

Office Supplies and IT Consumables

REPORT TO: Gary Fielding, Corporate Director, Strategic Resources

DECISION DATE: 14 September 2020

SUPPORTING ANNEX: None

PROPOSED RECOMMENDATION

It is recommended that the Authority approves the utilisation of the available extension to the Office Supplies and IT Consumables contract. The option to extend runs from 15 January 2021 to 14 January 2022.

BACKGROUND TO SUPPORT THE RECOMMENDATION

The anticipated whole life cost of the contract, should the final extension be approved, is currently estimated to fall just below £500,000, however, the Key Decision has been requested as spend is variable and there is a small risk of the whole life spend exceeding £500,000.

The contract for Office Supplies and IT Consumables commenced on 15 January 2018 for an initial term of two years. Stamps are also purchased through this contract. There is provision within the contract for two 12 month extensions. The first extension to 14 January 2021 was approved through the Gateway process on 10 June 2019.

The current supplier has successfully delivered the contract in line with the contract requirements and is meeting all of their contractual obligations. All work is carried out to the Authority's specification.

Prices were fixed for the initial term. There was a small price increase on the account for the first extension. It is anticipated that there will be a further small increase for the final extension.

Covid-19 has impacted on this contract and the average monthly spend has reduced since the lockdown, however, it is difficult to forecast any ongoing or future implications of the pandemic.

It is anticipated that a re-procurement may add as much as 10% to the cost of the service but at this time, it is difficult to know what the new "normal" will be going forward with home working set to continue for the majority of Authority staff until at least the New Year. This may impact on future service volumes.

Brexit may also have an impact on any future arrangements with the UK's transition period coming to an end at the end of this year.

Taking the above facts into account, it would not be considered prudent to re-procure the service at present.

LEGAL AND GOVERNANCE COMPLIANCE

There is provision to extend the existing contract for a period of 12 months and this falls under the following “safe harbours” detailed in Regulation 72 of the Public Contract Regulations 2015:

72 (1) (b) – more of the same;

72 (1) (e) – not substantial.

This arrangement is agreed between both parties at operational level.

As the whole life cost of the contract exceeds the financial thresholds specified in Rule 18.2 of the Procurement and Contract Procedure Rules, the Gateway process will be completed and signed off by the relevant officers. If approved, a contract extension document will be drafted for signature.

RECOMMENDATION

It is recommended that the Authority approves the utilisation of the 12-month extension.