

REPORT

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB COMMITTEE		Subject: PROCURING CHANGE – GENERAL STATIONERY AND OFFICE PAPER
From: HEAD OF REVENUE SERVICES		
Date: 18 JANUARY 2012	Ref: AC/BC	

1. Introduction

- 1.1 The purpose of this report is to request that committee endorse the use of the national collaborative framework for General Stationery and Office Paper.

2. Background

- 2.1 Scottish Procurement has recently established a new 3 year national framework agreement for the supply of General Stationery and Office Paper with the option to extend for a further year. The framework agreement is available to Scottish public bodies including Central Government, Local Authorities, Higher and Further Education, NHS, Police and Fire and Rescue.
- 2.2 The new framework replaces the previous national collaborative arrangement with Lyreco which the Council adopted when it was introduced in 2008.
- 2.3 The scope of the new agreement covers all standard, common, stationery and office paper items. Including but not limited to: Writing and correction products, filing products, document presentation products, note books and pads, envelopes and post room products, labels and office paper.
- 2.4 A single supplier, Office Depot UK Ltd, was selected and appointed to the framework agreement after a robust procurement process conducted in accordance with EU Procurement Regulations. The supplier met all the required minimum requirements including environmental and technical standards, and also represents best sustainable value for money.
- 2.5 The terms of the framework agreement allow individual buying organisations to engage directly with the supplier appointed to the framework without the need for further competition.
- 2.6 General Stationery and Office Paper is used across all Council service areas, with a total annual spend in the region of £ 815,000.

3 Considerations

3.1 Scottish Procurement has recently concluded a tender exercise reflecting the needs, specification and customer relationship needed to create a framework agreement for General Stationery and Office Paper for public sector bodies across Scotland. It is unlikely that any separate exercise by the Council would yield any better outcomes compared to the aggregate buying power of the public sector for these generic products which was the basis for the Scottish Procurement tender exercise.

3.2 The key benefits for organisations utilising the framework are:

- Managed pricing model which will identify opportunities for organisations to achieve rebates by improving how they procure general stationery & office paper
- Supports e-Procurement - electronic ordering and invoicing, punch-out and secure online ordering site are all available
- Comprehensive range of general stationery and office paper products
- Ability to rationalise and tailor product catalogue to suit the needs of the buying organisation and realise further cost savings.

3.3 When a straight comparison is made to the previous framework agreement which was introduced in 2008, the new Office Depot agreement reflects an average price increase of around 13% equivalent to a projected spend of £921,000 however, this increase can be avoided as outlined below.

3.4 Work is currently underway involving the Corporate Procurement Team and a range of Service representatives to rationalise the range of products available from 3,421 to approximately 700. This rationalisation is based on detailed analysis of the Lyreco spend and a matching exercise being carried out to the items being offered by Office Depot. Adopting the rationalised list means that the Council can expect to achieve an annual saving of approximately £65,000. This rationalised approach has been endorsed by the Corporate Procurement Working Group.

3.5 Furthermore by adopting a number of process improvements such as electronic ordering and invoicing, consolidation of deliveries a financial rebate will also be made available from Office Depot.

4. Financial Implications/Corporate Considerations

4.1 By adopting the rationalised range (approximately 700 products) the use of the national collaborative framework will deliver an annual saving in the region of £ 65,000 (8%) and will contribute towards the Procurement workstream efficiencies within the Services and People First initiative.

5 Recommendation

5.1 It is recommended that the Committee:-

- endorse the use of the national collaborative framework
- note the Procurement workstream efficiency savings



Head of Revenue Services

Members wishing further information please contact Brian Cook, Head of Revenue Services
Tel: 01698 403929.

APPENDIX A

NORTH LANARKSHIRE COUNCIL - PROCUREMENT REPORTING

		PART A	PART B												
		PROPOSED ARRANGEMENTS	ACTUAL ARRANGEMENTS												
1	Procurement Title	General Stationery and Office Paper													
2	Description	Scottish Procurement - National collaborative framework awarded to Office Depot UK Ltd													
3	Contract Category	Supply Services Works	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>												
4	Contract Type	Term Framework Agreement Framework Contract One-off Other –	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>												
5	National Framework Duration	<input type="text" value="36"/> Months	<input type="text" value="36"/> Months												
6	National Framework Start Date	<table border="1"> <tr> <td>DD</td> <td>MM</td> <td>YYYY</td> </tr> <tr> <td>01</td> <td>09</td> <td>2011</td> </tr> </table>	DD	MM	YYYY	01	09	2011	<table border="1"> <tr> <td>DD</td> <td>MM</td> <td>YYYY</td> </tr> <tr> <td>01</td> <td>09</td> <td>2011</td> </tr> </table>	DD	MM	YYYY	01	09	2011
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7	National Framework End Date	<table border="1"> <tr> <td>DD</td> <td>MM</td> <td>YYYY</td> </tr> <tr> <td>31</td> <td>08</td> <td>2014</td> </tr> </table>	DD	MM	YYYY	31	08	2014	<table border="1"> <tr> <td>DD</td> <td>MM</td> <td>YYYY</td> </tr> <tr> <td>31</td> <td>08</td> <td>2014</td> </tr> </table>	DD	MM	YYYY	31	08	2014
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8	National Framework Extension	<p>Is a provision being included to extend the contract?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If 'Yes', what is the maximum period of extension being sought?</p> <input type="text" value="12"/> Months	<p>Has a provision been included to extend the contract?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If 'Yes', what is the maximum period of extension included?</p> <input type="text" value="12"/> Months												
9	National Framework What Procurement Route was used?	EU Non-EU	<input checked="" type="checkbox"/> <input type="checkbox"/>												

10	National Framework If EU Procurement Route was used, which procedure was applied?	Open Restricted Other If 'Other' please provide details below:	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
11	National Framework What Evaluation Criteria was used?	Lowest Price Most Economically Advantageous	<input type="checkbox"/> <input checked="" type="checkbox"/>
12	Total Value of 'call off'	<input type="text" value="£3,260,000"/>	<input type="text" value="£3,020,000"/> Actual <input type="checkbox"/> Estimate <input checked="" type="checkbox"/>
13	Procurement Checklist	Procurement checklist provided to Procurement Manager? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
14	Details of Council Officer responsible for this procurement process	Name <input type="text" value="Margaret Law"/> Telephone <input type="text" value="01698 403953"/>	