

REQUEST FOR DMPC DECISION – PCD 62

Title: Contract Award for the Provision of Stationery and Office Supplies

Executive Summary:

This paper is proposing the approval to award two contracts from the London Contracts and Supplies Group (LCSG) Framework for the provision of Stationery and Office Supplies from Office Depot and Computer/Electronic Consumables from Supplies Team.

The contract period is for an initial two year period with two subsequent options to extend for 12 months each. The estimated total cost for both contracts over the four year period is £8,000,000.

Recommendation:

That the Deputy Mayor for Policing and Crime (DMPC) approves the award of two contracts from the London Contracts and Supplies Group (LCSG) Framework for the provision of;

1. Stationery and Office Supplies to Office Depot
2. Computer/Electronic Consumables to Supplies Team

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

Spence Henderson

Date

03/10/2016.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. The Metropolitan Police Service (MPS) currently have two contracts in place for the provision of Office Supplies and Computer/Electronic consumables which expire shortly. There is contract spend for Office Supplies of £6,450,000 and £3,350,000 for Computer/Electronic consumables.

2. Issues for consideration

- 2.1. The LCSG Framework is the current route to market that is utilised by both Transport for London (TfL) and London Fire Brigade (LFB).
- 2.2. This route to market via the LCSG framework offers best value for money determined by recent benchmarking exercise conducted by the GLA Collaborative Procurement Team (CPT) on behalf of MOPAC.
- 2.3. By utilising this route to market for Stationery/Office Supplies and Computer/Electronic Consumables, is estimated to deliver a cost saving of approximately 20-25% per annum based upon current demand volumes.

3. Financial Comments

- 3.1. The estimated total cost for both contracts over the four year period of £8,000,000 and this will be funded from within the existing budgets.
- 3.2. An annual total cashable savings of between £237,346 and £296,682 over and above those already identified via previous savings plans is expected to be achieved across the MPS.

4. Legal Comments

- 4.1. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). When awarding public contracts for goods and services valued at £164,176 or above, all contracting authorities must do so in accordance with the Regulations.

5. Equality Comments

- 5.1. There are no direct equality issues arising from this proposal.

6. Background/supporting papers

- 6.1. Appendix 1

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – NO

ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
Head of Unit: The Head of Strategic Finance and Resource Management has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Equalities Advice: The Workforce Development Officer has been consulted on the equalities and diversity issues within this report.	✓

OFFICER APPROVAL

Acting Chief Executive

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature R. Lawrence

Date 30/09/2016



**CONTRACT AWARD FOR THE PROVISION OF STATIONERY
AND OFFICE SUPPLIES****Virtual Procurement Board****Report by the Service Delivery Director Liz Church on behalf of the Deputy
Commissioner****EXECUTIVE SUMMARY**

The Metropolitan Police Service (MPS) requests approval to award two contracts from the London Contracts and Supplies Group (LCSG) Framework for the provision of:

- 1) Stationery and Office Supplies - Office Depot**
- 2) Computer/Electronic Consumables - Supplies Team**

The contract period will be for an initial two year period with two subsequent options to extend for twelve months each. The maximum estimated spend over the four year period for both contracts will be £8 million.

A centralised budget of £3.4m will cover core items and is managed by Locally Delivered Support Services (LDSS). Additional product requirements outside of the core list will be funded from devolved budgets.

Subject to approval, these contracts, will commence on 1st December 2016. This route to market via the LCSG framework offers best value for money determined by recent benchmarking exercise conducted by the GLA Collaborative Procurement Team (CPT) on our behalf.

By utilising this route to market for Stationery/Office Supplies and Computer/Electronic Consumables, is estimated to deliver a cost saving of approximately 20-25% per annum based upon current demand volumes.

A. RECOMMENDATIONS – Deputy Mayor for Policing and Crime

Approve the award of two contracts:

- 1) Stationery and Office Supplies to Office Depot
- 2) Computer/Electronic Consumables to Supplies Team

B. SUPPORTING INFORMATION

1. The MPS currently has two contracts in place for the provision of Office Supplies and Computer/Electronic consumables. The contract spend for Office Supplies (Banner) is £6.45million and Computer/Electronic consumables (XMA) £3.35million. These contracts are corporate requirements and therefore utilised by the whole organisation.

2. The MPS currently use the Crown Commercial Services (CCS) Office Supplies Frameworks. These commenced on the 1 December 2011 and were due to expire on 31 July 2015. However, because CCS delayed their procurement activity the new replacement Framework was not available until the 31 March 2016. At this period in time, this was considered a viable route to market that the MPS could access for their future requirements.
3. As part of the GLA Collaborative Procurement programme the MPS engaged the GLA Collaborative Procurement Team (CPT) to provide the procurement delivery service for the replacement contracts. As part of this engagement the MPS instructed the CPT to undertake benchmarking of other appropriate routes to market, including the new CCS Frameworks for these products. The CPT undertook benchmarking of CCS pricing, the LCSG pricing and the current MPS contract prices, it became apparent that best value would be achieved by using the LCSG Framework, and not the new CCS Framework.
4. The benchmarking activity focussed upon like for like products and included the top 50 Stationery products and top 100 Computer Consumable items, which represent approximately 73% of the MPS spend. The benchmarking process showed that by sourcing these items from the LCSG Framework an annual saving of £470,770 can be achieved, assuming demand remained constant. The saving equates to 43.5% based on the sample range noted above. The current full catalogue consists of a range of 1000+ products and it cannot be assumed that this level of saving will be achieved across all items. Therefore an estimated representation of overall savings, which includes the wider product range (lower volume/bespoke products), will be approximately 20-25% over the contract term, this equates to between £237,345.80 for a 20% and £296,682.25 representing a 25% saving per year.
5. The LCSG is a collaborative purchasing and supplies group that created the Framework which is accessible across the public sector. The London Borough of Havering is the lead authority and they undertook a Restricted OJEU process that included a best and final offer stage. This was carried out via an E-Auction. The LCSG Framework is the current route to market that is utilised by both TfL and London Fire Brigade (LFB).
6. Commercial Services have assessed the scope of the Framework and the GLA Collaborative Procurement team have benchmarked the current MPS contract prices. The table on the following page demonstrates the anticipated savings across the two contracts.

