

# PURCHASING P WER

Issue 20

Winter 2008/09

 **Norfolk** County Council

[www.norfolk.gov.uk](http://www.norfolk.gov.uk)

## Hold the front page!

. . . and the back page while reading. We don't want any accidents!

**Now we've grabbed your attention, welcome to the new style Purchasing Power**...and, quite frankly, you are welcome to it! Seriously though, while you may not notice an immediate difference in the look of the magazine, hopefully you will notice a difference in the editorial content. We will, of course, continue to offer good advice and guidance on procurement related matters.

However, in recognition of the fact that procurement can sometimes appear to be a "dry" and complicated subject to those not directly involved, we have tried to mix the serious stuff with some articles and features showing the lighter side of procurement matters.

For example, in this issue we have 2 competitions for staff to enter, a "celebrity" interview, a "Procurement in History" feature, some personal purchasing tips as well as the usual mix of contract news and general procurement advice. We very much hope you enjoy the new look magazine and would be very happy to receive your feedback comments at [cpu@norfolk.gov.uk](mailto:cpu@norfolk.gov.uk). Needless to say, if you don't like the new look....this magazine has nothing to do with me (Ed).



## Competition

To celebrate the new look, new style Purchasing Power we have a great competition prize on offer, by arrangement with our friends at Holiday Inn Norwich City. As you may already be aware, Holiday Inn Norwich City is one of the hotels/conference venues that are part of our annual business rebate agreement. This means that a percentage of what we spend is returned to us at the end of each year, and then distributed to the departments that contributed toward the annual spend.



The Holiday Inn Norwich City, also offer NCC reduced accommodation and conference rates. They are located literally five minutes away from County Hall and a similar distance from Norwich Station. So, it can be a very convenient hotel if you have guests visiting County Hall or arriving by train.

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This newsletter is also available on the intranet. If you have any interesting articles or news items that could be included in future issues please let us know.

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# Re-Manufactured Toner Cartridges

## Applied Film Industries (Afic)

Have you considered using re-manufactured toner cartridges for your printers? Using re-manufactured cartridges could save money and help the environment at the same time.

ESPO has established a contract with Applied Film Industries Company (Afic) to supply their Image Masters series of cartridges. Details are on page 150 of the main ESPO catalogue and additional price lists are available from the Corporate Procurement Unit on 01603 222820.

The Image Masters cartridges are guaranteed to provide a level of print quality that is at least identical to that provided by their Original Equipment Manufacturer (OEM) equivalent. The cartridges are also backed up by a comprehensive guarantee so there is no risk in voiding any equipment warranties. Afic has achieved the highest levels of Environmental and Quality awards – ISO9001, ISO14001, and OHSAS18001.

For County Hall based departments, Norfolk County Services has set up a facility with Afic for collection of used OEM cartridges - call Jonathan Hyam on 8101 for more information. External NCC sites and schools can set up their own facilities for collection of used cartridges by calling John Power on 0870 333 2225. Afic can supply you with statistics on reduction of your carbon footprint.

By using re-manufactured cartridges, you could significantly reduce your consumables spend and meet environmental objectives at the same time.

## Did You Know?

Every time you use a re-manufactured cartridge you prevent the disposal of 2.5lbs of plastic to landfill – plastic that would take 800 years to decompose!

It takes a gallon of oil to make one toner cartridge!

In one year, if the world's discarded toner cartridges were stacked end-to-end; they would circle the world over three times!

**Tim Howard - Corporate Procurement Unit**

# Competition (continued from page 1)

Similarly, it can be a very useful conference venue, particularly if you have a last minute need for a meeting room, as they are always prepared to negotiate a price according to the particular meeting duration, or requirements. Not to mention the free sweets-station for conference delegates.

Pricing and contact details (for NCC business related bookings) can be found on the Children's Services web pages at <http://intranet.esinet.norfolk.gov.uk/> under A-Z, Conference Venues.



But what's the prize, I hear you ask? The prize is an overnight stay for two at the luxurious Holiday Inn Norwich City. The prize includes bed and breakfast and, if the winner is a football fan, they can arrange for the prize to be taken on a match day and you will then be allocated a room overlooking the pitch at Norwich FC\* - a free and somewhat unique view of the match.

But even if you are not a football fan, the prize could be used as an opportunity to have a night out in the city with no worries about designated

drivers, or taxis. A chance to do some shopping or sightseeing during the day followed by a meal out or night club visit in the evening. In the immortal words of CJ..."The world is your lobster."

To be in with a chance of winning this fantastic prize we want you to tell us about a procurement or purchasing experience you have been involved in (whether business or personal) that would/could have turned out differently if you had been better informed. Using the title..."**If only I'd known**"... tell us what you would have done differently or what lessons you learned for the future. The subject area can be pretty wide ranging, as long as it involves an element of procurement or purchasing. The winning entry will be published in a future edition of Purchasing Power - anonymously if the winner prefers, we don't want to embarrass anybody.

\* Subject to availability

Your story should be no more than 500 words and should be sent by e-mail, along with your department (or school) address and telephone contact details to: [cpu@norfolk.gov.uk](mailto:cpu@norfolk.gov.uk) Please put "Holiday Inn Competition" in the subject line of your e-mail.

**Closing Date for entries will be Friday 7<sup>th</sup> November 2008**

The entries will be judged, and a single winner chosen, by the Editor of Purchasing Power and the Head of Corporate Procurement. The prize can be taken at any time up until the 30<sup>th</sup> December 2008.

**NB:** We are unable to include individual schools in our arrangements with local conference venues. Unfortunately, Corporate Procurement Unit (CPU) and/or Children's Services don't have the staff resources to make bookings on behalf of all the schools across Norfolk. Similarly, the resource time involved in recharging costs would probably outweigh any benefits.

