

ANGUS COUNCIL

NEIGHBOURHOOD SERVICES COMMITTEE – 26 FEBRUARY 2009

REPORT BY THE DIRECTOR OF NEIGHBOURHOOD SERVICES

PROCUREMENT OF LIBRARY BOOKS

Abstract: This report seeks Committee approval to extend the contract for the supply of books with Holt Jackson from 1 April 2009 to 30 June 2009 to allow time for Tayside Procurement Consortium (TPC) to complete a collaborative tender exercise on behalf of the TPC partners in association with Aberdeen City and Aberdeenshire Councils.

1. RECOMMENDATION

1.1 It is recommended that the Committee:-

- (i) Approve the request for exemption from normal tendering requirements, on the basis of Financial Regulation 16.22.4(b)(vi) as set out in Section 4; and
- (ii) Approve the extension of the current contract for the supply of library books with Holt Jackson from 1 April 2009 to 30 June 2009, with an option to extend for a maximum of a further 3 months to 30 September 2009 if required, to allow Tayside Procurement Consortium (TPC) to complete a collaborative tender exercise on behalf of the TPC partners in association with Aberdeen City and Aberdeenshire Councils for the supply of library books from 1 July 2009.

2. BACKGROUND

- 2.1 In November 2002 Angus Council approved the production of tender documents for the supply of library books to Angus Council for a minimum period of 3 years with an option to extend the contract up to a maximum of 5 years (Report No. 1378/02 refers).
- 2.2 During the course of 2003 a detailed tender document for the supply of library books was produced which invited bids for the supply of library books to Angus Council. The tender was advertised in the European Journal in December 2003 and ten requests for the Tender Document were received.
- 2.3 In March 2004 Angus Council accepted the bid from Holt Jackson for a minimum period of 3 years with the option to extend for a further period of 2 years (Report No. 408/04 refers).
- 2.4 The initial 3 year contract period expired on 31 March 2007 and Angus Council agreed that the contract with Holt Jackson be extended for a further period of 2 years, until 31 March 2009 (Report No. 256/07 refers) during which time further Tender documents would be produced for the supply of library books to Angus Council from 1 April 2009. It was also agreed that Angus Council pursue the possibility of consortium purchase with other Scottish Authorities.
- 2.5 In preparation for renewal of the current contract, Angus Council Cultural Services in conjunction with the Service Manager – Corporate Procurement, proactively sought expressions of interest from TPC partners (Dundee City Council and Perth and Kinross Council) as to collaborating over a library books contract. This was in furtherance of the approved Tayside Procurement strategy 2008-11. The collaborative net was widened to the Aberdeen City/shire Councils to reflect the newly established “North East Hub” operational procurement region under the auspices of Scotland Excel (the local government sectoral centre of procurement. All 5 councils have expressed a desire to collaborate over this procurement opportunity and there is likely to be benefit in doing so, even if just in terms of avoidance of duplication of effort. TPC have retained procurement lead on the process and the TPC Steering Group at its meeting on 31 October 2008 approved the procurement going ahead. It may be noted in passing that this “windfall” collaboration opportunity is one of the first to be put in place on this North East Hub basis.

3. EXTENSION OF CURRENT CONTRACT

- 3.1 TPC has been leading the production of a collaborative specification of requirements and strategic procurement plan for the supply of library books for the "North East Hub" with the support and input of users from each council. This extended consortium membership has of necessity extended the tender preparation period to both create a specification meeting all parties' requirements and to seek to refine those requirements to create as common an approach as is possible (to maximise the savings opportunity). Invitation to tender will not now be issued until March 2009 with tender return in May and contract award in June. It is now projected therefore that any contract arising from the tender process will be in place no earlier than 1 July 2009.
- 3.2 As a consequence of this extended tender preparation period, Angus Council will require to cover a 3 month period between the end of the current contract with Holt Jackson and the implementation of the TPC contract arrangements, to ensure the continued provision and availability of newly published library books.
- 3.3 The collaborative contract tender process will continue to be managed through TPC structures, but members are asked to approve, subject to consideration of the exemption request detailed at Section 4 below, an extension to the current Holt Jackson contract of 3 months to 30 June 2009.
- 3.4 It is considered prudent however to provide for the possibility that the TPC procurement route is not quite complete by 1 July 2009. Members are therefore asked to consider and also approve an option extend the current contract for a maximum of a further 3 months to 30 September 2009 if required.

4. EXEMPTION FROM NORMAL TENDERING REQUIREMENTS

- 4.1 Section 16 of the Council's Financial Regulations requires that where the value of items being procured is beyond Chief Officers' delegated authority, full competitive advertised tendering, followed by committee approval, is required. Any departure from this requirement requires to be considered under the Exemption Scheme contained in the financial regulations and which requires the approval of either the Exemption Co-ordinator or the appropriate Committee.
- 4.2 In light of the ongoing TPC work noted above, it is considered that it is not beneficial to the Council to invest resources in tendering for the 3 month period which requires to be covered until the TPC procurement route can be concluded. Rather it is considered beneficial to the Council to extend the current contract with Holt Jackson and that value for money in this regard will be maintained by continuing existing discount percentages.
- 4.3 Accordingly an exemption from the normal tendering requirements of Section 16 is requested on the basis of Financial Regulation 16.22.4(b)(vi) "it is beneficial to the Council that ... an extension to an existing contract ... should be negotiated with a particular party" and members are asked to approve this exemption.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no additional financial implications for the Council arising from the recommendation in this report as the estimated cost of this contract extension [£37,000] will continue to be contained within the media fund within the Neighbourhood Services revenue budget.

6. HUMAN RIGHTS IMPLICATIONS

- 6.1 There are no Human Rights implications arising from the contents of this report.

7. CONSULTATION

- 7.1 The Chief Executive, the Director of Corporate Services and the Heads of Law and Administration and Finance have been consulted in the preparation of this report.

8. EQUALITIES IMPLICATIONS

- 8.1 The issues dealt within this report have been the subject of consideration from the equalities perspective (as required by the legislation). An equalities impact assessment is not required.

**RON ASHTON
DIRECTOR OF NEIGHBOURHOOD SERVICES**

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

CS/JRZ/NKA