

LONDON BOROUGH OF CROYDON

To: All Member of Council
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STATEMENT OF EXECUTIVE DECISIONS MADE BY CABINET MEMBER FOR CULTURE, LEISURE & SPORT ON 31 JULY 2020

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. Further to the associated public notice of Key Decisions no scrutiny call-in has been received, and therefore the following decisions can be implemented.

The following apply to the decisions listed below:

Reasons for these decisions: As set out in the Part A report

Other options considered and rejected: As set out in the Part A report

Details of Conflicts of Interest declared by the Decision Maker: None

Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Decision Maker: None

The Leader of the Council has delegated to the Cabinet Member for Culture, Leisure & Sport the power to make the Key Decisions set out below:

Key Decision no.: 3120CLS

Decision Title: PROVISION OF BOOK STOCK FOR CROYDON LIBRARIES

Details of decision:

Having carefully read and considered the Part A report, the associated confidential part B report, and the requirements of the Council's public sector duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Culture, Leisure & Sport in consultation with the Cabinet Member for Finance & Resources

RESOLVED:

1. To approve the direct award of a contract for the supply of Library Books and Audio Visual Materials is to be awarded for an initial period of 20 months for the period 1st August 2020 – 31st March 2022 with an option to extend for up to a further two years for the value set out in Part B report; and
2. To note the waiver approved by the Chair of CCB under regulation 19.2 of the Council's Tender and Contract regulations in respect of the requirement for a procurement strategy report.

Signed: Council Solicitor and Monitoring Officer

Notice date: 10 August 2020

Part A: For Publication

REPORT TO:	Cabinet Member for Leisure & Sport
SUBJECT:	Library Book Stock
LEAD OFFICER:	Paula Murray, Creative Director - Culture
CABINET MEMBER:	Cllr Oliver Lewis- Cabinet Member for Culture, Leisure and Sport
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

The Administration's 2018 manifesto and the Corporate Plan 2018-22 sets out the overarching ambitions for the Council to invest in the Borough's facilities, to ensure better usage of Libraries as a community asset. Knowing that a successful culture offering is an important part of a healthy Borough and a great driver for the economy. As a result the Council has identified its Libraries as community hubs and aims to further invest in them as part of its growth ambition; to serve and connect local residents and all communities; providing information, services, cultural and creative enrichment.

Successful Libraries play a vital role in promoting health & wellbeing, supporting people into work increasing educational attainment, bringing individuals and communities together and celebrating creativity and culture.

Croydon libraries are well utilised with over 1.7 million visits to libraries each year. The library service plans builds on this through offering the latest publications and subjects of books for both Adults and Children.

The proposed contract award supports the requirements for the service to deliver on key ambitions highlighted in the Libraries plan 2019-28, the 2018 manifesto and the Councils 'Ambitious for Croydon 2018-22', Section 10.7, the Council will 'invest in our libraries and grow the book fund'.

This report sets out the Council's ambitions to grow the book fund and to improve the supply across all thirteen Croydon libraries by entering into a new contract for the supply of books and audio visual material.

FINANCIAL IMPACT

The total contract value estimated for Adult and Children's books and Audio Visual Materials is stated in Part B report, for the initial term of the 1st August 2020 – 31st March 2022 plus a 2 year extension option up until the 31st March 2024.

Annual savings of approximately £8000 are projected through this contract against the existing contract, due to a favourable increase in discounts.

FORWARD PLAN KEY DECISION REFERENCE NO: 3120CLS

The decision may be implemented from 1300 hours on the 6th working day after the decision is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the Cabinet Member for Leisure & Sport in consultation with the Cabinet Member for Finance and Resources the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Leisure & Sport in consultation with the Cabinet Member for Finance and Resources, is recommended by the Contracts and Commissioning Board to approve the direct award of a contract for the supply of Library Books and Audio Visual Materials is to be awarded for an initial period of 20 months for the period 1st August 2020 – 31st March 2022 with an option to extend for up to a further two years for the value set out in Part B of this report
- 1.2 To note the waiver approved by the Chair of CCB under regulation 19.2 of the Council’s Tender and Contract regulations in respect of the requirement for a procurement strategy report.