Nevertheless, school staff members are welcome to enter this competition.

# Update Support Services Review - Procurement

As part of Norfolk County Council's Efficiency Programme to deliver better services and cost savings of £30m over 3 years, a project is underway to implement Procurement Category Management across the authority.

## What is Category Management?

Category Management is an approach that focuses on optimising the procurement of a group of inter-related goods and services. Each category usually has a dedicated team working with customers and suppliers to deliver added value solutions and procurement efficiencies. Responsibility for customer relationships and market/contract management rests with each category team.

Category Management is not about who buys the goods and services, how they are bought or how they are accounted for. Categories are created from goods and services that have:

- Similar supply sources
- Similar production processes
- Similar internal use
- Similar material content/complexity
- Similar specification
- Similar product technology
- Similar market dynamics

## What do Category Managers do?

Category Managers co-ordinate procurement spending, usually within a specific category, and have a common set of responsibilities:

- Develop a strategy and sourcing plan for the category
- Co-ordinate a cross-functional view of business requirements
- Manage contracting activity and supplier relationships
- Manage contracts and compliance and track savings
- Involved in demand management
- Reduce the number of invoices

## What do we mean by "Procurement"?

It is clear that procurement means different things to different people so, for the purposes of the project, procurement is defined as:

"The whole process of deciding how to provide services – from assessing an initial business need, right through to the end of a service contract or the end of a useful life of an asset"

So, as well as Options Assessment, Procurement and Contract Management, it also includes Commissioning.

## What will the Procurement Project deliver?

Phase one of the project is to implement category management across the authority, in two areas:



## **(1) Transport**



## **(2) Commodities, Goods and Services (not specific to a department)**



The first stage of phase one has been to undertake some analysis of the council's 2007/08 spend in these two areas and to better understand who is procuring items that fall under these categories, and how much time is sent procuring them. This is underway at the moment and once complete it will be possible to identify the likely benefits of Category Management in these two areas.

The second stage will be to design the organisational structure and supporting processes that will enable Category Management to be implemented for Transport and CGS, and the benefits realised. It is anticipated that this will start in October 2008.

Stage three will focus on implementation ready for go-live, which is anticipated to be in March or April 2008.

### **What is included in each category?**

A proposal exists but has yet to be finalised and changes to this depend on the findings from the volume and spend analysis. It is important to get this right first time to avoid confusion when the categories go 'live'. The Procurement Performance Group, which represents the views of departments, is fully involved in defining what items sit in the two categories.

### **Which departments are involved in the project?**

Not all departments are included in the current scope of the project. Procurement undertaken by NCS, NPS, Fire & Community (with the exception of Trading Standards) and Schools, is excluded from project activities at this time.

### **How are your views represented?**

Members of NCC's Procurement Performance Group (PPG) represent the procurement community and ensure that departments have the opportunity to have their say as the project moves forward. Users of support services are represented by the Support Services Review User Group, which ensures that views of users of support services are fed into Programme Board meetings.

### **How can you find out more?**

You can find out more about the project by visiting the Efficiency Team intranet pages at: <http://intranet.norfolk.gov.uk/cex/Efficiency/>

**Daniel Poulter - Efficiency Programme**  
**01603 222559**

# Celebrity Interview - Dawn French

(Conducted by Robert Dumolo and Stuart Hutchinson)

*After a successful career as a comedy actress and then as an enthusiastic ecclesiastic representative in an idyllic rural English village, Dawn now has a new role as Purchasing Manager for Norfolk County Council (NCC) Adult Social Services. Dawn kindly agreed to forego her normal interview fee in exchange for a small supply of a certain brand of chocolate oranges.*

**RD: *Dawn, I understand you have recently been involved in a large social care procurement exercise. Could you tell us what it was for?***

DF: We were trying to secure up to 40% of the social care beds required for Norfolk residential care for older people. This equates to around 1,200 beds in the county with a few just outside the immediate county borders.

**RD: *That must have involved a lot of planning. When did the process start?***

DF: The process started in spring/summer of 2007. The problem was we did not have any additional resource to conduct the exercise so it had to be fitted around our existing work commitments. Inevitably, this meant I did most of the initial work although I received significant support from my colleagues and other NCC departments such as Corporate Procurement Unit (*thanks for the plug Dawn - Ed.*) and Legal Services.

**SH: *So, what was the first part of the exercise?***

DF: The first task was research by the Commissioning Unit to ascertain the level of requirement. They did this by looking at previous usage levels throughout the county, broken down by geographical locality. These figures were then averaged out, then the requirement figure of 40% of these averaged figures was calculated.

**SH: *What was your estimate of the total cost of the requirement?***

DF: Our estimate was that the total value of the requirement over a three-year contract would be £75 million, with the possibility of a further 2 years extension built in to the arrangement – so increasing the potential costs to £125 million. However, our proposal was to secure blocks of the requirement in several tranches, rather than in just one procurement exercise.

**RD: *Did you receive any assistance when you were formulating the specification?***

DF: Yes - we sought advice and guidance from a range of key stakeholders throughout the development stages of the specification, including: The Commission for Social Care Inspection (CSCI), Social Services Locality Managers, Corporate Procurement, Health & Safety and Legal Services teams.

**SH: *What sort of response did you get to the initial market notification?***

DF: We initially had 99 enquiries for further information and application packs. Of those we received 57 completed applications at the Pre-Qualifying Questionnaire (PQQ) stage and only 3 of those failed by the pre-set criteria. Of those returns 42 went on to bid at the Invitation to Tender (ITT) stage and, of those, 21 suppliers passed the final selection process involving the pre-advertised scoring and weighting system.

