

## Notice of Meeting

# Cabinet Member for Property and Business Services

**Date & time**

Tuesday, 13 June  
2017 at 2.30 pm

**Place**

Committee Room C,  
County Hall, Kingston  
upon Thames, Surrey  
KT1 2DN

**Contact**

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**Chief Executive**

David McNulty

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**This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Andrew Baird & Joss Butler on 0208 541 7609 or 0208 541 9702**

**Cabinet Member for Property and Business Services**  
Mr Tim Oliver

## **AGENDA**

### **1 DECLARATIONS OF INTEREST**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- i. Any disclosable pecuniary interests and / or
- ii. Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

#### **NOTES:**

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

### **2 PROCEDURAL MATTERS**

#### **MEMBERS' QUESTIONS**

The deadline for Members' questions is 12pm four working days before the meeting (07/06/2017).

#### **PUBLIC QUESTIONS**

The deadline for public questions is seven days before the meeting (06/06/2017).

#### **PETITIONS**

The deadline for petitions was 14 days before the meeting, and no petitions have been received.

### **3 AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF OFFICE STATIONERY**

(Pages 1  
- 10)

This report seeks approval for Surrey County Council (SCC) to award a framework agreement to Banner Group Limited for the provision of Office Stationery to commence on 1 September 2017.

This report outlines the procurement process, including the results of the evaluation process. When considered in conjunction with the Part 2 report, it demonstrates why the recommended framework award will deliver value for money and quality across all areas of stationery.

Due to the commercial sensitivity involved in the framework award process, the names of the bidders and their financial details have been circulated as a Part 2 report.

#### 4 EXCLUSION OF THE PUBLIC

**Recommendation:** That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

### PART TWO – IN PRIVATE

#### 5 AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF OFFICE STATIONERY

(Pages  
11 - 14)

This Part 2 report contains information which is exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

The information contained in this report may not be published or circulated beyond this report and will remain sensitive for the length of the framework.

**Exempt: Not for publication under Paragraph 3**

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

**David McNulty**  
**Chief Executive**  
Published: 05 June

#### MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

*Thank you for your co-operation*

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**SURREY COUNTY COUNCIL****CABINET MEMBER FOR PROPERTY AND BUSINESS SERVICES****DATE: 13 JUNE 2017****LEAD OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER****SUBJECT: AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF OFFICE STATIONERY****SUMMARY OF ISSUE:**

This report seeks approval for Surrey County Council (SCC) to award a framework agreement to Banner Group Limited for the provision of Office Stationery to commence on 1 September 2017.

This report outlines the procurement process, including the results of the evaluation process. When considered in conjunction with the Part 2 report, it demonstrates why the recommended framework award will deliver value for money and quality across all areas of stationery.

Due to the commercial sensitivity involved in the framework award process, the names of the bidders and their financial details have been circulated as a Part 2 report.

**RECOMMENDATIONS:**

It is recommended that the Cabinet Member for Property and Business Services:

- i. approves the award of a framework agreement (which sets out the terms and conditions under which specific purchases known as "call-offs" can be made on behalf of the Council during the term of the framework agreement) to Banner Group Limited for four years from 1 September 2017;
- ii. notes that the duration of each call off agreement will be two years with the option to extend for a further two years one year at a time; and
- iii. notes that over the full term of the framework, the anticipated value is £900,000 (approximately £225,000 per annum).

**REASON FOR RECOMMENDATIONS:**

1. Surrey County Council (SCC) currently has separate contracts for office stationery and printer consumables (that fall outside the scope of the Multi-Function Device contract), both of which expire on 31 August 2017.
2. The Council conducted an Official Journal of the European Union (OJEU) tender process, in compliance with the requirements of the Public Contracts

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Regulations 2015 and the Council's Procurement Standing Orders.

3. A thorough evaluation process has identified awarding the framework to Banner Group Limited will provide the Council with the best value for money.