2 EXECUTIVE SUMMARY

- 2.1 The current arrangement for the provision of Library book stock for 13 libraries was established for a period of 12 months from 1 April 2019 to 31 March 2020 as per the agreed Framework let by the London Borough of Redbridge – Supply and Servicing of Library Acquisitions, OJEU Contract Notice REF 2015/S 198-358978.
- 2.2 The contract expired on the 31st March 2020 it was noted as a recommendation on the approved strategy CCB1413/18-19 Date: 24/10/2018 this would present an opportunity for the Council to review options in 2020.
- 2.3 The purpose of this report is to recommend the direct award of a contract under a single provider Framework Agreement, for the provision of Library books and audio visual material for an initial term of 20 months until the 31st March 2022, with the option to extend up to a further two years until 31st March 2024. Details of the Framework Agreement is outlined in Part B of the report.
- 2.4 The contents of this report has been endorsed by the Contracts and Commissioning Board

CCB ref. number	CCB Approval Date
CCB1595/20-21	28/07/2020

Table 1	Options	Benefits	Drawbacks
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3 DETAIL

Background

- 3.1 The current Contract for book supplies ended on 31 March 2020. A procurement strategy CCB1413/18-19 Date: 24/10/2018 agreed by the Contracts and Commissioning Board to utilise a framework in place with the London Borough of Redbridge to purchase books from two lots; Lot 1 Adult books and Lot 2 Children books.
- 3.2 It was noted in the procurement strategy that the call-off with Redbridge framework was to expire on 31 March 2020. The decision to award for a period of 12 months was to allow the Council to review its options in 2020 at which point it was predicted there would be opportunities to join new collaboration arrangements and make use of new frameworks.
- 3.3 Market intelligence reveals the Library services market in the UK has been shrinking in particular for the supply of books, no recent new entrants and a number of mergers taken place. This has resulted in there now being only two main providers of Adult Fiction and Adult Non-Fiction who also supply Children's books.
- 3.4 The results of the above consideration followed from a market engagement exercise carried out in September 2018, revealed exploration of various procurement options available to the Council for purchasing book stock.
- 3.5 In addition to this, a benchmarking exercise was undertaken to assess discount rates available in the market. The analysis identifies the selected Framework Agreement as the best placed procurement option.

Procurement

- 3.6 The project team considered the following options for this procurement as set out in the table below:

1.	Tender the Opportunity via an Open Tender Procedure.	<ul style="list-style-type: none"> • Opportunity to undertake market engagement to review supplier capability and to assist with shaping the tender documents. • Engage with interested organisations to apply best practice method and approach for supply of Library book stock. • Use in-house skills to develop tailored specification and open tender process to procure best price and appropriate quality to fulfil and exceed requirements. • Have the opportunity to procure local and meet social value for the Council and local community. 	<ul style="list-style-type: none"> • Current contract expires 31st March 2020, for time to review all options, the open tender process would not allow a Contract to be in place by 1st April 2020. • Council may receive higher priced proposals and / or lack of competitive tender responses due to the requirements for specialist providers to take on additional risks, liabilities and low volumes. In addition the Council are unlikely to receive the same level of discounts that will be available through a framework due to the economies of scale. • Existence of national / regional frameworks mean that the Council is unlikely to achieve discount levels that have been offered through collaborative purchasing arrangements. • Market interest may be low as suppliers can secure business through existing frameworks and standalone short-term contract may be less attractive. • Only a handful of suppliers in the market to supply Library book stock. The Council would not benefit with rates of discount currently received or would expect as the Council would not have the volumes in place.
2.	Extension of current Contract.	<ul style="list-style-type: none"> • Utilise the existing contracts to deliver the requirements. Service from existing suppliers deemed good. • Continuation of favoured procurement rates as Contract called off a Framework resulting in increase in buying power and specialist product / service knowledge. • Time saving as Contracts already established. • Robust Contract Management approach can be applied with selected providers. 	<ul style="list-style-type: none"> • Current contract expires on 31 March 2020. The Contract called off in its final year of the Redbridge Framework - Supply and Servicing of Library Acquisitions, OJEU Contract Notice REF 2015/S 198-358978 with no further options to extend.