**RD: *Were you pleased with the quality of the response?***

DF: The response was surprising in that there were 10 out of county bids and 32 in-county bids – but the pass rate proportionately for out of county bids was much higher than in-county. This seemed to indicate that the out of county bids, which were often from larger organisations, had a better understanding of what was required in the tender process.

**SH: *A procurement exercise of this value would normally involve adherence to European Union (EU) procurement regulations. How did those rules effect this exercise?***

DF: As you know, Social Residential Care is a Part B service<sup>1</sup>. So, although we did not have to advertise the tender in the Journal of the European Union. We did need to ensure compliance with NCC's own Contract Standing Orders, so that the whole process was open, fair and robust enough to withstand any challenge from unsuccessful bidder/s. We wrote to every provider of residential care in the county, and those out of the county that had previously been used by NCC. We also advertised the requirement in the Eastern Daily Press and The Guardian, and on our own Provider Information website.

**RD: *Did the level of work generated by the response surprise you?***

DF: It was both a blessing and a curse really. We were pleased by the level of response and, in some ways, the level of response assuaged concerns expressed by staff. What we hadn't envisaged was the amount of work involved in processing that many tender responses. In January 2008 a new team was designated to this and similar processes. However, they did not have a great deal of procurement experience, so I was extremely grateful for the assistance from colleagues and other NCC teams. Overall it was a fantastic experience and we are looking forward to doing similar exercises in the future. We have all learnt so much. Conducting this exercise was exciting and varied, although extremely resource-hungry. A major learning point was that communication with the various stakeholders is vital.

**SH: *Do you think conducting this exercise has helped alleviate the fear of procurement processes and rules, or fear of the unknown, within your team?***

DF: Absolutely, that is exactly it. This was the first major procurement exercise for this new team but there was always somebody there to help, or point us in the right direction such as Corporate Procurement or Legal Services.

**RD: *What did you learn during the process?***

DF: It is important to be as armed as possible, in terms of research, resources and continued enthusiasm for the project from senior management.

**SH: *Go live date is 1/11/08, so what was the last stage of the procurement process?***

DF: Suppliers gave details of how they would manage their part of the provision, for example the management of voids (empty beds), and the transfer of financial arrangements for existing residential care clients into the "block-booked" charges system.

**SH: *What about on-going contract management and monitoring?***

DF: Quality of provision was a very important part of this process. In addition to the agreed prices for care beds, suppliers are able to claim an additional payment for the extra quality provision required under these block contracts, which requires an 'excellent' rating from CSCI, and a successful assessment from our own Quality Assurance Team. This gives an added incentive to providers and is the first time that such a measure has been taken by the local authority in regard to residential care bed provision within Norfolk. All the successful bids were able to meet the quality service enhancements.

<sup>1</sup> Services designated as Part B services by the EU (e.g. social care) are not obliged to advertise tenders throughout Europe. Similarly, Part B Services do not have to conform to the EU timing regulations - with regard to number of days between advertisement and receipt of tender responses etc. However, even Part B services are required to advertise a "Contract Award Notification" within the Official Journal of the European Union (OJEU) which must state which suppliers/companies were successful in the tender process and comply with the principles of the Treaty of Rome.

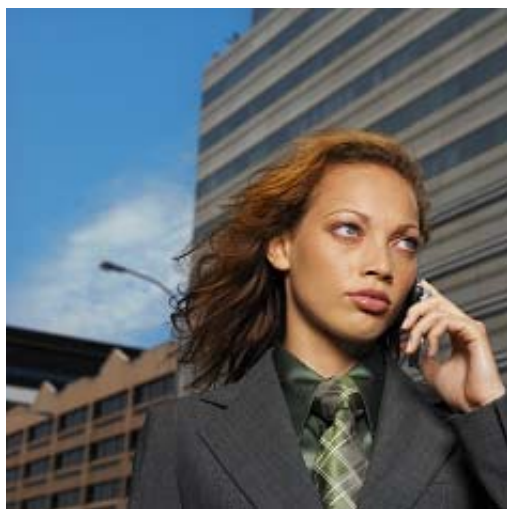
## RD: *Any final words of wisdom?*

DF: Although the procurement process was fine, the market response was not as great as we had hoped for. The large organisations were familiar with the tender process but it was clearly evident that for some smaller independently run residential homes the tender process was difficult. Having said that, the highest scoring bid was from a small independent care home in Great Yarmouth. So, one of the things we need to ensure in the future is that we fully engage with potential providers, prior to the process, so that they fully understand what is required of them when submitting tenders.

*Thanks very much Dawn, it is great to hear about the various stages involved in such a large procurement exercise and your comments will provide useful background information for other staff tackling similar projects. Perhaps we could do a follow-up article, to see how things are going, next year. By the way, please pass on my regards to Jennifer Saunders when you next see her - Ed.*

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## Personal Purchasing Tip - No: 1



Do you ever get frustrated when you ring a company and are met with a recorded message which then talks you through 6 or 7 options, when all you want to do is to speak to a human? Invariably these telephone lines are 0845 or 0870 numbers (banks, building societies, utility companies, insurance companies etc.) which are on more expensive tariffs and not usually included in your free calls allowance from your mobile provider. It always seems to take ages to go through the list of options and - lets be honest - by the time they say "Press 7 for..." you have forgotten what the "Press 3" option was.

But, of course, they very kindly allow you to repeat all the options at the end of the recording. Even then you may just be put through to another recorded list of further options. Needless to say, this ensures you stay on the phone longer, which means more money for the company and your phone provider - especially if you are phoning from a mobile.

Well here's a tip that was given to me by a kindly Estate Agent (is there such a thing?). This particular young lady had to make many calls to utility companies as part of her job, often from her mobile. I have successfully used the tip on many occasions.

