
USE OF PROCUREMENT CONSORTIA CONTRACTS

**Responsible Cabinet Member(s) – Councillor Don Bristow,
Resource Management Portfolio; Councillor Chris McEwan, Children’s Services Portfolio
Responsible Director(s) – Margaret Asquith, Director of Children’s Services; Paul
Wildsmith, Director of Corporate Services**

Purpose of Report

1. To seek permission of Members to waive Contract Procedure Rules with regards to the purchase of furniture for the new Skerne Park site and for the purchase of photocopiers for all Council buildings.

Background

2. The National Procurement Strategy for Local Government states that “The strategic objective of collaboration is to obtain better value by bringing councils and other public bodies together at local, regional and national levels to combine their buying power and create shared services”.
3. The North East Purchasing Organisation (NEPO) brings together the buying power of all of the 25 authorities in the region and is responsible for an approximate annual spend of £140 million. Darlington became a full member of NEPO earlier this year and therefore is eligible to buy from their contracts. Similarly the Yorkshire Purchasing Organisation (YPO) makes a number of contracts available to other public sector organisations.
4. All of the contracts have been advertised through the Official Journal of the European Union (OJEU); all have been evaluated on the basis of cost, financial standing, health and safety; equalities and references. In addition to getting best prices, and in some cases retrospective rebates, using these existing contracts saves an invaluable amount of time for the Council in the contracting process. Similarly it negates the need for suppliers to continually supply the same information to a number of different organisations.
5. Both YPO and NEPO contracts have been negotiated on behalf of a significant number of organisations and therefore attract greater economies of scale.

Photocopiers

6. When quotes were sought for the purchase of photocopiers for Community Services, and more recently for the Register Office, it was found that all the prices quoted were based on the YPO contracts and were significantly cheaper than others for an equivalent machine. Similarly with furniture we have automatically been quoted the NEPO price for recent purchases. For significant purchases like these, using the pre-approved suppliers to conduct a mini tender allows us the opportunity to get further reduction on an already favourable price. It would therefore represent best value to utilise the YPO contract however this will

require the waiving of standing orders.

Skerne Park

7. The new Skerne Park development incorporates a state-of-the-art primary school with a nursery unit, a Sure Start base, a Neighbourhood Nursery and extended Lifelong Learning provision, the school is due to be opened in early 2006. The premises need to be furnished and the full value of this purchase is likely to be in the region of £250k.
8. With a contract of this value we would need to advertise the tender via the OJEU, this will mean that from placing the advert to awarding the contract will take a minimum of 3 months. Once the supplier has been appointed there will need to be a period of consultation with staff members as to what furniture and accessories are actually required; the furniture will then have to be manufactured, delivered and fitted. As the furniture needs to be delivered by the end of January 2006 there is a concern that we will not meet the deadline if we follow this procurement route. NEPO has 12 approved suppliers of school furniture.

Outcome of Consultation

9. No consultation has taken place.

Legal Implications

10. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

11. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

12. The issues contained within this report are required to be considered by Council.

Recommendation

13. Council are requested to:
 - (a) Waive Contract Procedure Rules to allow appropriate officers to conduct a mini tender between the 12 NEPO approved suppliers in order to appoint a preferred candidate for the purchase of furniture for Skerne Park.
 - (b) Waive Contract Procedure Rules to allow appropriate officers to conduct a mini tender between the 4 YPO approved contractors to appoint a supplier for the purchase of

various photocopying machines.

Reasons

14. The recommendations are supported by the following reasons: -
- (a) Assist in meeting the requirement of the National Procurement Strategy to purchase through consortia to achieve economies of scale.
 - (b) Ensure we meet the timescales for delivery of the Skerne Park project.
 - (c) It is a much more efficient process and will save considerable time and effort for both officers and suppliers.

Margaret Asquith, Director of Children's Services
Paul Wildsmith, Director of Corporate Services

Background Papers National Procurement Strategy

Susan White: Extension 2019