<b><u>DETAILS:</u></b>
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**Business Case**

4. The Council has an ongoing requirement for the provision of office stationery (including paper) and printer consumables (that fall outside the scope of the Multi-Function Device (MFD) contract – however this requirement will further reduce as older machines perish).
5. Subsequent to obtaining authority from the Sourcing Governance Meeting on 1 February 2017, SCC conducted a tender process following advertisement of the opportunity in the OJEU on 3 March 2017 to procure an Office Stationery framework agreement.
6. Social value considerations and formal social value evaluation criteria were incorporated within the tender. Bidders were asked to work towards the delivery of additional social, economic and environmental benefits over and above the core service outcomes outlined in the specification. The successful bidder has offered a number of social value benefits as part of their bid, which the Contract Managers will work with them to try to achieve, including:

For every £100,000 the Council spends, Banner will provide paid time off to employees to enable them to assist with local charities, schools and local community projects in Surrey. Examples include:

- a. educating schools and colleges on the importance of disposing of their waste correctly;
- b. conducting schools 'green' competition with awards for the 'greenest' school;
- c. offering SCC employees' services into the community to conduct Corporate Social Responsibility days;
- d. holding fundraising activities to raise money for charities;
- e. donating excess stationery to local schools, charities and businesses;
- f. supporting local schools and colleges by facilitating work experience placements;

*Job Creation in Surrey*

Banner is committed to working with SCC to create employment opportunities for local people in areas of high deprivation. They will work with the Council to create the following opportunities to service this Agreement in their Basingstoke Distribution Centre:

- a. Full time – increase drivers by two within the Surrey area;

- b. Apprenticeships – offer up to two apprenticeships from local schools and colleges;
- c. Work Placement – offer up to two work placement opportunities for local people.

#### *Social Value Reporting*

In conjunction with Banner's Social Value Charter, they recommend the provision of the following information to provide greater visibility of sustainability and social value performance:

- a. Planned training programme for all employees;
- b. Training and development records for all employees;
- c. Report on number of work placements provided;
- d. Employee breakdown split by gender, full time and part-time/flexible;
- e. Small and Medium Size Enterprise and localised supplier representation within the supply chain utilised to support this agreement.

#### **Background and options considered**

7. This framework will consolidate separate contracts with a single supplier offering a single solution to ordering stationery requirements. This will include access to the agreed core list of stationery items via an online solution, which all officers will have access to.

Items typically required as part of the delivery of this framework will include:

- Office Stationery
  - Office Equipment
  - Specialist Paper
  - Printer Consumables
8. The supplier will act as a prime supplier responsible for the management of the stationery requirements for the Council and be responsible for the delivery of all the goods required under the framework.
  9. When drafting the tender documents, Legal Services advised that a framework agreement would be most appropriate as the nature of the requirements are ad hoc and volumes could not be guaranteed. Various county, borough and district councils and police forces are named on the OJEU notice and therefore able to use the framework at their discretion.

## Procurement Strategy

10. Several options were considered in the Strategic Sourcing Plan which were then presented and approved at the Sourcing Governance Meeting on 1 February 2017 prior to commencing the procurement activity. These included:

- Crown Commercial Service Office Supplies Framework – benchmarking showed this framework was approximately 20% more expensive than current prices;
- YPO Office Supplies and Equipment Framework – benchmarking showed this framework was approximately 24% more expensive than current prices;
- Sussex Stationery Consortium (SSC) Office Supplies Framework – benchmarking showed this framework was approximately 5% more expensive than current prices;
- London Contracts & Supplies Group Office Supplies Framework – using this framework would mean SCC could not collaborate with East Sussex County Council (ESCC) as they were not named and therefore unable to use this framework; and
- conduct an OJEU tender process for an Orbis partnership Office Stationery framework.

11. After a full and detailed options analysis, an OJEU tender process was deemed most appropriate and selected because:

- the Council could seek to obtain a best value and innovative solution by giving suppliers an opportunity to compete;
- consolidation of stationery requirements for a number of authorities via a tender process would encourage economies of scale, generate efficiencies and reduce duplication of time and resources in commissioning and management of separate contracts and core lists;
- through developing its own specification, the Council could tailor the requirements to try to meet the following contract objectives:
  - a. deliver SCC and ESCC's stationery, paper and office supplies requirements via aligned product lists/catalogues;
  - b. mitigate stock proliferation and duplication of effort (where possible) from multiple orders of the same products;
  - c. reduce stock wastage and deter ordering of products/excessive quantities unless required;
  - d. achieve savings through catalogue rationalisation, product standardisation and economies of scale;
  - e. create contract, product and process alignment between SCC and ESCC;
  - f. deliver a provision that is accessible to future Orbis partners.