3.	<p>Use of National Frameworks</p> <p>ESPO - 376E_16 Books, E-Books and the Related Materials</p>	<ul style="list-style-type: none"> • Mini- competition with multiple national suppliers to ensure VFM. • Direct award available with selected supplier. • Pre-checks on suitability already carried out. • Pre-agreed Terms & Conditions avoiding internal lengthy legal process and cost to project. • Leading market providers signed up to the Framework as already assessed for experience technical and professional ability. • Support provided by Framework provider on aspects of the tendering and process. 	<ul style="list-style-type: none"> • Framework is available and more suitable for schools and requirement is typically straight forward printed material. Covers direct award and further competition. Discounts are available as printed on the guide, however this framework would not be suitable for Library book stock as the Framework 376F – Library stock with ESPO has been set up. • A requirement for procurement and legal team to review the framework related documents to determine the Council eligibility to access the framework in accordance with PCR 2015. <p>Option not recommended</p>
4.	<p>Use of National Frameworks</p> <p>ESPO - 376F – Library Stock</p>	<ul style="list-style-type: none"> • Mini- competition only with the five main suppliers in the market two of which are incumbent suppliers to Croydon. • Pre-checks on suitability already carried out. The leading market providers signed up to the Framework and already assessed for experience technical and professional ability. • Framework suitable for Library requirements as these books are delivered in volume requirement, shelf stock prepared to include servicing aspects such as the book jacket, barcodes, labelling and specific library requirements. • The offering is value for money as suppliers have specialist Librarian service to assist with guidance on stock variety in the Libraries and can work alongside the Library book stock budgets. • Pre-agreed Terms & Conditions avoiding internal lengthy legal 	<ul style="list-style-type: none"> • Pricing information to is not available on this Framework and can only be made available by undertaking further competition procurement only. The benchmark discount is based on the industry average as advised by Framework Manager. These identified discounts would be reliant on the publication at the time as a result would not be fixed. • A requirement for procurement and legal team to review the framework related documents to determine the Council eligibility to access the framework in accordance with PCR 2015. <p>Option not recommended</p>

		process and cost to project.	
5.	Recommended framework Agreement (details in Part B)	<ul style="list-style-type: none"> The Framework has been recently established and begins a new contract period on 1 April 2020 for 2 years + 2. The Framework operates under four lots and supplied by a single supplier. The overall purchasing power of this Public Sector consortium, which consists of 58 Local Authority members. The total forecast spend is considered one of the largest consortia and thus achieve best value through economies. Discounts offered across the cost of goods, servicing and delivery. Robust Contract Management approach can be applied with one lead provider. The overall management of the Framework and Performance is transferred to the Lead Authority in partnership with Members. 	<ul style="list-style-type: none"> Depending on the level of membership a 1% management fee is payable on the total quarterly spend. Participating members would need to contribute to the cost of two meetings per year, per delegate and per authority. Following the initial term of two years with the possibility of extension up to four years. Supplier has been provided with the opportunity to re-negotiate the terms after two years. During this stage terms of Framework will be subject for review. <p>Recommended Option</p>

3.7 The preferred option is to direct award from a Framework Agreement, of which details can be found in Part B report. The decision to not identify the recommended Framework Agreement in this report, is due to it being a single provider Framework and to reduce the risk of disclosure prior to an award decision.

3.8 To ensure that the Supplier can meet the Council's requirements and discounts under the Framework could be offered, the Council sent a non-binding request to the Supplier under the recommended Framework Agreement, setting out the details of goods and services required from our library service as follows;

- Delivery of books to the libraries as required
- Provision of a date label

- Provision of a bar code
 - RFID Tag
 - Spine labels for adult and children's non-fiction books; and for children's fiction in line with Appendix Protective jacket / sleeve
 - Promotional material to publicise new books
 - In response to the latest COVID19 pandemic, request for a business continuity plan detailing any appropriate strategy and procedures to manage and maintain service delivery during this challenging and unforeseen event.
 - Details of any exclusions
 - Support and deliver on social value priorities
 - Participation in Premier Supplier Programme (PSP)
- 3.9 In accordance with regulation 9.1 of the Tenders and Contracts Regulations, the Supplier submitted a tender response document via the Council's e-tendering portal to confirm that they can meet the Council's requirements and that charges and discounts are to be calculated in line with the Framework Price Schedule.
- 3.10 For the Council to call off the Framework and to assist with the ordering process, a full review of the framework has been undertaken to establish an appropriate contract arrangement and suitability for Croydon.
- 3.11 The contract will operate on the basis of no guarantee of volume or spend.
- 3.12 Social value initiatives identified in the overarching framework to be delivered by the appointed supplier focuses on three aspects:
- 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.
 - In addition to the above, the supplier intends to use a carrier company that operate a fleet of modern fuel-efficient vehicles, including hybrid and electric vehicles for deliveries in areas such as London.
- 3.13 The supplier declined to take part in PSP as this requirement was not in scope of the Framework.

Price and contract terms

- 3.14 As a result of adhering to a five year signed confidentially agreement, rates have not been advised in this report avoiding disclosure as far as possible.

Information about the relevant discounts under the Framework Agreement is outlined in Part B of the report.

Contract Management

3.15 Contract management including the day to day relationship and instructions will be managed by the Library Service. The Library Service will be responsible for placing orders, instructions, budget management, monitoring and performance in addition to maintaining relations with the customer account manager.

