

NORTH SOMERSET COUNCIL DECISION

DECISION OF: THE DIRECTOR OF PLACE

WITH ADVICE FROM: HEAD OF LIBRARIES AND COMMUNITY AND HEAD OF STRATEGIC PROCUREMENT



DECISION NO: 21/22 DP 372

SUBJECT: Award of contract for supply of physical library books for adults and children

KEY DECISION: YES

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

BACKGROUND:

The supply of library shelf-ready physical books for customer use is fundamental to the provision of a Public Library Service as detailed in the Public Libraries and Museums Act 1964. The current supply contract ends on 30th September 2022 and the decision ensures continuity of supply for up to a further 5 years.

North Somerset Library Service is a member of a local authority purchasing consortium for physical books – CUSP (Consortium for United Stock Purchase) – consisting of 12 Authorities in the South West of England (Bath and North East Somerset Council, Bournemouth, Christchurch and Poole (BCP) Council, Bristol City Council, Cornwall Council, Gloucestershire County Council, Libraries Unlimited South West, North Somerset Council, Plymouth City Council, Somerset County Council, South Gloucestershire Council, Swindon Council and Wiltshire Council).

In 2017 CUSP awarded the contract for physical books for adults and children to Askews and Holts. In 2020 Somerset County Council (SCC) volunteered to take on the role of the lead authority for CUSP and arranged the contract extension with Askews and Holts until the 30th September 2022. On 21st July 2021 CUSP members voted to use ESPO framework 376F_18 to direct award to Askews and Holts for the supply of Physical Books for Adults (Lot 1) and to carry out a Further Competition for the supply of Children's Physical Books between Askews and Holts and Peters Bookselling (Lot 2.)

In September 2021 the Executive Member for Neighbourhoods and Community Services approved the commissioning / procurement plan to proceed and for North Somerset Library Service to take part in a Further Competition for the supply of shelf-ready Physical books to Children and Young People aged 0-16 years using ESPO framework 376F_18 Lot 2. SCC issued the Further Competition for Lot 2 on behalf of the 12 CUSP authorities in October 2021.

This decision enables North Somerset Council (NSC) to act on both the outcome of the Further Competition for Lot 2 and to direct award for Lot 1 of the ESPO framework

376F_18. It will also allow NSC and CUSP authorities to ensure that the contract is signed and sealed (where required) by 31st March 2022, ahead of the Framework expiry on 2 April 2022. The service under the new contract/s will start on 1 October 2022, allowing approximately 6 months for implementation.

DECISION:

That the contracts for the supply of library shelf-ready physical books for Children and Adults for North Somerset Council Library Service be awarded to the companies identified in the confidential appendix.

That the confidential appendices (Confidential Tender Evaluation Report - Children's Library Stock under ESPO 376F_18 Lot 2 and Procurement Sourcing Strategy for CUSP - ESPO 376F_18 Lot 1 - Adults Stock) be treated as exempt information, and treated in confidence, as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information during this regional procurement exercise being run on behalf of partner authorities by CUSP.

REASONS:

To comply with the outcomes of the ESPO 376F_18 Lot 2 Further Competition process to procure a supply contract for physical shelf-ready library books for children and young people.

To comply with the Direct Award process for ESPO 376F_18 Lot 1 to procure a supply contract for physical shelf-ready library books for adults.

To enable NSC Library Service and CUSP authorities to continue to offer physical book lending services as part of the statutory provision of Library Services under the Public Libraries and Museums Act 1964.

To comply with best legal and commercial practice, it is recommended that the confidential appendices to this report, which contain commercially sensitive information relating to the contracts and the Councils financial and business affairs are treated as exempt information. Exempt information is defined by Section 100 of the Local Government Act 1972, by Schedule 12A to that Act.

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. Two other procurement route options were considered - the 'NEPO Framework 418 Library Books and eBooks' and the Open Tender route.

The Open Tender route was rejected as it was not seen to offer any benefits in a market where there is a sole supplier for shelf-ready library books suitable for adults and a choice of two Frameworks available to procure shelf-ready books suitable for children.

The NEPO framework was rejected as CUSP authorities voted to test the market between the two available suppliers for shelf-ready books suitable for children. The NEPO framework did not offer the option for a Further Competition.