**The Tip** - If you **know** you want to speak to an operator or customer service rep, as soon as the recorded message starts telling you about the options press the number 1 on your phone keypad 5 or 6 times quickly, in succession. The recorded system usually cannot cope with such a quick repetition of choices and the default setting puts you straight through to the operators. Sometimes you will even hear a message to that effect.

The advantage is you have got to the option you originally wanted much quicker and you have not been hanging on the line, listening to a series of options, trying to work out which one (if any) applies to you, while all the time being charged for the privilege. Your overall call time will be much shorter, which means the cost to you will be less...not to mention a reduction in frustration levels. You can even use the tip when you unexpectedly come across a recorded "options" service.

It is particularly useful for numbers that you phone quite often because once you know it works on that service, you can use it every time you ring that company. I would say it works at least 70% of the time but remember - each time it does work it saves you money.



# “These boots are made for working.”

(A cautionary tale)

Whether you are involved in a simple one-off purchase or a more complex procurement process details are, of course, important. However, it is sometimes possible to get too involved with the detail and lose sight of the more basic requirements.

To illustrate the point, I offer up this little procurement anecdote. Some years ago I worked for a Government Department that helped people with disabilities obtain (and retain) employment by providing specialist equipment, assistance with the costs of getting to and from work, support services within the workplace etc.

Trained advisors, who had long-term knowledge of the individual concerned - through numerous interviews and assessments - were responsible for completing the applications for support. As you would expect, the application needed to include details of the support required, potential costs and how this would enable the individual to overcome a work-related problem they experienced due to their disability, or health problem. Advisors would often use an additional sheet of paper to give further (relevant?) background information if there was limited space on the application form.



My job was to review these applications, check the cost calculations and make sure all the information required to put the support in place was included and, if all was in order, recommend the application for authorisation. Came the day when I received an application requesting the purchase of a pair of specialist working boots for a client that had severe health problems affecting his feet and required the additional support and comfort that these particular boots could offer.

Initially it seemed a relatively straightforward application. Although the boots themselves were quite expensive - over £300 as I remember, which was quite a lot for a pair of working boots then - there was an obvious need, which was duly supported by medical evidence. Then, in some trepidation, I came upon the section of the application that dealt with why this particular footwear and no other would solve the problem. The reason for my somewhat nervous approach was that while the basic application amounted to no more than half a page of text, this particular section ran to over four pages.

This included very detailed information about:

- The concept and design of the boots.
- The type of rubber and leathers used in the boots soles and uppers.
- The unique and patented support and cushioning system.
- The “finishing” treatment of the boots which made them more durable etc. etc.

The sheer extent and level of detail would have put the manufacturer's own marketing team to shame. In fact, even the most over-zealous advertising agency would probably have decided that the description was a bit wordy and what they really needed was something a tad more pithy.

Anyway, having waded through all this and come to the end of the application, it struck me that I must have missed something. So, I read through it a second and third time but still could not find what I was looking for. In his efforts to add weight to the application the advisor had forgotten the most important and basic detail. Can you guess what was missing? The missing piece of information was ..... what **size** of boots the client required?

Moral: Details are important but don't get bogged down in the detail and lose sight of the basics.

# Procurement in History - The Louisiana Purchase

## The Players

Thomas Jefferson	-	The Buyer
James Monroe	-	The Negotiator
Napoleon Bonaparte	-	The Seller



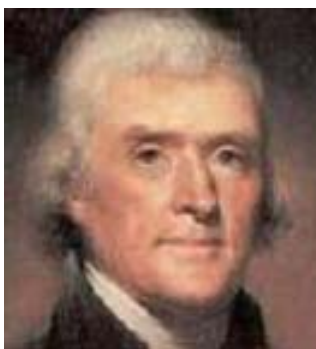
## Background

The first thing to be aware of is that, in this context, Louisiana or the Louisiana Territory, does not refer to the modern US State bearing that name but a far bigger area of land - approximately 2,144,500 square kilometres or 828,000 square miles. This huge strip of land stretched from the border with Canada in the north, to the port of New Orleans in the south and west as far as the Rocky Mountains.<sup>1</sup> Often described (usually by over-enthusiastic US historians) as the greatest land purchase ever made, the Louisiana Purchase was very significant to the growth and expansion of the United States.

France had ceded the Louisiana Territory to Spain in 1763. However, in 1800 Napoleon reclaimed the land for France.<sup>2</sup> Both Spain and France had a significant presence in North America at this time. When the two nations subsequently went to war, (in both Europe and North America) the Spanish forcibly stopped all trade along the lower part of the Mississippi. This was, ostensibly, a tactical move against the French but it also had a dramatic effect on the young United States - a nation barely a generation old at this point.

The importance of the Mississippi as a trading, transport, communication and supply route in this pre-railway era cannot be over-emphasised. Cotton, spices, crops and fruits travelled north on the river from the plantations of the south; manufactured and finished items, specialist goods and imported products travelled south down the river from the northern states.

## The Buyer's Position



President Jefferson realised that control of the Mississippi was vital to the prosperity and future development of the United States. His plan was to purchase part of the Louisiana Territory - the land immediately surrounding the Mississippi river and it's delta, plus the port of New Orleans - thereby ensuring future US control of these supply routes. Despite Spanish protestations to the contrary, France was still, technically, the owner of the Louisiana Territory.

Although Jefferson's need was great you may think his bargaining position was quite weak, his need to buy perhaps being greater than the French need to sell. However, other factors that he probably was not entirely aware of, put him in a stronger position than he may have realised.

