

INVITATION TO TENDER – STATIONERY, PRINTING AND OFFICE SUPPLIES (REF: CU2583)

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

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Executive Summary:

Following the decision to join LGSS, opportunities are being identified to benefit from additional corporate contracts and from aligning contract terms. This contract is an example of an opportunity identified working with partners to deliver better solutions for Milton Keynes Council and its partners Northamptonshire County Council and Cambridgeshire County Council.

This report is seeking approval to utilise and run an e-auction process with the selected providers on the Crown Commercial Services Framework RM3073 for Office Supplies and Equipment in accordance with the Council's Contract Procedure Rules and Financial Regulations

The contract term will be 4 years expiring 31/08/2021. The current annual spend of £90,500 does not include paper; there is currently a separate contract for paper with an annual spend of £61,000. However paper will potentially be included in the new contract depending on quality samples, maximising the aggregated spend and benefiting from any potential savings.

1. Recommendation(s)

- 1.1 That the commencement of the e-auction process for the procurement of Office Supplies and Equipment, using the Crown Commercial Services Framework RM3073 be approved.

2. Background

- 2.1 The Council's Constitution requires all procurement in excess of £100,000 to be approved by Cabinet Procurement Committee. This includes both the decision to formally award contracts and the decision to authorise officers to commence tender processes. During the financial year 2015/16 £90,500 was spent under stationery and printing and facsimile supplies with the current Provider.

2.2 An additional spend of £46,000 was incurred on specialist stationery and paper:

£61,000 – Paper (paper will be potentially included in the new contract, however this is dependent on quality samples)

£17,000 – Specialist stationery

Northamptonshire County Council spend 2015/16 £149,000

Cambridgeshire County Council spend 2015/16 £150,000

2.3 It is anticipated that as a result of collaborating with our LGSS partners on an aggregated annual spend of £450,500 potential substantial savings will be delivered. Actual savings at this stage are difficult to quantify as this will be dependent on volumes and on changes in the demand of the organisation which can result in variant spend.

2.4 The additional benefits of this corporate approach will result in limitations on spend and restrictions will be set to only see core items via the e-catalogue.

2.5 This report requests approval to obtain tenders for the provision of Office Supplies and Equipment. The funding for the requirement will be met from the individual revenue budgets allocated to service areas within 2017-2021 years.

2.6 This is also an opportunity to work more closely with LGSS to harmonise offerings, to support greater standardisation of process, resulting in efficiencies, improvement in services and sharing of good practice where appropriate and if possible.

2.7 Consultation

The draft specification is being developed in partnership with the relevant key stakeholders e.g. Stationery Buyers, Stationery providers, LGSS partners

2.8 Specification

The procurement seeks to deliver the following service objectives:

- (i) Value for Money – suppliers own brands are lower priced and are of reasonable quality to serve purpose.
- (ii) Demand Management – provision of e-catalogue with general access to view core items only and restricted access to view complete catalogue
- (iii) Cohesive approach with LGSS partners, one contract for all partners.
- (iv) Payment via embedded purchase card.

2.9 Evaluation Criteria and Panel

- (a) The MEAT evaluation of the tender includes the following tender specific requirements, which are listed below:

Area*	Evaluation Area	Weighting (%)
1	Tender Price	80%
2	Quality criteria	20%

- (b) A range of quality criteria questions will be asked including delivery, sustainability however focus will be on price.
- (c) Tenders submitted will be evaluated by a panel comprising of, Procurement Officers. Colleagues within Finance and Legal and Corporate Procurement will be engaged to support the tender process.

2.10 Contract Terms and Conditions

- (a) Tenders will be sought for a contract period commencing 01 September 2017 and expiring on 31 August 2021.
- (b) The Crown Commercial Services Framework RM3073 Terms and Conditions will apply for this contract.
- (c) The Council's Constitution further requires that all contracts in excess of £100,000 are sealed as deeds with the legal department agreeing contract terms with the client department and making the arrangements for sending out final Terms and Conditions to Contractors and sealing and storage of the final contract in the deeds room.

2.11 Project Management

- (a) The Council's Project Manager for the procurement will be Corporate Procurement Officers
- (b) The Council's Senior Client Officer for the procurement will be the Corporate Procurement Manager at Milton Keynes Council and for the management of the contract it will be the Corporate Procurement Manager at the Council.

3. Alternative Options

- (a) Do nothing, contract expires, staff buy from any supplier resulting in an increase in vendors and increased admin costs and no control on costs or quality. Not recommended
- (b) Go out to tender using an OJEU process, timeline for full OJEU process is approximately 4-6 months during which time the contract will have expired and the Council and its LGSS partners will be non-compliant with the Contract Procedure Rules (CPR's). Not Recommended

- (c) Using and e-auction process available with Crown Commercial Services Framework RM3073 previously tendered by other public contracting authorities, and maximising potential savings. This is the recommended option.

4. Implications

4.1 Policy

The procurement of this contract will progress the following priorities/outcomes within the Corporate Plan 2012/16 by focusing initially on further cost reduction. The Council is well positioned to deliver continuous improvement, ongoing transformation and even greater savings into the future

The initial procurement of the Office Supplies and Equipment using the Crown Commercial Services Framework Agreement (RM1034) is compatible with the Council's Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

The procurement of this call off will comply with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

Sustainability, Low Carbon Living Strategy.

The tender will seek to reduce the number of deliveries and therefore vehicle movements, reducing the carbon impact of the contract and also reduce use of paper and energy by a move to e-invoicing or similar.

4.2 Resources and Risk

The costs of this contract are met from the Service Budget (Revenue) The costs identified within this exercise can be contained within the agreed budget.

The Risk Assessment for this contract is available if requested or directly via Members access to GRACE. In summary:

- (a) The key opportunity secured by this contract is fixed prices for commonly bought goods. it is assessed that the delivery of this contract provides a high likelihood that will secure the opportunity defined providing the Council with a high positive impact.
- (b) The key threats for this contract have been assessed as:

Risk	Likelihood/Impact	Mitigation	Impact after mitigation
Projected savings will not be realised due to variation of requirement	L	Vary the shopping basket with assistance of supplier	L

The governance measures set out in 2.9 above provide a basis to conclude that these threats, properly managed represent a LOW likelihood with a LOW Impact.

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

4.3 Carbon and Energy Management

- (a) Change to paperless billing system
- (b) Use of recycled products wherever cost effective
- (c) Consolidation of orders to reduce the number of deliveries.

4.4 Legal

Office Supplies and Equipment are necessary to facilitate the Council's functions under various legislation.

The use of the frameworks as means of procuring for a supplier is permissible under procurement law provided that such framework has been properly procured in compliance with the law, covers the required scope of services or supplies and the value of contracts to be awarded under the framework. The framework must also be open for use by the Council and its LGSS partners.

The Crown Commercial Services Framework for Office Supplies and Equipment RM3073 has been procured in compliance with procurement legislation. It is open to all public bodies and therefore the Council and its LGSS partners can procure supplies under it as recommended.

Request for approval to use the framework is in line with governance arrangements by the Council for use of frameworks

If approval is granted to use the framework, the Council and its partners must comply with the terms of the framework in order to remain compliant with procurement law.

4.5 Other Implications

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

Background Papers: None