

Cabinet Member for Fire and Rescue and Communities	Ref No: FRC01 19/20
August 2019	Key Decision: Yes
Procurement: Central Buying Consortium Library Group	Part I
Report by the Executive Director Place Services	Electoral Division(s): All
<p>Summary</p> <p>West Sussex County Council (WSSC) is the lead authority for Library books and other Library Services, on behalf of the Central Buying Consortium (CBC). The CBC Library Group (CBCLG) consists of 19 of the CBC members and currently a further 29 Associate member Local Authorities. This will rise by a further 10 Associate members.</p> <p>The current Framework Agreement for Library Books and Audio-Visual materials is due to expire in March 2020 and the CBC Library Group have requested that the Framework is renewed for up to a further four years.</p> <p>Based on the forecasts from all participating bodies the forecast spend is £12.8M per annum. The forecast for WSSC is £655K per annum.</p> <p>In recompense for the work involved in procuring and managing the contract, WSSC receive a Management Fee from Associate members. Last year this was £61K.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The procurement of Library Books and Audio-Visual materials will contribute to the key strand of 'A council that works for the Community' ensuring that WSSC using the CBC's buying power has the best value for money stock available in West Sussex Libraries.</p>	
<p>Financial Impact</p> <p>It is not anticipated that the new contract arrangements will realise significant savings. Spend has been falling year on year and suppliers have been affected by the Living Wage since the last procurement.</p> <p>Two Associate members (Surrey and East Sussex) have joined the CBC and will no longer pay a management fee. However, the additional 10 Associate members (mostly London Boroughs) should compensate for this.</p>	

Recommendations

The Cabinet Member is asked to approve:

- (1) the commencement of a procurement process for a new Framework Agreement for Library Books and Audio-Visual materials for the CBC Library Group, to commence on 1 April 2020; and
- (2) delegation of authority to the Director of Communities to award the contract to the provider who submits the most economically advantageous tender and can best meet the quality and performance standards required.

Proposal

1. Background and Context

- 1.1 The current sixth generation Library Book and Audio Visual (AV) materials supply Framework Agreement commenced on 1 April 2016 and is due to expire on 31 March 2020, having been extended for the maximum allowed period of 2 years. WSCC has been acting as lead and contracting authority for books since 1996, and for AV since 2011, with the first contract having commenced on 1 April 1997.
- 1.2 The proposed book supply framework arrangements will be accessed by 19 (of 21 in total), CBC members and a minimum of 29 Associate members. A further 10 Associate members will join (mainly London Boroughs) subject to their internal governance requirements. Spend per annum has declined throughout the term of the Framework, originally forecast in 2016 at £14-15M per annum, current participants are forecasting £11.5M and the additional participants are forecasting £1.3M i.e. a total of £12.8M However, the CBC is still the largest consortium with only Scottish Excel coming close in second place.
- 1.3 The current Framework Agreement contains four lots which are all supplied by a single supplier. To avoid the possibility of having four different suppliers, thereby increasing environmental impact and creating internal inefficiency, current lots 1 and 2 will become one Lot.

Lot 1a	Adult Fiction
Lot 1b	Adult Non-Fiction and Reference
Lot 2	Children's Books
Lot 3	AV i.e. DVDs and CDs

The budgets for Lot 1, 1a, and 2 are roughly equal and represent 90% of the total.

- 1.4 The Library services market in the UK has been shrinking, in particular for the supply of books, with no recent new entrants and a number of mergers. This has resulted in there now being only two main providers of Adult Fiction and Adult Non-Fiction. They also supply Children's books. There is one other strong provider of Children's books only, who also supply to schools.