Framework	Supplier	Basket of Goods total value	Benchmarked Savings	Total Savings
Stationery Contract				
CCS RM917 (Current MPS Contract)	Banner	£1,024,894		
CCS RM3723 (Comparator Framework)	Banner	£859,363		
LCSG (New Framework)	Office Depot	£579,357	£445,537	
Computer Consumables				
CCS RM917 (Current MPS Contract)	XMA	£161,835		
CCS RM3723 (Comparator Framework)	XMA	£161,835		
LCSG (New Framework)	Supplies Team	£136,602	£25,233	TOTAL SAVING *£470,770

*this is a savings comparison of the current contract let via CCS RM917 against the intended framework LCSG. See Value for money section for more representative savings figures based on overall usage.

7. It is anticipated that changes in the MPS organisation (e.g. Business Support Service project), which impacts overall staff numbers, will in turn reduce the demand for office supplies and result in lower spend as a consequence. Procurement and LDSS will continue to manage the demand and avoid any spend creep and to contribute to eliminating budget overspend.
- 8 The Metropolitan Police Service also has a list of bespoke products (such as Police Printed DVDs and CDs) which are printed for us by our providers some of which have been accounted for within the benchmarking as they were of significant volume. We have benchmarked these items using historic prices/usage and new agreed prices from Office Depot, the provider on the LCSG framework. Bespoke items will be subject to 'buyback'. This means at the end of the contract the Metropolitan Police Service will broker a deal with the exiting provider and new provider so the new provider is able to buy-back all bespoke items. The buy-back rate will be at the existing contract pricing.
9. Approval to initiate this contract action was granted at Management Board's Investment and Resource meeting in December 2015.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact (mandatory)

1. There are considered to be equality and diversity implications arising from the refusal of this contract extension. This could lead to those colleagues that require 'reasonable

adjustments' for disabilities and special needs to be left without the tools they require to carry out their daily duties.

2. As the Metropolitan Police Service works on an agile basis, specialist equipment is often required from Banner to ensure the majority of workstations are fit for purpose for a wide range of needs such as wrist support pads for mouse and keyboards foot stools and anti-glare screens. These items often as required following the Display Screen Equipment (DSE) assessments, without this contract these items would be less accessible and may result additional injuries and non-compliant spend.
3. The supplier was assessed prior to entering into the current agreement to ensure compliance with all relevant legislation. It is the responsibility of user departments to ensure that the MPS Equality and Diversity policies are adhered to through the life of the contract. Procurement Services have a contract management toolkit that contains a section on Responsible Procurement which encourages contract managers to work with their suppliers, signposting them to support services.

Financial Implications / Value for Money (mandatory)

1. Having carried out benchmarking exercises it has been determined that this route to market would save the Metropolitan Police Service £470,770 per annum based on historic spend and if demand remained the same. This was based on a sample of fifty most frequently ordered items and comparing like for like items by volume and spend. As the benchmarked data is based on a sample of 73% of the overall spend and low value and bespoke items were not included, the representative savings will be lower between 20%-25%. This equates to between £237,346 for a 20% and £296,682 representing a 25% saving per year.
2. Given the reduced central budget and the devolved budgets there will be a greater focus on value for money through demand and contract management. The key deliverable for LDSS is to control spend for core stationery and core computer/electronic consumable supplies to mitigate the risk of overspend, and requiring additional funding.
3. LDSS will be restricting the number of purchasers and will be putting a catalogue of core items in place. The Catalogue facility is the most efficient ordering process, gives the customer a better experience and in turn provides the organisation with better quality data. This will also reduce the number of off contract transactions that will need to be processed in the future.
4. Any items which are not available by the electronic catalogue will be purchased using local cost centre codes. There will be a focus on ensuring that the How to Buy guide is clear, concise and accessible.
5. For the Given the reduced central budget and the devolved budgets there will be a greater focus on value for money through demand and contract management. The key deliverable for LDSS is to control spend for core stationery and core computer/electronic consumable supplies to mitigate the risk of overspend, and requiring additional funding.

6. A value for money assessment will be carried out six months prior to the initial period ending, should any contract extension be required.
7. The identified saving of between £237,346 and £296,682 represents a cashable saving across the MPS over and above those which have already been identified via previous savings plans. This will be captured during the 2017/18 budget setting process, with the savings pro-rata based on existing office supplies budgets within Business Groups.

Legal Implications (mandatory)

1. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). When awarding public contracts for goods and services valued at £172,514 (relevant threshold) or above, all contracting authorities must do so in accordance with the Regulations.

Consultation undertaken (mandatory)

Consultation grid

Procurement – Mandy Chandar/ Debby Ebanks	Supportive
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Risk (including Health and Safety) Implications (mandatory)

There is no Risk implication, including Health and Safety.

Background papers: None.

