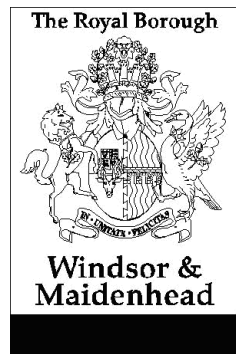


Report for: ACTION



Contains Confidential or Exempt Information	YES – Appendix A only - PART II - Not for publication by virtue of Paragraph publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
Title	Library Stock Purchase Contract
Responsible Officer(s)	Simon Fletcher, Strategic Director for Operations and Customer Services
Contact officer, job title and phone number	Mark Taylor, Head of Libraries, Arts & Heritage Service 01628 796989
Member reporting	Councillor Claire Stretton, Principal Member for Culture and Communities
For Consideration By	Cabinet
Date to be Considered	25 February 2016
Implementation Date if Not Called In	1 April 2016
Affected Wards	All

REPORT SUMMARY

1. This report deals with the continuation of the Central Buying Consortium (CBC) contract, that the Royal Borough of Windsor and Maidenhead (RBWM) has been part of since August 2010, for two years from 1 April 2016 to 31 March 2018.
2. It recommends that the Council remains a part of the CBC contract for the purchase of library stock and notes the tender process undertaken by the CBC. The expected spend would be £341k over two years or £682k over four years.
3. These recommendations are being made because the contract represents good value for money for residents whilst offering a timely and broad choice of books.
4. If renewed, the CBC contract will continue to offer much higher discounts than are likely if RBWM were to buy library books with individual suppliers.
5. An additional point to note is the CBC contract offers a central point of contract negotiation saving RBWM the additional staffing that would be needed to complete this on a local basis within the Council.

If recommendations are adopted, how will residents benefit?	
Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. Continued use of CBC buying power and associated discounts means maximising value for money.	1 April 2016
2. Central contract negotiation means savings can continue to be made on staff hours locally.	1 April 2016
3. Residents will continue to benefit from prompt supply of up-to-date library stock.	1 April 2016

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATIONS: That Cabinet:

- i) **Notes the retender for the supply of library stock by the Central Buying Consortium under the OJEU compliant process.**
- ii) **Approves the Council continuing to remain an Associate Member of the Central Buying Consortium and utilising the new framework contract for the supply of library stock until 31 March 2018.**
- iii) **Delegates authority to the Strategic Director of Operations & Customer Services & the Corporate Management Team (CMT) in consultation with the Leader, the Lead Member for Finance and the Principal Member for Culture and Communities to award the tender and exercise the optional extension of the new contract for up to two more years, until 31 March 2020, if the Central Buying Consortium decides to pursue the extension.**

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 A robust open tender procurement process in compliance with West Sussex County Council Standing Orders on Procurement and Contracts and EU Procurement Directives has been undertaken. The award for the contract to Askews Holts was evaluated as delivering the best value.
- 2.2 Continuing membership of CBC and using the framework provides more discounts on the purchase of library stock than would be possible with the lesser buying power of a single library authority. It also reduces the amount of time spent locally on procurement activity.
- 2.3 Cabinet approved joining and continuing membership of the CBC library stock contract in 2010, a new contract was approved in 2012 and a 2 year extension was approved in 2014. Contract Procedure Rule 14.1 of Part 2 of Section G, Contract Rules, of the Council's constitution permits CMT (in consultation with the Leader, Lead Member for Finance and relevant Member for the service area) to make a decision to award the contract if its total value is £500k or more.

Option	Comments
1. Continue with the CBC library stock supply contract. Recommended.	The renewal of this contract would allow familiarity and stability enabling planning and budgeting against consistent costs. CBC has recommended this 2 year award of contract.

Option	Comments
2. Buy stock independently at local level.	Tendering for new contracts as RBWM alone would involve significant staff time, legal and procurement costs in going through an EU compliant tendering process. Also the relatively small amount of library stock supply business RBWM would offer was likely to lead to less competitive pricing from suppliers.
3. Seek to set up a new consortium with members of SELMS (the library management system consortium for which the Borough is the administrative lead)	The majority of SELMS members are already members of the CBC consortium. The time & cost of disentangling authorities from the CBC arrangements and creating a new consortium would be more than any likely discounts achieved by a smaller number of partners. (11 as opposed to 43 in CBC)

3 KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
Number of additional books purchased using the further 0.5% discount	Below 160	160-170	171-180	Above 180	31 March 2017
Number of additional DVDs purchased using the further 15% discount	Below 420	420-435	436-450	Above 450	31 March 2017