2. Proposal Details

- 2.1 It is proposed that an open tender procurement process is undertaken to award a Framework Agreement for Library Book and AV supply to commence on 1 April 2020. The Agreement will run for 2 years with an option to extend for up to a total agreement period of 4 years.
- 2.2 The Framework Agreement will be set up such that it can be accessed by all current CBC and Associate Members and any anticipated Associate members. As with all Framework Agreements, there is no guaranteed spend.
- 2.3 There are no anticipated savings from this procurement as spend is falling and the market is shrinking and there are only small opportunities remaining for efficiency savings. However, the CBC Library Group is working closely to ensure the specification offers bidders the opportunity to implement more efficient processes where possible.
- 2.4 Associate members will continue to pay a quarterly 1% management fee based on their total quarterly spend.

Factors taken into account

3. Consultation

- 3.1 The CBC Management Group has been consulted and informed of the impending procurement process.
- 3.2 The CBC Library Group has been consulted and actively involved in specification development in a workshop in November 2018. A project team has been set up to draft the tender documents in set workstreams, on behalf of the CBC Library Group.
- 3.3 Market consultation has been undertaken with service providers of books and AV. The market consultation included discussions with a provider in the USA who was exploring entering the UK market. However, they have not carried this forward so the market remains very limited
- 3.4 Commercial Finance and Legal Services have been consulted and are actively involved in developing the commercial model and contract terms.

4. Financial (revenue and capital) and Resource Implications

- 4.1 Revenue consequences of proposal. A rebate of 1% is collected by West Sussex on all associate member spend which in 2018/19 equated to £61K. Although East Sussex and Surrey will no longer be paying the rebate due to them becoming full members of the CBC, ten new Associate members have joined which should increase the total amount collected to £64K per year. This income is already budgeted for. Total contract spend has declined since 2016 and further reductions will undoubtedly impact the rebate collected by West Sussex.

No other revenue implications are expected as the amount expected to be spent by West Sussex on this contract (currently £655K per annum) is contained within the total library budget for books and media.

Capital consequences.

4.2 There are no Capital consequences.

The effect of the proposal

4.3 This will ensure continuity of supply.

Future transformation, savings/efficiencies being delivered

4.4 None.

Human Resources, IT and Assets Impact

4.5 None.

5. Legal Implications

5.1. The Council has a statutory duty to provide library services to the public and this procurement contributes to the discharge of that function.

5.2. The contract value is over the relevant EU procurement threshold for supply contracts of £181,302 and so will be subject to a competitive procurement process in compliance with the Public Contract Regulations 2015. The procurement will also be compliant with the Council's Standing Orders on Procurement and Contracts.

5.3. The contract value is such that the decision to award the contract will itself require a further key decision.

6. Risk Implications and Mitigations

Risk	Mitigating Action (in place or planned)
No-one bids for the AV Lot as interest from specialist suppliers has been poor and one main provider has withdrawn from this market	Many LAs have ceased providing this offer to customers, others will follow. Local arrangements are available with the specialist providers.
The discounts offer is not as good as at present	Market Research suggests that the remaining providers have made competitive offers to other consortia despite the declining spend.

7. Other Options Considered

- 7.1 As explained in 1.4 the options are restricted by the current very limited provision in the marketplace for Library Books and Audio-Visual materials. An Open Tender is therefore the most efficient procurement approach. As the Framework will expire in March 2020 there is no option to do nothing as continuity of supply is essential to the Council's statutory duty.

8. Equality and Human Rights Assessment

- 8.1 An Equality Impact Report (EIR) is not required for this decision for the following reason:

The proposal has been assessed against the criteria in the EIR template and, as it has no negative or positive impacts on people, particularly those with protected characteristics, no EIR is needed.

9. Social Value and Sustainability Assessment

- 9.1 The Framework Agreement will be accessed by a large number of Local Authorities and thus the Social Value section of the specification focuses on three aspects which will affect them all as follows:
- The supplier is required to provide evidence that they are implementing working practices which support local authority waste management targets and objectives, demonstrating that a robust waste management policy is implemented.
 - The supplier is required to provide evidence that when delivering, sustainable transport is used more and number of miles travelled reduced, reducing carbon footprint for all deliveries.
 - The supplier is required to demonstrate that transport used will contribute to reduced NOx emissions.

10. Crime and Disorder Reduction Assessment

None.

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Appendices None

Background papers None