

POLICY & RESOURCES CABINET BOARD

12th JUNE 2008

DIRECTORATE OF FINANCE & CORPORATE SERVICES

**REPORT OF THE HEAD OF FINANCIAL SERVICES
HYWEL JENKINS**

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PART 1
SECTION B – MATTERS FOR INFORMATION

ITEM 1

TENDER FOR THE PROVISION OF STATIONERY AND OFFICE SUPPLIES

1. Purpose of Report

To inform Members of an Urgency Action taken to award a 3 year contract for the Provision of the Council's Stationery and Office Supplies until 30th May 2010 (with an option to extend for up to 24 months).

2. Background

The Council has been successfully dealing with Corporate Express since the establishment of an 'All Wales Public Sector' Stationery Framework in 2004. Welsh Assembly Government's 'Value Wales' department have led the re-procurement of appropriate supply arrangements on behalf of the whole of the Welsh Public Sector.

Corporate Express had declined to tender for the new arrangement, due to a change in their business strategy. The current supply contract with Corporate Express expires on 13th June 2008.

3. Financial Implications

The Council's annual expenditure for the supply of stationery and office supplies is estimated at £250,000 per annum.

4. Outcome of Tendering Exercise

Three companies have been appointed to the Value Wales Stationery framework, with the following rank order:

- 1 – Lyreco
- 2 – Banner
- 3 – SET

The non-commercial aspects were evaluated by a project team consisting of Officers from various Local Government Organisations and Health Authorities across Wales. The financial assessment was determined through an application of the Public Sector's spend profiles to the new tendered rates.

Choosing the company with the highest rank order position will ensure the Council fully complies with the EU Procurement Directives.

A benchmarking exercise undertaken between the current Corporate Express contract and the proposed Lyreco arrangements indicate that the change of supplier will be cost neutral.

Lyreco are well established in Wales as they already have a number of Welsh Council's as their clients.

Corporate Procurement, with support from various Key Officers/Contract Users will implement the new arrangements and monitor key performance indicators during the course of the contract.

5. Decision

Members should note that an Urgency Action has been signed by the Cabinet Member to award the contract for the supply of stationery and office supplies to Lyreco from 1st June 2008 to 30th May 2010 (with an option to extend for up to 24 months)

Reasons for Decision

To ensure the Authority complies with the European Union Procurement Directive and the Council's Contract Procedure Rules.

List of Background Papers

NPT Procurement File – Stationery and Office Supplies and Value Wales contract files for the All Wales Stationery contract.

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Wards Affected

All

PART 1
SECTION B – MATTERS FOR INFORMATION

ITEM 2

TREASURY MANAGEMENT

1. Purpose of Report

This report sets out treasury management action and an update on interest rates since the previous report dated 27th March 2008.

2. Long Term Borrowing

No long term borrowing has been arranged since the previous report.

3. Rates of Interest

3.1. The Bank Rate:

10 th May 2007 to 4 th July 2007	5.50%
5 th July 2007 to 5 th December 2007	5.75%
6 th December 2007 to 6 th February 2008	5.50%
7 th February 2008 to 9 th April 2008	5.25%
10 th April 2008 to date	5.00%

3.2 Public Works Loans Board:

Examples of Public Works Loan Board new loan fixed interest rates as at 23rd May 2008:

	<u>Equal</u>		<u>Annuity</u>		<u>Maturity</u>	
	<u>Instalments of</u>					
	<u>Principal</u>					
	%	%	%	%	%	%
	Current	Previous 17Mar08	Current	Previous 17Mar08	Current	Previous 17Mar08
5 to 5.5 years	5.05	4.02	5.05	4.02	5.04	4.21
10 to 10.5 years	5.04	4.21	5.04	4.24	5.13	4.53
15 to 15.5 years	5.08	4.39	5.10	4.45	5.16	4.63
20 to 20.5 years	5.13	4.53	5.16	4.58	5.05	4.62
25 to 25.5 years	5.16	4.60	5.15	4.63	4.89	4.56
35 to 35.5 years	5.11	4.63	4.98	4.59	4.69	4.51
49.5 to 50 years	4.89	4.56	4.69	4.49	4.53	4.44

List of Background Papers

PWLB Interest Rate Notice 102/08

Wards Affected

All

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