4. FINANCIAL DETAILS

a) Financial impact on the budget

Impact on the Revenue Budget	2016/17	2017/18	2018/19
	Revenue £000	Revenue £000	Revenue £000
Addition	0	0	0
Reduction	0	0	0
Net reduction	0	0	0

b) Financial information

- 4.1 As outlined within the total revenue estimates given on page 56 of the Budget Book, RBWM's estimated spend for library service stock is £262.6k for the year 2015/16. Approximately £170.6k of this spend is expected to be via the CBC stock framework contract. The remaining £92k is used to purchase Audio Visual & e-resources and specialist stock such as Spoken Word and Large Print items that are only available directly from specialist suppliers; to pay for making the stock shelf ready, including the insertion of radio-frequency identification (RFID) tags that allow the self service system to work, and for inter-library loan fees & necessary bibliographic tools.
- 4.2 As an Associate Member authority using the CBC Library Book contract, RBWM will continue to be charged a 1% fee. This charge will be invoiced quarterly based against turnover contained in the contractor's quarterly reports. Based on a spend of £170.6k the charge of 1% would be £1,760 per annum, and will be paid from the library stock budget. A reduction in stock budget during the year would reduce spend and so lead to a reduction in the fee.
- 4.3 The approved Library, Arts & Heritage revenue budget contains £262.6k in 2015/16 allocated for the purpose of library stock, of this £170.6k is allocated for stock bought through the CBC contract. The contract is for two years plus an optional extension of a further two years. Were the extension to be utilised, the total spend over four years of the contract is estimated to be £682.4k. There is no additional saving or increased revenue spend expected through agreeing to award the contract. However, the marginal increases in discount for some items will allow additional titles to be purchased each year for the same money in those categories of library stock.
- 4.4 The levels of discount offered by the contracted suppliers are commercially confidential and are not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. They are listed in the Part II appendix to this report.

5. LEGAL IMPLICATIONS

- 5.1 The CBC works as a federation of authorities across a wide range of markets covering the needs of local authorities, not just specifically the library service, with each member contributing a share in the operations and running of the consortium. West Sussex is the Lead and Contracting Authority for the Library Book and Audio Visual Supply contract, and manages the contract on behalf of CBC Members and Associate Members. At the point the CBC let the Tenders a full OJEU process was followed by the lead authority.
- 5.2 The Council is enabled, by section 111 of the Local Government Act 1972, to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council therefore has a general power to enter into contracts for the discharge of any of its functions. The contract will be let in accordance with the Part 3 of the Council's Contract Rules and The Public

Contracts Regulations 2015. Cabinet may delegate approval to award the contract to specified officers.

6. VALUE FOR MONEY

The CBC contract represents excellent value for money for residents as it requires no extra budgetary input but will provide continued savings within the Borough as marginally increased discounts have been achieved in this new contract.

7. SUSTAINABILITY IMPACT APPRAISAL

There is no impact over and above that of the existing service.

8. RISK MANAGEMENT

Risks	Uncontrolled Risk	Controls	Controlled Risk
Failure of core supplier	MEDIUM	No invoices paid in advance of receipt of stock	LOW
Spend level causes core suppliers to review terms /withdraw from the contract	MEDIUM	Maintain current levels of spend	LOW
Supplier performance drops causing delay in supply	LOW	Monitor performance via consortium	LOW

9. LINKS TO STRATEGIC OBJECTIVES

Agreeing to the extension of the existing CBC contract will mean that RBWM Libraries, Arts & Heritage Service can continue to offer the same level of comprehensive library service to residents at a reduced cost to council tax payers relative to the cost were alternative stock supply arrangements to be pursued. It provides Value for Money and ensures we are Delivering Together with our partners in the CBC.

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

An EQIA has been completed and indicates there will be no negative impacts on residents with protected characteristics from this decision.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS

N/A

12. PROPERTY AND ASSETS

N/A

13. ANY OTHER IMPLICATIONS

N/A

14. CONSULTATION

As this is an internal process no public consultation has been carried out. The report will be considered by the Culture & Communities Overview and Scrutiny Panel by email as the final discount levels were not available in time for their meeting on 25 January 2016.

15. TIMETABLE FOR IMPLEMENTATION

Date	Details
1 April 2016	Renewal of CBC contract begins and runs until 31 March 2018 with optional extension until 31 March 2020

16 APPENDICES

Appendix A - not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

17. BACKGROUND INFORMATION

EQIA

18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr D Burbage	Leader of the Council		29/1/16	
Cllr C Stretton	Principal Member for Culture and Communities	14/01/16	14/01/16	
Simon Fletcher	Strategic Director of Operations and Customer Services	14/01/16	14/01/16	
Martin Strawson	Procurement and Business Development Manager	14/01/16	14/01/16	Section 2 – added 2.1
Mark Lampard	Finance Business Partner	14/01/16	14/01/16	
Michael Llewelyn	Cabinet Policy Assistant	14/01/16	14/01/16	Section 4 – addition of Finance table
Legal	Contracts Team	14/01/16	14/01/16	Section 5 – added 5.2

REPORT HISTORY

Decision type:		Urgency item?
Key decision within Cabinet's Authority		No
Full name of report author	Job title	Full contact no:
Lisa Poole	Team Leader: Outreach & Stock	01628 796388