Cabinet Member for Residents’ Services

Procurement for the supply of Library & Corporate Periodicals for the Central Buying Consortium (CBC)

Report by Executive Director of Residents’ Services and Head of Information Services

Executive Summary

This report seeks approval to start a new procurement process for the supply of CBC (Central Buying Consortium) Library & Corporate Periodicals to replace the current framework which expires on 31st January 2015.

The County Council will act as the lead authority on behalf of the CBC and its associate members. Consequently the CBC protocol requires West Sussex County Council to undertake the procurement process and award the contract on behalf of its members.

The annual value of Library Periodicals throughout the group is expected to be approx. £400k per annum and is therefore over the threshold value above which the EU Procurement Directives apply (£172,514) and a full procurement process is required which is fair, transparent and non-discriminatory.

An Open Tender process is recommended to award a contract, which is fully compliant with the Public Procurement Regulations and West Sussex Standing Orders on Procurement and Contracts.

It is anticipated that continued savings – via economies of scale – can be achieved by working collaboratively with other Councils.

Recommendations

(1) That the Cabinet Member approve the commencement of the procurement process for a replacement contract for the provision of library & corporate publications.

(2) That authority is delegated to the Director of Service Operations to award the contract to the bidder submitting the most economically advantageous tender.

(3) That the contract commences on 1st February 2015 for a period of 2 years with an option to extend up to 2 years (maximum contract period of 4 years) subject to the performance of the appointed contractor.

(4) That the new contract should be accessible for other local authorities and public bodies currently outside of the CBC or who are not associate members of the CBC to participate, subject to the approval of the CBC Library Group members in accordance with our corporate procurement strategy.
1. **Background and Context**

1.1 The CBC Library Group now represents 44 library authorities (17 CBC members & 27 Associate members) The current framework is also open for use by the North West and Yorkshire Consortiums which has enabled aggregation of expenditure resulting in improved discounts and reduction in administration costs plus reduction in multiple deliveries from multiple publishers thereby reducing the carbon footprint.

1.2 The current framework has been in place since 2011 and was the first collaboration by the CBC for the supply of periodicals. Collation of Management Information during the framework has allowed the establishment of a comprehensive list of periodicals, along with spend data which was not available in the first tender. This will enable a more accurate scope on which to base this tender requirement and evaluation.

1.3 In addition the central contract has enabled individual authorities to monitor and manage expenditure and contract performance through consolidated Management Information and KPI tracking.

1.4 In discussion with the Contract Review Group in January 2014 it was agreed that there is a continued requirement to aggregate library and corporate publications expenditure across Councils to benefit from economies of scale. Therefore a replacement framework would be advantageous. A follow up survey was issued to the whole Library Group, and other current participants. The results clearly show a positive desire to continue with a collaborative framework.

1.5 Collective spend in the last financial year was £394,963 with £118,920 discounts received against the Recommended Retail Price (RRP) of £513,884, allowing Authorities to purchase additional stock from their respective budgets.

2. **Consultation**

2.1 Of the 54 contacts invited to participate in the above survey 37 Authorities responded establishing that:

- 2 further authorities wish to join the framework and 1 wishes to leave taking the total number of authorities utilising the new framework to 49, including those from North West/Yorkshire
- Collectively there was a projected spend, across the interested parties, of £670k per annum, which is a reduction in that originally anticipated for the current framework of £1.25m per annum. WSCC Library Service spends approx. £11k per annum.
- 80% of the survey participants expressed an interest in e-journals which reflects the move to use of more electronic based platforms
- Only 50% were interested in provision of newspaper vouchers – whereby, if adopted, authorities are able to purchase vouchers at reduced cost for use at local vendors which enables continuity of supply and mitigates the negative impact on local suppliers.
- Some minor changes to the current specification have been suggested for this tender.
• A project team has been established consisting of experienced CBC Library Group members and they will be consulted throughout the process and approve/advise on strategy and input to the document creation and bid evaluation.
• Some preliminary market research and consultation has taken place to establish the mechanics of the inclusion of e-journals and newspapers and the continued improvements to offerings for the public. As this is a straight forward procurement it is anticipated that there is not likely to be any significant change to the current process and service specification other than the inclusion of an e-platform if possible at this time.
• It has been established that there are very few suppliers in the market namely iSUBSCRiBE, EBSCO, SWETS and OTTO. The East Shires Procurement Organisation (ESPO) has recently put in place a framework for Library Stock which includes, periodicals and e-journals, and they have confirmed that only 3 suppliers came forward to bid.
• WSCC Library Service supports the need to continue with a library periodicals contract, and recognising the low level of expenditure in this area it was recommended that this should be pursued through the CBC library group. This would provide the opportunity to continue to consolidate spend with other library authorities to generate economies of scale and increase potential savings.

3. **Proposal**

3.1 It is proposed that an open procurement process is undertaken to award the CBC contract for supply of Library and Corporate periodicals.

3.2 As the current specification was developed at the previous tender, and the scope is now more defined based on historical usage data, and with few suppliers in the market it is considered open tender procedure is the most efficient allowing tenders to be received and evaluated against the specification and periodical usage scope.

3.3 The OJEU (Official Journal of European Union) notice to advertise the requirement in compliance with the EU regulations will be written to ensure that local authorities that are not members or associate members of the CBC can participate in the contract, subject to the approval of the Library Group members

3.4 It is further proposed that the supply of e-journals is included in this framework period, either from outset or as an option for inclusion later in the timeframe to bring the contract in line with current technology and customer requirements, allowing further reduction in expenditure and paper waste.

