

Joint procurement of environmentally friendly cleaning products in the UK

Introduction to ESPO

The Eastern Shires Purchasing Organisation (ESPO)¹ is a regional purchasing organisation operating in the Midlands of England, acting as a purchasing agent for its member authorities² and other customers and provides a professional cost effective procurement and supply service. The annual turnover exceeds £400 million and the procurement services provided can be grouped into four categories and are defined by ESPO as follows:

- A strategic role offering best practice relating to the procurement function as a whole. ESPO offers leading edge advice on major complex procurement and contracting issues, competition and services, Best Value driven reviews of service provision and one-off project based procurements. Over the last two years in particular, this aspect of our procurement activity and expertise has grown significantly.
- A procurement role for goods and services commonly used by a number of customers throughout the consortium area. This type of activity includes framework call-off contracts and some local contracting where local issues are of key consideration.
- A catalogue-based provision where ESPO is able to purchase products in volume (usually low-value, high-volume type products) from manufacturers in the main, and the resultant economies of scale means that we can purchase into our central warehouse here at Grove Park and deliver to customers using a combination of our own and contracted transport. An on-line ordering facility is available for those who want to use it.
- A procurement service for 'ad hoc' goods and services required by customers where advice, guidance and good practice are the watchwords. Often customers need commercial solutions to meet a need or specific requirement in this field.

ESPO is a self-financing organisation utilising the aggregate buying volumes of our member authorities and other customers to maximise the potential savings for all customers in every area of our procurement activity.

Joint procurement of cleaning products in the UK

As part of the LEAP project³ a pilot joint procurement activity for environmentally friendly cleaning products was carried out in the UK, led by ESPO. Cleaning products were selected as an appropriate product due to the uniform nature of cleaning needs from authority to authority, and the opportunity provided to introduce products not currently widespread on the UK market but available in other European countries – notably in Scandinavia.

The environmental demands used in the joint procurement activity were based on those recommended for use in Sweden by EKV⁴.

¹ www.espo.org

² Birmingham, Cambridgeshire, Coventry, Leicester City, Leicestershire, Lincolnshire, Milton Keynes, Norfolk, Northamptonshire, Staffordshire, Warwickshire

³ www.leap-gpp-toolkit.org

⁴ www.eku.nu

Recruiting additional authorities

ESPO, by its very nature represents a joint procurement approach, with one agency operating on behalf of a number of authorities. However, to maximise the effectiveness of the activity, it was decided to seek collaboration with other central purchasing organisations across the entire UK, which would give access to the materials to as many local authority consumers as possible, but limit the number participating in the contract.

Accordingly, negotiations were held by ESPO with the North Eastern Purchasing Organisation (NEPO), Hertfordshire County Supplies and Kent County Supplies as all four purchased in bulk and distributed across a significant number of local authorities across the country.⁵

Negotiations were successful, as all agreed to participate in the joint procurement project. This strategy, however, created a significant amount of clerical effort in simply determining all the suppliers to be invited to tender, i.e. all those responding to the OJEU notice (open tender methodology adopted) plus those traditionally invited to tender by all four central purchasing organisations

Model followed and contractual arrangements

As ESPO is designated a Central Purchasing Body under EU procurement law it is possible for any UK public authority to use contracts agreed between ESPO and a supplier. As such the model used was very straightforward. ESPO undertook a tendering procedure, signed contracts with the winning suppliers. All four participating purchasing organisations were then able to advertise the products in their central catalogues without the need for signing further contracts, allowing all public authorities to order directly through the ESPO contract.

As a number of different cleaning products were requested⁶ the tender was divided into lots (type of cleaning product), with suppliers able to offer products for as many lots as they wished. The best product for each lot could then be selected even if they were offered by different suppliers.

The tender procedure was conducted as follows:

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| 1. OJEU Pin Notice published: | 14 th May 05 ref 05/5-93-91905 |
| 2. OJEU Open Procedure Notice published: | 6 th July 05 ref 05/5-128-126680 |
| 3. Closing date for responding to OJEU Notice: | 10 th August 05 |
| 4. Total number of companies invited to tender: | 89 |
| 5. Closing date for submission of tender: | 25 th August 05 |
| 6. Total number of tenders received: | 17 |
| 7. Total number of companies awarded contract: | 3 |
| 8. OJEU Notice of Award of Contract published: | 28 th Jan 06 ref 06/5-19-20344 |

⁵ NEPO: Durham, Easington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar & Cleveland, South Tyneside, Stockton on Tees, Sunderland; HERTFORDSHIRE: Bedfordshire, Buckinghamshire, Cumbria, Hertfordshire, all the London Boroughs, Suffolk; KENT: East Sussex, Kent, all the London Boroughs, West Sussex

⁶ Washroom/bathroom cleaner, multi-purpose alkaline cleaner, multi-surface cream cleanser, toilet cleaner, window/glass cleaner, non-biological washing powder, dishwasher detergent, washing-up liquid detergent

Results and benefits

The three companies awarded a contract to supply a specific range of cleaning materials were:

1. Premiere Products
2. Ackwa
3. Rozone Ltd

The key outcome was to ensure that as many local authorities as possible in the UK readily had access to the environmentally friendly cleaning materials at prices which reflected the materials being purchased in bulk. This objective was achieved via a fully illustrated colour catalogue circulated by all four Central Purchasing Bodies. It is too early to determine if purchasers choose the products over traditionally purchased materials, but the trend will be monitored.

Future perspectives

This activity represents the first time in which several central purchasing organisations have carried out a tendering activity jointly. Following this, all four organisations have expressed a keen interest to develop further activities in common.

Contact

Ken May
Director, ESPO (Eastern Shires Purchasing Organisation)
+44-116/ 265 79 30
E: k.may@espo.org