

**AWARD OF CONTRACT FOR CORPORATE STATIONERY (REF: CU2329)**

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**Executive Summary:**

This report is seeking approval to award the contract for the provision of Corporate Stationery. The contract term commences on 1<sup>st</sup> May 2013 and is for 2 years, expiring on 30/04/2015. The estimated annual value of this contract is £53,000, based on spend in 2012/13, with the term value being £106,000.

**1 Recommendation(s)**

- 1.1 That the Contract for Corporate Stationery be awarded to the bidder who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation in the Annex.
- 1.2 That any recommendation to extend this contract is bought back to this committee for a decision in good time.

**2 Context**

The provision of stationary enables the effective operation of all council services.

- 2.1 The new contract will deliver savings of approximately 28% on a historic spend of £74,000 per annum and dependant on demand.
  - 2.1.1 There has also been an additional spend of £23,000 on specialist/non contract items. Some of these items have been added to the core list and access to other vendors will be restricted so that any additional requests are routed to the sourcing team within Corporate Procurement to control demand.
  - 2.1.2 There is provision to extend this contract until 30/04/2017 subject to satisfactory performance and benchmarking.
- 2.2 CPC previously agreed that the tender could progress on 08/01/2013.

**2.3 Consultation**

- 2.3.1 The specification and evaluation criteria for this contract were developed following consultation with the following key stakeholders:

MKC staff  
Suppliers  
Corporate Procurement team

2.3.2 The consultation highlighted that there was a need to reduce deliveries to minimise the volume of invoices for extremely low values having to be processed. We also identified that a reduction in the items in the online catalogue would reduce costs. The consultation also highlighted the need to move to electronic invoicing or the use of an embedded purchase card (credit card), this will eliminate approximately 700 invoices per annum, All of this was built into the specification/evaluation criteria and influenced the procurement strategy.

## 2.4 Market engagement and lessons learnt

2.4.1 Before this tender commenced there was a period of market engagement to give advance warning of our requirements and to estimate the likely cost of our requirement.

2.4.2 The previous contract for the provision of Corporate Stationery expires on 30/04/2013 and £74,000 per annum was spent. The performance of the old contract was satisfactory.

2.4.3 Whilst the performance of the old contract was satisfactory we have identified that the market can now offer improvements in payment transaction processing and also increased control of catalogue content to improve demand management.

### Tender Evaluation

2.4.4 Tenders were invited from the three suppliers on the CBC (Central Buying Consortium) on 25/01/2013 and 3 tenders were returned on 15/02/2013.

2.4.5 The Tenders were evaluated by a suitably qualified and experienced panel of officers from the Corporate Procurement team.

2.4.6 The Evaluation criteria and scores for all tenders are attached at Annex A. A summary of the Risk Assessment is set out in section 3.2. The full risk assessment is available to Members on request or via direct access into GRACE.

2.4.7 The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a break down of the Quality will be in the red paper)

2.4.8

	Quality score (35%)	Price score (65%)	Total score (100%)	Ranking
Supplier AA	29.00%	63.21%	92.21%	3
Supplier BB	35.00%	60.03%	95.03%	2
Supplier CC	35.00%	65.00%	100.00%	1

## 2.5 Contract Management

2.5.1 The Senior Client Officer for this contract is Corporate Procurement Manager E-tendering and Contract Management. The contract adheres to the Central Buying Consortium Framework terms and conditions

2.5.2 The initial stage of the contract will need more frequent meetings to establish performance expectations and resolve any technical issues during the implementation. Following implementation the key governance processes will include:

- Quarterly reviews
- Receipt of monthly MI reports
- Annual customer feedback questionnaires
- Savings – Restricted access to core items only and switching off other stationary suppliers where possible, analysis of monthly MI reports on spend.

## 3 **Implications**

### 3.1 Policy

The award of this contract will contribute to the overall savings target.

The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

### 3.2 Resources and Risk

3.2.1 The costs of the contract are already contained within the revenue budgets for individual service areas for 2 years .

3.2.2 This contract will deliver a savings of approximately 28% per year dependant on demand, it is not possible to quantify the exact level of savings as this is dependant on service area demand during the contract term.

3.2.3 Delivery of savings will be monitored by Corporate Procurement Manager E-tendering and contract management.

3.2.4 The Risk Assessment for this contract is in GRACE and is available on request; it should be noted that the risks associated with the contract, or its failure, are minimal.

3.2.5 The key OPPORTUNITY secured by this contract is savings and the elimination of paper invoices. It is assessed that the delivery of this contract provides a MEDIUM Likelihood that a MEDIUM Impact will secure the opportunity defined.

3.2.6 The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Contract demand increases and therefore no savings will be delivered.	M	Reduce core items in catalogue and conduct Demand management exercise to recycle/re-use existing stock

The governance measures set out in 2.5 above provide a basis to conclude that these threats, properly managed represent a MEDIUM Likelihood or a LOW Impact.

Resources & Risk Implications

N	Capital	Y	Revenue	N	Accommodation
Y	IT	Y	Medium Term Plan	N	Asset Management

3.3 Carbon and Energy Management

The award of this contract contributes to the reduction in our carbon emissions, reduced usage/costs; improved management/use of energy by restricted deliveries and moving to electronic invoicing and increasing the use of recycled products where cost effective to do so.

3.4 Legal

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

3.5 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
Y	E-Government	N	Stakeholders	N	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers: Decision to Proceed to Tender 08 January 2013