3.16 The Framework Manager shall monitor the framework agreement and will be responsible for organising review meetings, review and address escalated operational matters, performance issues, new developments and products.

3.17 The following risks have been identified and will be monitored and overseen by the service team through contract management

Table 2. Risk and Mitigation

Risks	Possibility	Impact	Mitigations
Performance issues relating to late or non-supply of ordered stock.	Low	Medium	Robust contract management provided by the Framework Manager; quarterly feedback; in addition Contract management practice applied by Library service to manage the performance and review of book supply on an agreed frequency.
Choice of mainstream book stock available does not meet service requirements.	Low	Medium	Stock selectors can raise issues via contract management procedures; preferred supplier is an existing supplier to Croydon with proven record of stock supply.
The supplier fails to supply ordered stock.	Low	High	Preferred supplier is part of larger wholesale book distribution group as a result agreed specification and key performance indicators in place as part of the Framework. Volume procured through one source, the Council to ensure requirements and management of the Contract is in place for contingencies.
Failure to supply book stock due to COVID-19 Pandemic	Medium	Medium	Provision of Business Continuity Plan to be provided upon mobilisation, detailing appropriate strategy and procedures in place to manage and maintain service delivery during a challenging and unforeseen event.

4 CONSULTATION

4.1 A library user survey was carried out between February and June 2018 to get feedback on what books users would like within their libraries. The results of

this has meant that when the Council purchases books it is meeting what residents/users have suggested.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

Please see the Part B report.

5.2 The effect of the decision

Please see the Part B report.

5.3 Risks

There are no significant financial risks at this time. If budgets are reduced in future years, there will need to be an assessment to ensure that any future extensions remain affordable.

5.4 Options

No other options are being considered.

5.5 Future savings/efficiencies

Annual savings of approximately £8000 are projected through this contract under the recommended Framework against the existing contract, due to a favourable increase in discounts.

Approved by: Felicia Wright, Head of Finance-Place

6 LEGAL CONSIDERATIONS

6.1 There are no additional legal considerations directly arising from this report

Approved by: Sonia Likhari on behalf of the Director of Law and Governance & Deputy Monitoring Officer

7 HUMAN RESOURCES IMPACT

7.1 There are no HR impacts resulting from the award of this contract.

Approved by: Jennifer Sankar, Head of HR Place, for and on behalf of Sue Moorman, HR Director.

8 EQUALITIES IMPACT

- 8.1 The recommendations from this report will not have a disproportionate impact on people that share one or more protected characteristics. An equality analysis has been undertaken for the wider Library Service strategy which encompasses the whole service.
- 8.2 This concluded the proposed changes in the library plan will not have any negative impact on groups that share protected characteristics (compared to non-protected groups). It also identified a range of positive impacts the potential change will have for groups that share protected characteristics such as increasing the number of physical and digital books and resources available, improved access via consortium stock to other formats, (boosting existing collections of large print and spoken word); improved signposting to specialist services, e.g. RNIB Braille collections, improved access to stock in other languages (and dual-language materials) via consortium stock and current LGBTQ stock will be boosted by access to additional consortium stock.
- 8.3 A full needs analysis has been carried out in the development of the library plan and detailed in the Red-Quadrant report.

Approved by Yvonne Okiyo, Equalities Manager

9 ENVIRONMENTAL IMPACT

- 9.1 As part of the Framework Agreement, the Supplier endeavours to manage environmental matters. The Supplier intends to use materials for goods whose manufacture, use and disposal have the least harmful impact on the environment. Environmentally friendly, recyclable or reusable wherever possible.
- 9.2 All packaging and containers used in the delivery of the goods shall be environmentally friendly, recyclable or reusable wherever possible.

10 CRIME AND DISORDER REDUCTION IMPACT

- 10.1 This report does not have any implications on crime and disorder.

11 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Following the completion of the tender evaluation process, it is recommended to direct award to a supplier under a compliant Framework Agreement.
- 11.2 The recommendation to award this contract is based on the evaluation and selection of the Framework Agreement deemed to be the most economically advantageous solution at this time with savings of up to £8000 projected per annum.

12 OPTIONS CONSIDERED AND REJECTED

12.1 The Council reviewed its options to join new collaboration arrangements and make use of new frameworks in time for the current contract expiry. The options explored have been presented in the options analysis exhibited in section 3.6 above.

13 DATA PROTECTION IMPLICATIONS

13.1 There are no data protection implications.

Approved by: Paula Murray, Creative Director - Culture

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BACKGROUND PAPERS: None