

NORTH SOMERSET COUNCIL DECISION

DECISION OF: COUNCILLOR MIKE SOLOMON. THE EXECUTIVE MEMBER FOR NEIGHBOURHOODS AND COMMUNITY SERVICES



WITH ADVICE FROM: THE DIRECTOR OF PLACE AND HEAD OF STRATEGIC PROCUREMENT

DECISION NO: 21/22 DP 164

SUBJECT: COMMISSIONING / PROCUREMENT PLAN FOR THE PROVISION OF PHYSICAL LIBRARY BOOKS (CHILDREN'S AND ADULTS) THROUGH THE CUSP PURCHASING CONSORTIUM AND ESPO (EASTERN SHIRES PURCHASING ORGANISATION) FRAMEWORK

KEY DECISION: YES.

REASONS: The value of the contract is over £500,000.

BACKGROUND:

Local Authorities have a statutory duty under the Public Libraries and Museums Act 1964 to provide a 'comprehensive and efficient' public library service. A core component of this is a book lending service which relies on the regular supply of new books.

North Somerset Council is a member of CUSP (the Consortium for United Stock Purchasing) – a library stock purchasing consortium consisting of all the library authorities in the South West of England, except Dorset. The current lead CUSP authority is Somerset County Council.

The current contract for the supply of library books to all member authorities was undertaken through CUSP via an OJEU procurement exercise through ESPO (Eastern Shires Purchasing Organisation). The contract ran from 1 October 2017 for 4 years plus 1 and is now coming to an end.

The combined value of the contract for North Somerset over the proposed 5 year contract period (3 years plus 2) is estimated to be c. £600,000. In consequence an Executive member decision is required to proceed with the procurement.

DECISION:

It is requested that this commissioning / procurement plan is approved to proceed.

REASONS:

Procurement through CUSP using the ESPO framework agreement provides all member library authorities including NSC with an advantageous contract for the purchase of new

library stock, with discounts of a higher value than those that would be achieved by NSC undertaking a separate and costly tendering exercise.

OPTIONS CONSIDERED:

1. Do nothing

This option was rejected as failing to procure library books would prevent NSC from complying with its statutory duty to provide a 'comprehensive and efficient' library service. It would have a significant impact on the library service and adversely impact library customers.

2. Procure independently

This option was rejected as considerable price discounts can be achieved through purchasing as a member of a consortium. NSC libraries also lack capacity to run a separate tendering exercise.

3. Collaboration with other local authorities, through the CUSP consortium

Procurement through CUSP provides all member library authorities including NSC with an advantageous contract for the purchase of new library stock, with discounts of a higher value than those that would be achieved by NSC undertaking an exercise. Somerset County Council (SCC) are the current CUSP lead authority and their Commercial and Procurement team are supporting the procurement.

3.1 CUSP Open Tender

The timeframe allows for an Open Tender but the process is likely to be complex and time consuming and it is felt that there are limited benefits to going out to the open market as the market is small.

3.2 CUSP procurement via a framework

Using a framework ensures that the buying process is fully compliant with UK procurement legislation and all suppliers listed on the frameworks have been assessed during the procurement process for their financial stability, track record, experience and professional ability.

Two potential frameworks have been identified:

3.2.1 ESPO Framework (376F_18 Library Stock)

3.2.2 NEPO Framework (418 Library Books and eBooks)

The benefits of both these frameworks are detailed separately and the merits of each were evaluated by CUSP member authorities.

The evaluation showed that there were several advantages to using ESPO rather than NEPO including:

- 2-3% higher discount on books procured through ESPO, allowing a higher level of purchasing (estimated 650 additional books p/a for NSC)
- Greater competition in children's book supply through ESPO, which has two suppliers listed (NEPO has one supplier listed)
- The risk of potential disruption to supply is less through ESPO if two separate suppliers are awarded

As a result, CUSP members have agreed by majority vote (as per the Agreement) to procure via the ESPO framework and to split the procurement into 2 'lots'. Lot 1 allows for direct award for Adult book supply as there is only one supplier (Askews & Holt) of Adult book stock within the framework. The ESPO framework allows for further competition for Lot 2, the Children's element, where there are two possible suppliers (Askews & Holt and Peters Bookselling). The NEPO framework only lists a single supplier for both Adults and Children's book supply. The only other supplier named on the frameworks (Bertrams) went in to administration in June 2020.