## Tender Process

12. The Council conducted a tender process via an open tender procedure following advertisement of the opportunity in the OJEU on 3 March 2017. Twenty three suppliers expressed an interest in the tender opportunity out of which, four suppliers submitted responses to the invitation to tender. These were then evaluated against the criteria and weightings described in the Part 2 report.
13. Feedback from suppliers who expressed an interest but did not bid indicated that they could not meet all the requirements of the provision or they did not have the resources to bid at the time.
14. A procurement and project user group was established which include representatives from a range of services and partners, including; Property Services, Buying Solutions and the Super User Group at SCC; Personal Assistants (PAs), the Print Room and other frequent users of stationery in ESCC as well as the Procurement Team at Brighton & Hove City Council (BHCC) all of whom provided input/feedback on the specification and core list of stationery items.
15. Tender responses were evaluated according to the following weightings:

Criteria		Weighting
Initial Tender Response	Pricing Submission	60%
	Technical Questionnaire	40%
Samples	Sample Testing	Pass/Fail

## Key Implications

16. The framework agreement is for the period from 1 September 2017 to 31 August 2021.
17. The framework agreement sets out the terms and conditions under which specific purchases known as “call-offs” can be made on behalf of the Council during the term of the framework agreement. The duration of each call off agreement will be two (2) years with the option to extend for a further two (2) years one year at a time).
18. Performance will be monitored through a series of robust key performance indicators as detailed in the framework agreement and reviewed at contract management meetings.
19. The management responsibility for the framework agreement lies with the Property Services department and will be managed in line with the Contract Management Strategy and plan as laid out in the framework documentation.

This also enables a review of performance and costs in relation to the contract, including inflationary increases, efficiency savings and gain share savings from identified continuous improvements in performance.

**RISK MANAGEMENT AND IMPLICATIONS:**

20. The framework agreement has been prepared jointly by Orbis Procurement, Orbis Law and representatives from Property Services, Buying Solutions and the Super User Group in SCC; the Print Room, PA's and frequent users of stationery in ESCC; and procurement from BHCC.

21. Key risks associated with the framework have been identified, along with mitigation activities:

<b>Category</b>	<b>Risk Description</b>	<b>Mitigation Activity</b>
Financial	Risk of off contract spend	Communication of new contract to be publicised to Council staff and Buying Solutions informed to capture any orders going to other suppliers.
Meeting requirements	Risk of supplier not having the necessary skills, experience or resources to satisfactorily complete all elements of the contract	Termination and non-exclusivity clauses in the terms and conditions of the contract so the Council is not locked into a call off contract with an unsuitable supplier
Supplier Failure/ Financial Instability	Risk of supplier going out of business	Successful bidder met the financial requirements in the tender; large number of other suppliers in the market who can supply goods in the event of supplier failure.
Streamlined Core List	Risk that the streamlined core list does not meet requirements	The new core list is based on volumes and previous requirements; list can be reviewed by Contract Managers if additional items are required and necessary

22. It is not anticipated that the Transfer of Undertakings (Protection of Employment) Regulations 1981 will be relevant to this framework.

23. The framework terms and conditions include various termination clauses including a termination without cause clause which will allow the Council to terminate the framework for any reason should priorities/requirements change.

24. The successful bidder provided a complete and compliant invitation to tender submission and passed the mandatory and optional exclusion questions including financial checks.

