



Hastings District Council

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OPEN AGENDA

TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 5 May 2016**

Time: **9.00am**

Venue: **Landmarks Room
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Subcommittee Members	Chair: Councillor Kerr Councillors Lyons, Lester, Nixon and Watkins (Deputy Chair) Chief Executive, Mr R McLeod, and Group Manager: Asset Management, Mr C Thew
Officer Responsible	Executive Advisor: Governance & Emergency Management (Mr M Maguire) (Quorum = 4)
Committee Secretary	Carolyn Hunt (Extn 5634)

Tenders Subcommittee – Terms of Reference

A Subcommittee of the Works and Services Committee

Fields of Activity

The Tenders Subcommittee is responsible for assisting council in its general overview of procurement and tender activity by accepting tenders which exceed the Chief Executive's delegated authority to approve, for projects previously approved by Council or a Standing Committee within the delegated authority.

Membership

Chairman appointed by the Council
4 members appointed by the Council
Chief Executive
Group Manager: Asset Management

For the avoidance of doubt the references in this delegation to the 'Chief Executive' and 'Group Manager: Asset Management' extends to include any persons from time to time appointed in writing to those roles in an acting capacity.

Quorum – Any four members.

Delegated Powers

Authority to accept tenders for individual projects previously approved by the Council or a Standing Committee of the Council up to a value of \$8,000,000
Responsibility to provide oversight and direction on tendering processes in general and/or specific issues relating to a particular project

HASTINGS DISTRICT COUNCIL
TENDERS SUBCOMMITTEE MEETING

THURSDAY, 5 MAY 2016

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Hastings

TIME: 9.00am

A G E N D A

1. Apologies

At the close of the agenda no apologies had been received.

At the close of the agenda no requests for leave of absence had been received.

2. Conflict of Interest

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or Group Manager Executive Advisor: Governance and Emergency Management(preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

3. Confirmation of Minutes

Minutes of the Tenders Subcommittee Meeting held Thursday 21 April 2016 including minutes while the public were excluded.
(Previously circulated)

4. Syndicated Services Agreement for Library Materials and Additional Services

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5. Additional Business Items

6. Extraordinary Business Items

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 5 MAY 2016

**FROM: PROCUREMENT MANAGER
SHARON O'TOOLE
LIBRARIES MANAGER
PAULA MURDOCH**

**SUBJECT: SYNDICATED SERVICES AGREEMENT FOR LIBRARY
MATERIALS AND ADDITIONAL SERVICES**

1.0 SUMMARY

- 1.1 The purpose of this report is to seek approval from the Tenders Subcommittee to participate in the Syndicated Services Agreement for the provision of library materials and additional services. The library materials and additional services encompassed by this contract include the following:
- The ability to profile a wide range of print material published or distributed both overseas and in New Zealand
 - Ability to establish an approval plan for purchasing library materials based on a profile
 - Supply of cataloguing records for import into the Libraries' main computer system
 - Services including ordering, shipping and customs handling
 - Favourable discount pricing policy
 - Account management and invoicing
 - Cataloguing and classification services
 - Ability to supply items pre-processed (shelf-ready) according to the established specification
- 1.2 The objective of the Syndicated Services Agreement is to obtain an efficient and cost effective service for the provision of library materials and services, and to support and foster continuous improvement and the open disclosure of pricing.
- 1.3 In 2014 a public tender process was conducted on behalf of a consortium of Councils, the Lead Agency was Wellington City Council (WCC). The Syndicated Services Agreement between Wellington City Council and Baker and Taylor establishes the framework under which eligible agencies such as Hastings District Council (HDC) can join.
- 1.4 The steps below indicate the process for joining the Syndicated Services Agreement
- HDC must seek written approval from the lead agency's relationship manager.

- HDC must complete a Participation Agreement which meets the requirements of the lead agency and supplier, Baker and Taylor.
- The completed Participation Agreement must be signed and sent to the lead agency.

- 1.5 This tender recommendation is submitted to the Tenders Subcommittee for approval because the value and potential length of the contract is significant and because of the collaborative aspects of the arrangement.
- 1.6 Hastings District Libraries spend over \$400,000 annually on books and digital content for the collections. It is intended that the Adult Fiction and Adult Nonfiction genres will use the various services offered through the Syndicated Service Agreement. The expenditure for the two genres through the Syndicated Service Agreement is as follows; for Adult Fiction \$60,000 of the total budget of \$69,000 per annum; for Adult Nonfiction \$90,000 of the total budget of \$108,000 per annum.
- 1.7 The Syndicated Services Agreement commenced 1st October 2014 and is expected to expire September 2019 (this includes 2 x 1 year renewal periods)
- 1.8 This report concludes by recommending that Council joins the Syndicated Services Agreement for the provision of library materials and additional services. The value of agreement is \$510,000 (excl. GST) for Adult Fiction and Adult Nonfiction over the term of the contract, including renewal periods and is within the authorised budget expenditure.