3.5 The table below suggests and indicative timetable and outline the high level activities that will be completed as part of the process:

**Proposed timetable**
May-September – background analysis and market testing, creation and evaluation of tender documents with project team and
Library Group

October 2014    -  Issue tender documents to contractors that express an interest
November 2014    Tender submission deadline end of November
December 2014    Tender evaluation and Contract award

4. **Other Options considered**

4.1 There are few alternative frameworks for such supply. As mentioned previously the ESPO consortium offer the supply of periodicals on their framework for Library Stock Supply. However the framework is mainly for supply of library books, with periodicals included under the miscellaneous Lot. Thereby very broad and not likely to attract the best discounts. The CBC framework will be more attractive to contractors as it offers a dedicated requirement, specification and the consolidated spend of the CBC Library Group.

5. **Resource Implications and Value for Money**

5.1 There will be resource implications for both the Library Service, Procurement and colleagues from other disciplines such as legal, and IT to undertake the procurement process and deliver the contract. However given that this is the 2nd generation of the framework and there is no substantial change to the requirements the anticipated future resource requirements will be as now and it is expected they can be managed within existing resources limits. Legal, IT, and Finance personnel have been assigned to assist with the procurement and a project team has been formed from CBC members, (including two people from West Sussex,) to develop the specification and KPIs, to contribute to other tender documents, and participate as evaluators.

5.2 The current framework spend from inception to date is £1,029,721 with savings of £285,838 achieved based on reduction in RRP and bulk discounts. This equates to a 27% saving in total against the RRP.

5.3 It is expected that continued savings will be realised through the procurement process due to the economies of scale and consolidation of expenditure. It is likely that the new framework will move to a volume/spend discount model which should realise better savings than the current title discount arrangement. The inclusion of a savings target will be considered for development and inclusion in the procurement strategy.

5.4 Once the contract is in place we will continue to test the competitiveness of the discounts by benchmarking the market place and other consortium frameworks. We will also investigate the possibility of adding a price-matching clause whereby the contractor must supply the publication at a cheaper price if an authority identifies a lower alternative source.

5.5 As we now have defined MI and title volume details we will be considering a change to the discount structure to capture full volume discounts on all titles rather than restrict to title discount as now.
5.6 Following discussion with the current incumbent we will also consider including a mechanism that obligates the supplier to advise on the best time for renewals of subscriptions in order to take full advantage of seasonal offers such as reduced prices in November and December for yearly subscriptions.

5.7 The framework, as now, will represent value for money through the take out of back office costs, as the supplier is required to administer the process. Deliveries from multiple suppliers to multiple sites are greatly reduced.

6. **Impact of the proposal**

6.1 It is not considered there are any negative impacts on Equality in placing a contract following tender. It has been assessed against the criteria in the EIR template and, for the reasons (set out here), no EIR is needed.

6.2 Any reductions in budget can be off set as much as possible by savings made through collaborative spend enabling authorities to order more stock within budgets.

6.3 The inclusion of provision of print and e-periodicals would extend options to a wider audience and increased communication and exchange of information amongst consortia authorities would increase supply of more inclusive titles which in turn could lead to information and education across social groups.

6.4 Inclusion of the Equality Act into contract terms will protect against inclusion of any material that may be considered to discriminate, harass or victimise. The specification can ensure that where possible periodicals or publications are accessible to all, such as e-audio/large print.

6.5 Monitoring of titles at each quarterly review will ensure continuing adherence to the EI. This will be carried out by the Contract Manager. Further discussion and monitoring of advancement in technology or offerings that have a positive impact on protected groups can be considered for inclusion as and when they present themselves.

6.6 **Crime and Disorder Act Implications**
There are no identifiable Crime and Disorder Act implications.

6.7 **Human Rights**
There are no identifiable Human Rights Act implications.

6.8 **Social Value**
Procurement will consult with the Corporate Sustainability Team to explore options for periodicals with a view to making recommendations regarding recycling. With this in mind moving towards supply of on-line periodicals will eliminate this waste further.

6.9 The collaboration of the consortium has enabled deliveries of periodicals from and to multiple sights to reduce considerably thereby reducing the carbon footprint.
6.10 The possible inclusion of a process to enable purchase of newspapers will be via vouchers that are provided centrally, at reduced cost, but allow authorities to continue to purchase at local outlets.

6.11 Bidders will be required to detail how they can adhere to the Social Value Act and its requirements where relevant. Given the value and nature of the framework there are several SME’s in the market that are able to bid and execute this contract.

7. **Risk Management Implications**

7.1 A robust open procurement process and plan will be used to ensure compliance with the County Council’s standing orders on procurement and contracts and the European Procurement Directives to avoid any risk of challenge.

7.2 The risk that the proposal will not deliver the objectives set is very minimal as the current framework and specification is delivering objectives efficiently and effectively at present, and very little is expected to change. Delays in implementing new framework may be mitigated by short term extension with current supplier on mutual agreement.

7.3 A procurement log will be developed to record and mitigate any risks associated with the procurement, specification, implementation and operation. This will be fed back at intervals to the CBC members at group level meetings.

7.4 The contractor(s) will be required to have public and employers liability insurance and professional indemnity insurance as set out in Standing Orders on Procurement and Contracts and will be required to demonstrate compliance with the Health & Safety requirements for the contract.

7.5 The comparatively low value and nature of this framework deems that it is low risk and issues with non-performance can be addressed both through regular review, remedial action plans and default notices. Termination or withdrawal on either side, although unlikely, can be managed in the short term by authorities making use of other frameworks available, or reverting to ordering and managing requirements in-house whilst an alternative supplier is appointed.

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**Background Papers**  
None