the most economically advantageous based on a weighted assessment of quality, sustainability/social value and price, thus representing value-for-money.
- 4.4.4 Appropriate governance steps have been taken to support this decision and this procurement route is in compliance with the Council's Contract Procedure Rules.
- 4.4.5 The Framework commenced in February 2020. An annual refresh of pricing is undertaken by YPO each April. However, Lyreco have confirmed that current core

basket pricing will be applied for a fixed-term period of 12 months from the contract start date.

- 4.4.6 The next annual refresh of call-off prices is due on 01.04.2022 but will not apply to call-offs that pre-date 1.04.2022. Any price adjustments during the life of the contract are to be agreed between the parties. Price increases will only be permitted where the supplier can provide a clear rationale, supported with evidence.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This is a Significant Operational Decision and is not eligible for call-in as the value of the contract is below £500k.
- 4.5.2 In line with the Council's constitution the Director of Resources is authorised to make the decision to award this contract.

4.6 Risk management

- 4.6.1 The procurement process and risk will be managed in consultation with Procurement and Commercial Services.
- 4.6.2 The risk of challenge is deemed to be relatively low given Leeds City Council's right to make a direct award in accordance with the terms of the Framework, and Lyreco's position following assessment by YPO at the tender stage of the framework as the most economically advantageous supplier.
- 4.6.3 Furthermore, a financial check on Lyreco UK Ltd in February 2021 confirmed the supplier's credit score is categorised as 'very low risk'.
- 4.6.4 The contract risk will be managed by an appointed contract manager who will implement a contract management plan.
- 4.6.5 The contract agreement will be managed by an appointed contract manager in line with the contract management plan and any risks which are highlighted through the term of the contract will be managed and mitigated through regular account management/supplier review meetings.
- 4.6.6 The provision of an initial contract period of 24 months will enable the Council to assess the value in undertaking an effective open tender exercise in the event that circumstances change, the volumes of goods being purchased increases and the opportunity to achieve greater value for money presents itself.

5. Conclusions

- 5.1 The direct award of a contract to the supplier assessed as the most economically advantageous on the YPO 1001 Office Supplies Framework represents value-for-money and offers certainty around the continuation of quality service levels and availability of necessary goods during a period of ongoing certainty and change due to the Covid-19 emergency.

6. Recommendations

- 6.1 The Director of Resources is requested to approve the direct award of a contract to Lyreco UK Ltd under the YPO 1001 Office Supplies Framework for the provision of office supplies, stationery and printer paper.
- 6.2 The contract will be for a period of 2 years effective 31st August 2021 with the option to extend for two further 12 month periods.

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.