2.0 BACKGROUND

- 2.1 Expenditure on library materials and related services are covered in the LTP.
- 2.2 The ordering process for books generally involves visits by publishers' representatives (every 4-6 weeks), this can be a time consuming activity as there are a number of staff involved in each visit and the timing of each visit is driven by publishers' representatives, not library staff. When the library receives the ordered books, they are made 'shelf ready' by library staff, which process includes cataloguing the item on to the library management system. Before the physical item it is made available to the public further processing is undertaken (e.g. adding labels, protective coverings, barcodes and security tags).
- 2.3 The majority of current suppliers do not provide bibliographic (cataloguing) records or profile purchasing (standing order) services – their sole function is to fulfil book orders. Selection of new suppliers is one of the key drivers for this project as the publishers' representatives and book distribution agencies currently used by the Libraries are unable to provide the full range of services and products required under the proposed changes.
- 2.4 Cataloguing skills are in short supply generally and this situation is likely to continue. Increasingly, libraries are purchasing books along with the bibliographic record provided ready for upload into the library management

system and with additional processing already completed at time of receipt by the library.

- 2.5 The new Syndicated Services Agreement allows books to be purchased on-line. The process can be further streamlined by establishing profiles around the book selection which creates a degree of automation (within the parameters of the profile). Account management, ordering and cataloguing are other services encompassed within the agreement that Council could benefit from.
- 2.6 The benefits of purchasing books on-line using profiles (with cataloguing) are:
- books make it onto the shelf more quickly (no time lag to catalogue);
 - there is succession planning around the cataloguing skill shortage;
 - staff time previously spent meeting with publishers' representatives will be reallocated to front line activities which are currently under resourced, such as collection promotion and outreach.
- 2.7 The Adult Fiction and Adult Nonfiction genres will use the services offered through the Syndicated Service Agreement. The services will include the purchase and supply of the item and also records for the library management system.
- 2.8 There is the opportunity to expand the use of the Syndicated Services Agreement for other categories and genres of material if required.
- 2.9 As part of the Syndicated agreement Baker and Taylor (a US based company) has agreed to provide a New Zealand based representative for the duration of the agreement. The supplier also commits to providing cost reduction initiatives, professional development opportunities and assistance with reading programmes for children for libraries that are connected to WCC or participating agencies.
- 2.10 The initial term of the Syndicated Services Agreement for the provision of library materials and additional services expires 30th September 2017. The lead agency may further extend the term for two periods of one year each. For clarity the maximum contract term is a total of three years and five months i.e. 1.4 years + 1+1.
- 2.11 The Syndicated agreement has been in place since October 2014. A number of participating agencies were contacted and reported that they are pleased with the supplier performance and service delivery.

3.0 CURRENT SITUATION

- 3.1 Syndicated procurement is deemed to be an approved procurement methodology in the HDC procurement manual. Syndication involves groups of public entities aggregating their procurement requirements to achieve improved outcomes through greater purchasing power, reduced procurement costs and minimizing the administrative resources required to support around tendering and contract management.

3.2 Clause 3.4.3 of the Procurement Manual advises that “Syndicated procurement or Shared Services arrangements are deemed to meet all the requirements of this (procurement) policy and the associated strategy.”

3.3 Clause 5.3.1 of the Procurement Manual sets out the policies relating to the direct engagement of suppliers and states that use of syndicated contracts is an approved procurement method when directly approaching the market and may be used for procuring high value, low risk goods or services.

4.0 OPTIONS

4.1 The cost of bibliographic records will be in many cases free, but approximately \$2.50 - \$3.50 per item (where required) in addition to the purchase price of the book. Any cost of bibliographic records is expected to be offset by the more favourable discounts achieved through the Syndicated Services Agreement than are currently being independently achieved with this supplier.

4.2 The provision of library materials and additional services expenditure related to the Syndicated Services Agreement is within current budget provisions.

5.0 IMPLEMENTATION ISSUES

5.1 There are no expected implementation issues with this contract.

6.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Procurement Manager titled “Syndicated Services Agreement for Library Materials and Additional Services” dated 5/05/2016 be received.**
- B) That approval be granted to participate in the Syndicated Services Agreement for the provision of library materials and additional services with Baker and Taylor for a maximum 3.4 year term.**
- C) That authority be approved to enter into a Participation Agreement with Baker and Taylor in order to participate in the Syndicated Services Agreement for the provision of library materials be delegated to the Group Manager: Community Facilities and Programmes.**
- D) That authority be approved to award contract variations in regard to the Agreement renewal periods on behalf of the Council be delegated to the Group Manager: Community Facilities and Programmes.**
- E) That authority be approved to extend the use of the Syndicated Services Agreement to other categories and genres of library materials on behalf of the Council be delegated to the Group Manager: Community Facilities and Programmes.**

Attachments:

There are no attachments for this report.