## The Negotiator's Position

In 1803, Jefferson sent James Monroe (who later served as President of the US from 1817-25) to France to negotiate the purchase.<sup>3</sup> How much of the final deal was due to Monroe's negotiation skills and how much of it was down to plain luck and/or the seller's position is debatable. However,



as it was Monroe who dealt directly with Napoleon and the French Government in negotiating the exact terms of the sale, he has to be given a major part of the credit for the deal. He managed to persuade France to allow the US to make the payments over a number of years, as they did not have the financial reserves to pay up front. Obviously, there was no way that Jefferson could keep in touch and advise Monroe from the other side of the Atlantic Ocean, so he must have had complete trust in Monroe's ability to clinch the deal...and what a deal he got!

By any standards, the purchase was an absolute steal for the US.

## The Seller's Position

Whether Napoleon was aware of how desperately Jefferson wanted to buy *part* of the Louisiana Territory is unknown but, either way, his own position as seller was not particularly strong. The cost of maintaining and supplying an army on another continent across the Atlantic was prohibitive. Napoleon had already lost tens of thousands of troops to yellow fever in Haiti. He was conducting a major campaign of conquest in Europe and also involved in an on-going war at sea with Britain. Some historians suggest that Napoleon had decided to sell the Louisiana Territory to the US even before Monroe arrived in France, in order to finance his European campaign. So, perhaps, France's need to sell was even greater than the US need to buy.



## The Deal

France sold the entire Louisiana Territory to the US - even though Jefferson had originally only envisaged buying part of the territory - for \$15 million. Even at early 19<sup>th</sup> Century prices that was a bargain. The sale price of the additional land was roughly \$7 per square km, which equates to \$18.13 per square mile, which equates to roughly 3 cents (\$0.03) per acre.

The purchase doubled the size of what was then the United States and led to the creation of 13 new States. The money was raised by means of an issue of American Government Bonds to investors in Europe, brokered by Barings Bank in London and Hope & Co. in Amsterdam.<sup>4</sup> The Louisiana Purchase was very popular with US voters - *not surprisingly at those prices* - and played a big part in the large majority of votes that Jefferson achieved, when he was re-elected to a second term as President.

So, all in all, not exactly a case of the mythical "Win-Win" situation, more an example of the "Give Away - Win Big Time" situation...3 cents an acre!

## Stuart Hutchinson - Corporate Procurement Unit

### (Footnotes)

<sup>1</sup> The "opening of the west", i.e. west of the Rocky Mountains, would only happen much later in the century and large parts of the south and west of the continent were still part of the Spanish Territory in North America. Much of this land (including the area covered by the modern American states of Texas, New Mexico, Utah, Nevada, Arizona and California) would become part of Mexico when they won independence from Spain in the war of 1821. Of course, the US would later "claim" and/or "annexe" this land during their subsequent series of wars with Mexico.

<sup>2</sup> Source: Brogan, Hugh - Longman History of the United States of America, BCA Publishing (1997).

<sup>3</sup> Source: Zim, Howard - A People's History of the United States, Longman Publishing (1996)

<sup>4</sup> Source: Baring Asset Management - A History: [www.baring-asset.com/pdf/ldnprd\\_004636.pdf](http://www.baring-asset.com/pdf/ldnprd_004636.pdf)  
("Hope" - Not exactly an encouraging name for an investment firm)

**NB:** Native Americans (Amerindians) did, of course, occupy much of the Louisiana Territory and the land west of the Rocky Mountains both before and after the Louisiana Purchase. The majority of the 19<sup>th</sup> Century would be a story of massacre, eviction, forced relocation and broken US Government promises for Native Americans. However, it is not possible to cover all viewpoints and all the complexities that are part of a country's history, in a short article.

# Legal pitfalls in everyday purchasing

Often nowadays we are bombarded with marketing, via fax, email, the internet and sometimes even by post. Some products are straight forward and clearly priced, others offer you something for free. In budget conscious times, an extra free resource or product can be very tempting, and why not if it's free?

## To Good To Be True?

Sometimes products marketed in this way are genuinely free. The producer hopes that having sampled their product you will see its merit and buy it. However some suppliers will go a step further. As well as accepting a free offer, you will also be agreeing to purchase their product subsequently.

How do you know the difference? Be wary if for a free offer you are asked to sign something or confirm acceptance of terms and conditions over the internet.

What are they asking you to agree to? Sometimes it can be a legitimate purpose, for example you are agreeing not to make copies of their product. Often you are agreeing to pay for something.

Is this what you wanted to do? Sometimes it can be expressed that you need not buy their product at the end of the trial period. However the terms and conditions say you have to give 30 days notice if you do not want to buy the product prior to the end of the 12 month trial period. Are you going to remember to do this?



## What about my consumer rights?

If you are buying something as a private individual, then the law does give extra protection to consumers. However if you are buying something in your employment for the local authority or a school, then you are not a consumer. In the eyes of the law you are operating as a business and have no greater consumer protection. The law will still regard some contract terms as unreasonable and therefore unenforceable, but generally you should work on the assumption that you will be bound by what you agree to.

## The oldest tricks in the book

Another common tactic when something is being sold is that you are put under pressure to buy quickly. The salesperson says this deal is only available today, it will cost 10% more tomorrow.



This may be true. Equally this may be a deal they don't want you to examine closely. If you feel you are being put under pressure, always consult your line manager before agreeing to buy.

## Everything checks out... but do you have authority?

You should always consider if you have the authority to purchase. The Council has Standing Orders for contracts which specify who can authorise what type of contract, and what procedures, such as obtaining quotes or tenders must be applied.