## **Financial and Value for Money Implications**

25. Full details of the framework value and financial implications are set out in the Part 2 report. The total anticipated framework value is £900,000 (approximately £225,000 per annum).
26. As part of the tender process bidders were required to price a core list of general stationery; specialist paper and printer consumables via open book costing. They specified their cost price, % margin, purchase price and unit price for each item to encourage price transparency.
27. The core list is based on high volume stationery items and the representatives of the user group were consulted when compiling the list to ensure it would meet the Council's requirements whilst enabling the contract objectives listed in section 12 above to be achieved. Access to purchasing non-core items will be restricted, Buying Solutions and Property Services will work with the supplier to re-direct Council employees to order from the correct routes i.e. the core list.
28. It is anticipated that savings will be achieved against the current stationery contract as a result of cost savings, reductions in volumes and mitigation of proliferation of items purchased. The framework will be monitored through the term to measure any further savings delivered.
29. The framework agreement sets out clear performance objectives and key performance indicators stating reporting requirements and the service levels to be delivered under the framework along with benchmarking/market testing to be conducted by the Council/supplier.
30. Efficiency savings may be achieved throughout the duration of the framework, which will be monitored across the term to measure any savings delivered:
  - a. The spend over the last few years has decreased owing to a reduction in the volume of stationery required, partly as a result of improvements in technology. It is anticipated that volumes will continue to decrease in which case cost avoidance savings may be generated.
  - b. With shifts in Council culture and the move towards a paperless work environment, unnecessary purchases and proliferation of stationery items can be mitigated which should lead to further efficiency and cost avoidance savings.
  - c. It is anticipated that as more of the legacy printers around the Council perish, the requirement for the printer cartridges under this framework will decrease as MFD's are further rolled out and utilised. This should add to potential savings under this framework and produce greater economies of scale in relation to the MFD contract.
31. Further potential non-cashable savings/benefits include:
  - a. Through this tender process SCC have consolidated separate requirements for general stationery, specialist paper (ESCC contract) and printer consumables with separate suppliers into an Office Stationery Framework with a single supplier therefore, reducing the

level of internal resource time and effort required to manage separate suppliers for different contracts;

- b. The new framework will be open to other current and future Orbis partners which will help facilitate further collaboration and partnership working in addition to economy of scale savings.
- c. Social value considerations and formal social value evaluation criteria were incorporated within the tender. The successful bidder is required to specifically deliver added social value to be monitored through the life of the framework (further details in section 7 of Part 1 of this report).

#### **CONSULTATION:**

- 32. A procurement and project user group was set up to include representatives from Property Services, Buying Solutions and the Super User Group in SCC; the Print Room, PA's and frequent users of stationery in ESCC; and procurement from BHCC to provide input/feedback to the specification and core list of stationery items.

#### **Section 151 Officer Commentary**

- 33. The County Council is facing a very serious financial situation, whereby it does not have a balanced nor sustainable budget plan for future years. This planned expenditure has been included within the current Medium Term Financial Plan. Services are expected to have in place appropriate controls to ensure that all stationery purchased through this framework are necessary within this financial context.

#### **Legal Implications – Monitoring Officer**

- 34. A thorough evaluation was done of bids made by suppliers and the tender process was conducted correctly via the OJEU. The recommended supplier has been selected in accordance with Public Contract Regulations 2015 and the Council's Procurement Standing Orders. The recommended supplier will provide the best value for money and also provide social value benefits to Surrey.

#### **Equalities and Diversity**

- 35. There is no requirement for an Equality Impact Assessment (EIA) as there are no implications for any public sector equalities duty due to the nature of the services being procured. However, all suppliers are required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Human Rights Commission. In addition, the successful bidder was required to agree to the Framework Terms and Conditions which included provisions for the Equalities Act 2010 in order to deliver services which would help the Council meet its statutory duties. The successful bidder accepted these terms and conditions.

**WHAT HAPPENS NEXT:**

36. The timetable for implementation is as follows:

<b>Action</b>	<b>Date</b>
Cabinet Member decision to award (including 'call in' period)	13 June 2017
Cabinet Member decision 'call in' period	20 June 2017
'Alcatel' Standstill Period	22 June to 3 July 2017
Contract Signature	6 July 2017
Contract Commencement Date	1 September 2017

37. The Council has an obligation to allow unsuccessful bidders the opportunity to challenge the proposed framework award. This period is referred to as the 'Alcatel' standstill period.

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**CONTACT:****Contact Officer:**

Laura Hughes, Procurement Manager, 07815 548 950

**Consulted:**

Orbis Procurement

Orbis Law

SCC Property Services

SCC Buying Solutions

SCC SAP Super User Group

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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