FINANCIAL IMPLICATIONS:

Neither the Lot 1 nor the Lot 2 contracts have a minimum spend, to allow for flexibility in expenditure on an annual basis.

Costs

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

Adult:	£60,000 - £80,500 p/a	£300,000 - £402,500 over 5 years
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 is 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

The provision of a printed book service is part of the statutory duty of a public library authority and the awarding of the supply contract will ensure that the CUSP authorities can continue to meet this duty.

CUSP is governed by the 'Consortium Agreement for United Stock Purchase' which sets out the responsibilities and liabilities for the procurement process for both the lead authority and consortium members. The letting of the contracts will be administered by Somerset County Council (SCC) on behalf of CUSP members. The use of frameworks is acceptable under the Public Contract Regulations 2015.

SCC legal services have advised both on improvements to the CUSP agreement to ensure that it meets needs to mitigate against any potential risks in relation to due process and on the process of moving from the current contract to the new contract/s.

As lead authority for CUSP, SCC Commercial and Procurement officers carried out the ESPO framework 376F_18 Further Competition procedure for Lot 2, the Direct Award procedure for Lot 1 and drafted the ESPO form of contract and call off terms for both Lots

1 and 2. To ensure the agreement of all CUSP authorities - documentation was a co-production between all authorities, to which all affirmed agreement.

Upon approval of this recommended decision, SCC Commercial and Procurement will notify the suppliers in accordance with the Public Contract Regulations and establish formal contracts

Each CUSP authority is an individual signatory to the ESPO form of contract and call off terms and is responsible for ordering and paying for goods ordered from the supplier.

The LibrariesWest Consortium Agreement between SCC and LibrariesWest authorities governs the process whereby SCC provides Bibliographic services, including the payment of invoices, on behalf of the four authorities who currently purchase this service.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The supply of shelf-ready physical books has the potential to impact both positively and negatively on the following:

- Use of energy, water, minerals and materials
- Waste generation / sustainable waste management
- Pollution to air, land and water
- Factors that contribute to Climate Change

Both the Lot 1 and Lot 2 specifications include requirements to minimise climate change and waste. The evaluation process for the Lot 2 Further Competition included a specific question on packaging and waste. Climate change was included in the social value question.

Suppliers were asked to provide evidence of:

- Their proposed approach to minimising waste and waste disposal
- A description of the types of packaging material used and how they are addressing the use of more sustainable packaging materials,
- A description of the labelling material used and how they are addressing the use of more sustainable labelling materials,

Their approach to reducing the use of single use plastic in particular in the use of book jackets and sleeves

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

A key risk is that the market of suppliers of shelf-ready books suitable for library use is very small, with a sole supplier of books for adults and 2 suppliers of books for children.

Bertrams Library Supply Services ceased trading in 2020 and it is possible that suppliers may be at risk of failure during the lifetime of the contract

The ESPO framework provides an element of mitigation against this risk due to the financial due diligence carried out by ESPO.

In the event of supplier failure, it may be possible to purchase books from other suppliers, however other suppliers are not currently set up to supply books to meet shelf-ready standards or to supply books of the type and quantity required by library services. A potential mitigation would be for existing or additional SCC staff to process items for shelf readiness on behalf of itself and LibrariesWest consortium authorities.

There is a risk that suppliers may be unable to sustain the discounts offered through the procurement process, due to the reliance on third parties (publishers) for the supply of stock at discounted rates. Any changes to the business model of publishers are likely to be reflected in changes to the discounts offered by library suppliers.

A key mitigation against this risk is the absence of a minimum spend within the contracts, which enables authorities to amend budgets and flex expenditure as wished.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes

CORPORATE IMPLICATIONS

None

APPENDICES

Confidential appendices listed in report naming preferred supplier(s) and rationale for selection.

BACKGROUND PAPERS

DECISION NO: 21/22 DP 164: 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

SIGNATORIES:

DECISION MAKER(S)


Signed:  Director of Place

Date: 13 January 2022

In consultation with:

Signed:  .S151 Officer

Date: 21 January 2022

Signed:  — Head of Strategic Procurement

Date: 13 January 2022