If you work for a School, then you will be subject to very similar rules which can be found in the Norfolk Scheme for Financing Schools 2008. It is unlawful for your School to spend its delegated budget other than in accordance with the rules in this scheme. Mike Garwood, Public Law Team, Legal Services

Things to look out for . . .	
 <p><b>Risk</b></p> <p>You are offered the chance to buy or rent IT equipment.</p>	 <p><b>Action</b></p> <p>Contact Corporate Procurement or ICT Solutions before proceeding.</p>
 <p><b>Risk</b></p> <p>An agreement or contract is complicated or vague.</p>	 <p><b>Action</b></p> <p>Do not proceed until you are certain of the contents of the Contract. Ask questions and make a note of the answers. If in any doubt, contact Legal Services for guidance. The contact for Schools who are members of the Subscription Scheme is telephone 01603 222943 or e-mail: <a href="mailto:pam.cary@norfolk.gov.uk">pam.cary@norfolk.gov.uk</a></p>
 <p><b>Risk</b></p> <p>A new company has approached you and claims to be ESPO approved.</p>	 <p><b>Action</b></p> <p>Speak to a member of the Corporate Procurement Unit 01603 222820 or go to the ESPO website – <a href="http://www.espo.org">www.espo.org</a>.</p>

# Personal Purchasing Tip - No. 2



Many companies such as banks, building societies, insurance companies, utility companies, now have a single contact number for enquiries, regardless of where you are calling from within the UK. These are usually 0845 or 0870 numbers, which are on more expensive tariffs and therefore cost you more, per minute, when you phone them. If you phone them from a mobile the calls can be even more expensive and are not usually included in your “free call” allowance from your provider.

Of course, the companies don't go out of their way to tell you that. Any warnings they do give about phone charges are often in the very small print on statements, bills, invoices etc. Similarly, they don't mention that they also get a rebate on such calls based on the length of phone calls to that number, so both the company and phone provider are making money at your expense. Then there are the recorded options messages...don't even get me started on that (see Tip No.1).

**The Tip** - Some companies - particularly banks, building societies and insurance companies - will indicate a number to call if you are calling from abroad. There is no reason you can't use that number from within the UK. Because that number will be a normal landline your call will be cheaper than calling an 0845 or 0870 number. Plus, calls to landlines are usually part of your free-calls allowance from mobile phone providers - a double whammy!

UK international numbers usually begin +44, for example +44 1603 123412. You simply remove the +44 bit and then add 0 in front of the number (on our example that would be 01603 123412) and you will be calling the normal direct landline. Sometimes international numbers are shown in that format: +44 (0)1603 123412. Either way, providing you are calling from within the UK it will be cheaper than phoning an 0870 or 0845 number.

*This money saving tip has been brought to you by The Corporate Procurement Unit.*

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## Staff Orders from ESPO - Reminder

Not sure I dare mention this...but with Christmas on the way, staff (especially those with children) may wish to know that they can place personal orders from ESPO. The ESPO catalogue contains numerous items that may be of interest from Arts & Crafts materials to sporting goods. If you don't have access to an ESPO catalogue and would like to browse through a copy please contact Corporate Procurement on 01603 222820.

Any stock item can be ordered from the catalogue (stock items are those that have a purely numeric code in the catalogue - items with an alpha-numeric code are non-stock items) but there is a minimum order value of £10.

For full terms and conditions and procedures please see the marketplace announcement and ESPO order form on the NCC intranet Marketplace, under Special Offers for NCC Staff; <http://intranet.norfolk.gov.uk/cgi-bin/discus.pl>

# Document Solutions (ESPO Contract 272D)

As of 1 April 2008, there has been a new document solutions framework agreement in place. The scope of this framework covers a variety of print scenarios, from fax, desktop printers, Multi-Functional Devices (MFD's), copiers, digital duplicators and print room equipment - including a fully managed and audited solution.

For photocopiers and MFD's, there is a choice of suppliers from Canon, Konica Minolta, Ricoh and Sharp. Full details of the contract will be in the October 2008 to March 2009 edition of Dealing Direct. Comprehensive price lists and advice is available from:

ESPO	Nick Holland	0116 2657942
ESPO Norfolk Account Manager	Peter Legind	07787 128778
Corporate Procurement Unit	Tim Howard	01603 222820
Children's Services ICT Solutions	Leah Fletcher	01603 475605

## Contact details for the main photocopier/MFD suppliers:

Canon	David Livermore	07967 674506
Konica Minolta East	Greg Wright	07714 221755
Ricoh	Simon Eisenmann	07990 584704
Sharp	Andy Pitt	07808 479016

Features of the contract include:



- **Low Fixed Pricing** – Prices fixed for the term of the contract.
- **Guaranteed Servicing and Maintenance Support** – Devices serviced and toner supplied at no additional cost.
- **Choice** - A comprehensive range of copiers from Canon, Konica Minolta East, Ricoh and Sharp. There are rental options available over 3, 4 or 5 years, or on an outright purchase basis.

## “Buyer Beware” or “Caveat Emptor” - for any Latin scholars

The new ESPO/CBC framework is the good news – now comes the not so good news. There are a lot of non-approved suppliers active in the Norfolk area that are looking to sign schools up to long term contracts that often contain all sorts of financially damaging clauses. They will make lots of promises and use all sorts of high-pressure tactics to try and get you to sign on the dotted line. If you are approached by any of the companies listed below, please refer them to the ESPO contract or any of the contacts listed above.

Please do not, **under any circumstances**, agree to meet with a representative of a non-approved supplier! If you have been offered a contract for a new photocopier, and are unsure whether it is an approved arrangement, you should seek advice from the ICT Solutions Asset Manager. Contact Leah Fletcher on 01603 475605. Non ESPO suppliers known to be active in the Norfolk area include: Annodata, ASL, Clarks Office Solutions, Copyfax, CopyIT, Danwood, Datasharp, Eastern

*continued on next page . . .*

# Document Solutions (ESPO Contract 272D) continued

Business Systems (EBS), Easycopiers, NCS, Norfolk Copiers, Vision Group. The fact that a company is not listed here does not mean ESPO or Norfolk County Council has approved it.