4. To join an alternative purchasing consortium contract

This would create complications with LibrariesWest partners if each partner chose a different approach.

5. To seek an alternative solution

No other compliant solution has been identified

Recommendation:

The recommended option is 3.2.1: i.e. to procure via CUSP using the ESPO framework, direct awarding Adults and opening a mini competition for Children's book supply.

Timelines:

- CUSP review project plans & procurement options - July 2021
- CUSP decision on Procurement route - 20 July 2021
- CUSP finalise specification/requirements - August 2021
- NSC Commissioning and Procurement Plan approved – September 2021
- CUSP finalise tender documents - September 2021
- Review and Finalise Call Off Contract for Lot 1 (Adults) - October 2021
- Post Further Competition on Pro Contract Lot 2 (Children's) - 4 October 2021
- Outcome of Lot 2 and Direct Award of Lot 1 - Fully completed by 28 January 2022
- Inform suppliers of outcome - 31 January 2022
- Contract award approval - November – December 2021
- Contract signing February – March 2022
- Contract start date - 01/04/2022
- Commencement Date 01/10/22 tbc (NOTE – Somerset Procurement Team are requesting advice on start date of new contract/s as termination of existing contract is required, prior to this. They are seeking to ensure that most advantageous contract conditions prevail for as long as possible. Contracts require signature prior to end of Framework but may commence later.

FINANCIAL IMPLICATIONS:

Costs

The estimated contract costs over the term of the proposed 5 year contract are:

Adult:	£60,000 - £80,500 p/a	£300,000 - £402,500 over 5 years
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Children's:	£20,000 - £31,500 p/a	£100,000 - £157,500 over 5 years
Sub-total:	£80,000 - £112,000 p/a	£400,000 - £560,000 over 5 years
Book Servicing:	£3,000 - £8,400 p/a	£15,000 - £42,000 over 5 years
Total:	£83,000 - £120,400 p/a	£415,000 - £602,000 over 5 years

Funding

The purchase of library books are treated as stock. In-year purchases are offset by any in-year disposals and the net movement is transferred back to revenue.

The net impact transferred to revenue is funded via a library stock smoothing reserve.

The new contract will operate in the same way so no additional revenue funding will be required.

LEGAL POWERS AND IMPLICATIONS

Public Libraries and Museums Act 1964

The council has a statutory duty under the Public Libraries and Museums Act 1964 to provide a 'comprehensive and efficient' public library service. A core component of this is a book lending service.

The letting of the contracts will be administered by Somerset County Council on behalf of CUSP members. The use of frameworks is acceptable under the Public Contract Regulations 2015.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None identified

CONSULTATION

NSC Head of Libraries and Community

NSC stock management Librarians

NSC Procurement Manager

Members of CUSP library stock purchasing consortium

Chair of Place Scrutiny Panel

RISK MANAGEMENT

Failure of CUSP – very low risk. An agreement is in place which outlines the roles and responsibilities of member authorities, including consideration of liabilities and indemnities

Failure of ESPO – very low risk

Failure of supplier/s appointed under the tender exercise – medium risk – associated with the current Book trade market, and common to all methods of procurement. The risk is reduced if two separate suppliers are awarded the contracts for Adults and Children's book supply.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? To be undertaken during August

CORPORATE IMPLICATIONS

The contract will be overseen locally by the NSC Head of Libraries and Community

APPENDICES

None

BACKGROUND PAPERS

CUSP Consortium Agreement for United Stock Purchase

Provision of Physical Library Books to CUSP for Adults and Children’s stock (expiry 22/9/2021): Procurement Options Appraisal. Nena Beric, Service Manager, Commercial & Procurement, Somerset County Council 08.07.21

CUSP Member Questions – Procurement Options Provision of Physical Library Books to CUSP for Adults and Children’s stock (expiry 22/9/2022). Nena Beric and Kate Turner 19/7/21, circulated to CUSP Members 14.15

SIGNATORIES:

DECISION MAKER(S):



Signed:

Executive Member for Neighbourhoods and Community Services

Date: 23 August 2021

WITH ADVICE FROM:



Signed:

Director of Place

Date: 20 August 2021

Signed:  Head of Strategic Procurement

Date: 18 August 2021.