
Report to:	Cabinet	Date of Meeting:	4 June 2015
Subject:	Supply and Servicing of Library Materials	Wards Affected:	(All Wards);
Report of:	Director of Older People		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To report on the outcome of a new procurement exercise for the supply and servicing of library materials to public library authorities in the North West & Yorkshire.

Recommendation(s)

That Cabinet agrees the new contract arrangements for the purchase of library materials resulting from the tender exercise completed by the North West & Yorkshire library consortium, of which Sefton is a member.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	√		
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

Reasons for the Recommendation:

To enable Sefton’s Library service to engage with the new framework agreements and benefit from the commercial terms and conditions for supply of library materials.

Alternative Options Considered and Rejected:

By participating in the Consortium framework agreements Sefton Council avoids the significant costs required in officer time to delivery a similar procurement exercise. An advantageous level of discount and servicing terms is achieved via the aggregated expenditure of 35 authorities.

What will it cost and how will it be financed?

(A) Revenue Costs: no additional costs incurred – expenditure to come from the budget designated to supply of library materials.

(B) Capital Costs

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial		
Legal		
Human Resources		
Equality		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

Positive impact on service delivery in securing value for money and ensuring a reliable supply chain to meet library customer needs.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and has no comments on the report (FD 3541/15)

Head of Corporate Legal Services have been consulted and has no comments on the report. (LD 2833/15)

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Background Papers:

Report to Cabinet member Children’s Schools, Families and Leisure – January 2015

1. Introduction/Background

- 1.1 Public library authorities in the North West and Yorkshire regions first joined together for the purpose of procuring the supply and servicing of library materials in 2008. Sefton M.B.C. is one of 35 authorities participating in the Consortium, which collectively serves a population in excess of 9.8 million and issue an estimated 36 million items per annum.
- 1.2 In 2012 the Consortium put out to tender 8 separate lots for supply of specified library stock categories. The procurement exercise was fully compliant with EU requirements. Bertram Library Services (Bertrams) were assessed as first placed bidder for 6 of the 8 lots and were awarded contracts to cover the period April 2013 to March 2016.
- 1.3 In October 2014 Bertrams reported that they were no longer able to sustain the levels of discount and free servicing upon which the contracts were originally awarded. Adverse commercial conditions and a shortfall in the indicated level of expenditure from the Consortium were cited as the factors affecting the terms and conditions of supply. A temporary Deed of Variation was agreed with the Consortium to reduce discount levels and introduce charges for the servicing of materials. The details of this were reported to Cabinet Member in January 2015. The Deed of Variation is due to end on 31st May 2015

2. Results of new contract procurement

- 2.1 Concurrent to the variation period the Consortium has re-tendered for supply of stock categories previously contracted to Bertrams. STaR Shared Procurement Service (Stockport, Trafford and Rochdale authorities), based at Trafford Council lead on the tender process. All 35 Participating Authorities agreed which

categories of stock to include in the tender and 6 categories (or Lots) were included. These cover Adult Fiction, Adult Non-Fiction, Childrens, Reference, Recorded Music and Visual materials (e.g. DVDs). The approved specification was incorporated into Trafford's Invitation to Tender which, combined with Trafford's Terms and Conditions, formed the completed EU Tender documents. The tender was advertised via the Chest website on 15th December 2014 and was also advertised in the Official Journal for European Union (OJEU) using the 'open procedure' of tendering.

- 2.2 The contract will be awarded for a period of 3 years (subject to the provisions for earlier termination or extension herein) with the option for an extension of a further 12 month period at the end of the initial 3 year period. The extension will be entirely at the discretion of the Participating Authorities by mutual agreement. It is anticipated that the contract will commence on 1st June 2015. The total annual expenditure across the 6 lots is estimated at £6,644,000 of which it is estimated that Sefton would contribute approximately £135,000 per year, total contract value of approximately £405,000.

3. Evaluation

- 3.1 An Evaluation Panel comprising of representatives from both consortia with a mix of skills and specialisms was established. Expressions of interest were received from 17 companies, 5 of whom submitted a tender by the closing date/time of 29th January 2015. In total, 5 tender submissions were received and evaluated, including submissions from BLS. Of the remaining 12 companies, 2 chose to Opt Out and 10 did not respond.

- 3.2 The tender evaluation was undertaken in two stages as follows:

Stage 1: Fundamental criteria/Supplier Questionnaire

A desk based assessment of the Supplier Questionnaire included in the Form of Tender document was carried out to ensure suitability of tenderers. An assessment of the submissions was conducted by STaR Shared Procurement Service to ensure that bidders complied with the fundamental criteria requirements of the tender documents. This was based on PASS/FAIL from the Supplier Questionnaire

Stage 2: Quality and Price Assessment

The criterion for the evaluation of the tenders was "most economically advantageous" taking into account best value for money with regard to the following:

- Quality Weighting: 60%
- Price Weighting: 40%

The percentage weighting was agreed so that the decision was not made purely on price. With this type of contract, quality and ability to service the contract and contract mobilisation are key factors in the evaluation of a tender. Tenders were evaluated on a lot by lot basis, taking in to consideration all tenders received for that particular lot.

4. Results

- 4.1 The overall scores for each supplier per lot were ranked based on their total score. The North West Libraries Consortium Development Manager and the chair of the Yorkshire Book Consortium have both been involved in the evaluation process and have approved the recommendations being made. Following this Open Tender procedure the following suppliers have been awarded the NW and Yorkshire contracts for the supply and servicing of materials to public library authorities :-

Lot/Category of Stock	First Ranked Bidder
Lot 1 Adult Non Fiction (ANF)	Askews and Holts
Lot 2 Adult Fiction (AF)	Askews and Holts
Lot 3 Children's Materials (CHILD)	Peters Bookselling Services
Lot 4 Music CDs (RECORDED MUSIC)	Askews and Holts
Lot 5 DVDs / Computer Games / Blu Ray (VISUAL)	Askews and Holts
Lot 6 Reference Standing Orders (REF SO)	Askews and Holts

- 4.2 The first ranked bidder for 5 of the 6 lots is Askews & Holts Library Services Ltd. This company has previously supplied materials to Sefton's Libraries and delivered services to a high standard.
- 4.3 The levels of discount offered by the first ranked bidders are commensurate with those originally received from BLS, and the servicing charges are less than those currently applied by the deed of variation.

5. Contract commencement

- 5.1 The new framework agreements are due to commence from 1st June 2015 at which point 35 authorities will be on contract. The contracts will be managed by the North West Consortium Manager and the chair of the Yorkshire Book Consortium.
- 5.2 Sefton Library Service proposes to actively engage with the new supply contracts only at a point where the channels for stock supply have been implemented with Electronic Data Interchange (EDI). This is the standard process for ordering and receiving stock consignments, which leads to significant efficiencies in the workflow.
- 5.3 It should be noted that library stock funds, both in Sefton and across the region, have seen significant reductions in recent years. The loss of turnover, and volatility in the market for book supply, has increased the pressure on trading conditions for library suppliers. The maintenance of robust discount levels represents a major achievement for the Consortium. It ensures that Sefton Council continues to deliver excellent value for money in its acquisition of library materials.

6. Recommendations

- 6.1 That Cabinet agrees the new contract arrangements for the purchase of library materials resulting from the tender exercise completed by the North West & Yorkshire library consortium, of which Sefton is a member.