## Things to watch out for...

- **Rent not lease** - Only one document should be signed at the point of ordering to ensure that it is an ESPO rental. Anything that refers to a finance company (BNP Paribas, Siemens) is in fact a lease and should **not** be signed. The approved rental document will be clearly marked **ESPO 272D**.
- **No minimum, free, or inclusive copies** – This will increase the settlement costs of any unsatisfactory contract and is there purely for the benefit of the supplier. On the ESPO arrangement you are only charged for the copies you use.
- **Upgrading** - A supplier offers to upgrade your existing copier even though it has not reached the end of its contract. The outstanding costs still owed on the old machine are carried over to the new contract and the supplier has you for another five years.
- **Pricing** – Prices on the ESPO framework are fixed for the term of the rental. Non approved suppliers often insert clauses into their contracts that allow them to increase copy charges, charge for spare parts as well as consumables such as toner.

**Still not convinced?** Take a look at these actual case studies of Norfolk schools that have signed with non approved suppliers.

### School A

The school in question had 16 photocopiers under contract, split across 2 sites of which 11 were on non-approved contracts. The remaining 5 were on ESPO approved contracts. The total quarterly outlay for the school amounted to £17,800.00 plus copy charges.

The school was paying £7,772.00 per quarter for 1 photocopier, which also included a franking machine! The equivalent copier under the ESPO contract would have cost £273.00 per quarter. After benchmarking the contracts against the ESPO arrangement, it was calculated that the school would pay a total of £2,955.00 per quarter for the same amount of machines configured to the same specifications.

The overall saving amounted to approximately £15,000.00 per quarter exclusive of any settlement charges. This equates to approximately £300,000.00, excluding any settlement over the 5-year term of the contract. These savings are calculated assuming that the incumbent machines had reached their contract expiry dates.

### School B

The school signed a new contract with a non-approved supplier for a colour photocopier. The supplier incorporated payments carried over from the old photocopier into the new contract. This increased the school's quarterly payments to £3,500.00.



# Document Solutions (ESPO Contract 272D) continued

After just 9 months, the photocopier was upgraded to a higher speed photocopier. The upgrade took place because the existing photocopier had suffered a series of faults and was deemed unreliable. The supplier reimbursed the school £5,000.00 and the school signed another contract.

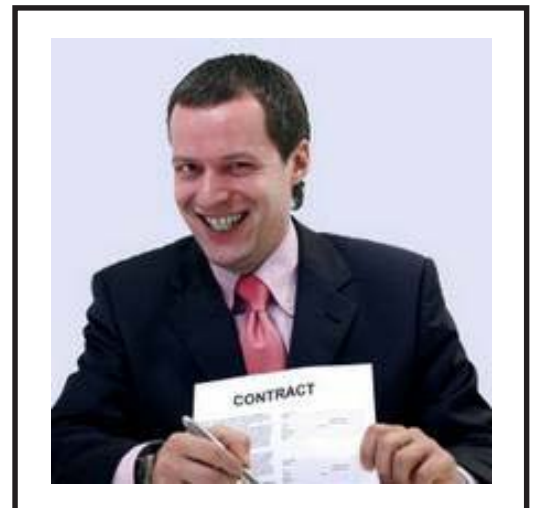
The outstanding payments for the old device were then incorporated into the new contract, which increased the quarterly payments to £4,800.00. These payments are scheduled to increase to £9,600.00 for the final 8 quarters of the contract. The settlement charge for the contract is £107,683.95.

The ICT Asset Manager and NCC Legal Services are in process of helping the school to terminate the contract. Once this process is complete, the school will be provided with a copier solution that will be appropriate to their needs and will save them ££££s.

## School C

This school signed a contract with a non-approved company supplying Canon Photocopiers. The school is being charged £399.03 per quarter with 30,000 copies included. The school regularly exceeds the 30,000 copies but when contacting the supplier to request more toner (included in the contract free of charge), they are informed that this amounts to misuse of the copier and, therefore, toner will be charged at £98.00. Furthermore, copies in excess of the 30,000 are charged at 0.59p for A4 and 1.18p a copy for A3.

When the photocopier needs to be repaired, the supplier takes up to 3 days to visit the school and the service has proved to be very unreliable. The school is now seeking help from the ICT Asset Manager to settle this contract.



If the school had signed with the approved supplier, the savings on rentals alone would be £152.14 per quarter. In addition to this the school would only be charged for the number of copies they use and the toner would be free.

The case studies above are where the schools have requested the assistance of the Children's Services ICT Asset Manager, Leah Fletcher. Leah estimates that there are approximately 80 schools in Norfolk under contract with non approved copier suppliers. She is working very hard to get this number down but requires the co-operation of the schools. If you are one of these schools, and would like help, please call Leah on 01603 475605.

## And finally...

If you are a school that is about to sign a new copier contract and you are unsure whether the supplier is approved or not, pick up the phone and call Leah or any of the other contacts provided above. A two- minute phone call now could save you ££££'s in the future.

**Tim Howard - 01603 222820**  
**Corporate Procurement Unit**

# Why should we buy from ESPO?

ESPO - Eastern Shires Purchasing Organisation is a Local Authority Purchasing Consortium, which was formed in early 1981. Norfolk County Council joined ESPO in 1985 and as such is part owner of the consortium along with 4 other County Councils and two unitary authorities.

ESPO's aim is to achieve overall cost savings and efficiencies for all customers. It is a non profit organisation, this means that it has to cover all its administration costs but does not look to make a profit from its customers. This ensures that savings achieved by ESPO are passed onto customers. It also means that ESPO can only supply other non profit organisations such as Councils, schools, colleges, churches and charities.



The ESPO Sales team with Norfolk Rep, Peter Legind (centre)

ESPO provides customers with a simple, timesaving and effective system for the purchasing and supply of goods and services whilst preserving full public accountability. This includes compliance with EU directives and other local authority financial regulations. Where public money of any sort is being spent the authority/organisation is always accountable for how that money has been spent – using ESPO ensures that all rules are followed.

Based in Leicester, ESPO spends well in excess of £600m per year on goods and services. These are supplied to over 15,000 organisations with more than 23,000 separate delivery points. By using ESPO you are in good company, helping to increase their purchasing power on behalf of yourself and all other ESPO customers and, more importantly, you ensure that you, your department and organisation are compliant with all procurement rules and regulations.

Do you need ESPO Catalogues? The range available is:

<b>145076</b>	<b>General Catalogue</b>	<b>145637</b>	<b>Dealing Direct</b>
<b>132381</b>	<b>Soft Furnishings</b>	<b>145319</b>	<b>Site Managers</b>
<b>129402</b>	<b>Sustainable Products</b>	<b>145343</b>	<b>Sport &amp; Leisure</b>
<b>145297</b>	<b>Art &amp; Design</b>	<b>145300</b>	<b>Early Years</b>

A Data pack is also available and this gives much more information about ESPO and several of the areas that it specialises in. Any of the above catalogues can be requested via email to [marketing@espo.org](mailto:marketing@espo.org) or telephone to 0116 265 7927 quoting your Delivery Point Number, Catalogue Code and quantity required.

For further help, assistance or information about ESPO please contact Peter Legind – ESPO Norfolk Account Manager on 07787 128778 [p.legind@espo.org](mailto:p.legind@espo.org)

## Go green - Go GREENlife

Following the addition to last years catalogue of the Greenlife Ball Point Pen, the range has been extended and now includes:



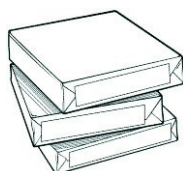
Greenlife Highlighters @ £1.80 for 10 (Also available in packs of 4 and 6).



Greenlife Drywipe Whiteboard Markers @ £1.70 for 10 (Also available in packs of 4).

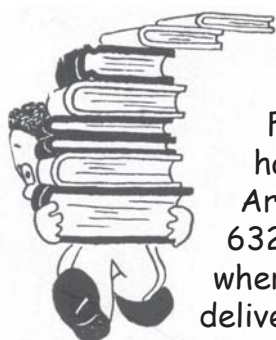
Recycled paper has been used to produce the barrels for these pens which means 66% of plastic used has been saved. See ESPO Catalogue Page 43

Pastel Colours of copier paper can now be ordered in boxes (5 reams) to achieve a saving compared to buying single reams.



## BOOKS

Contract 376E was recently re-tendered and retained by Waterstones. Full details are in Dealing Direct but to highlight that a discount of **20%** is available off all UK Text books and UK reading (library) books.



For Norfolk all orders are handled by the branch in Royal Arcade, Norwich O1603 632426, contact is Ben Miller, where orders can be placed and delivery of orders over £100 is **FREE**.

## FREE Soap Dispensers

The range of Hyfoam Dispensers now includes the new "Wash Your Hands" dispenser.

These have proved particularly popular in schools, but can currently be provided **FREE** to any ESPO customers, they are featured on Page 797 of the ESPO Catalogue or for more information please call Peter Legind - ESPO Norfolk Account Manager on 07787 128778



## Portable Appliance Testing (PAT)

A new contract 306 has been awarded for this service. 4 companies offer the service to this area under the contract including one who is based in Norfolk.

Full details can be found in the new edition of Dealing Direct.



# Vaguely Procurement Related Quiz

The abbreviations below represent song titles, or performers, that have a tenuous connection to procurement or purchasing. To help you fathom them out we have given you the name of the artists (a *debatable description in some cases - Ed*) who are most associated with, or first recorded, the songs. In some cases we have given you the title and you have to guess the performer.



For example: MCBML (The Beatles) would be Money Can't Buy Me Love

The answers include some old and some newer songs, so we want you to work together as groups on this one. Entries should be from a working group, team or section. There is a prize of a large box/tin of chocolates for the winning team or section. Your list of answers should be e-mailed to [cpu@norfolk.gov.uk](mailto:cpu@norfolk.gov.uk) by **07/11/08**, with 'Procurement Music Quiz' in the subject line, stating which working group/team you represent and the staff members involved in the entry. The winner will be randomly chosen from all the correct entries.

**Please Note.** The songs and artists listed **do not** in any way reflect the musical tastes of the compilers of Purchasing Power. Absolutely 100% definitely not (*especially number three....uurrgghh! - Ed*).



- |                                |                       |
|--------------------------------|-----------------------|
| (1) BCYSAD                     | (B. Crosby)           |
| (2) LWYBMAMB                   | (J. Joplin)           |
| (3) MTTTM                      | (Simply Red)          |
| (4) WSS                        | (10cc)                |
| (5) Candy Shop                 | (?)                   |
| (6) Money Don't Matter 2 Night | (?)                   |
| (7) MMMP                       | (Notorious B.I.G.)    |
| (8) LDCAT                      | (J. Lopez)            |
| (9) IIWARM                     | (CT - think musicals) |
| (10) BIP                       | (The Pretenders)      |

If you need this newsletter in large print, audio, Braille, alternative format or in a different language, please contact the Department of Finance on 01603 222401 (minicom 223833) and we will do our best to help.



This newsletter is produced by the Corporate Procurement Unit (CPU),  
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