



National Audit Office



MAY 2010

Price analysis

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Introduction

The price information was collected from public sector bodies in our heads of procurement survey in Summer 2009. This analysis covers six products (copier paper, envelopes, LCD monitors, travel agency rail book fee, car hire and toner cartridges) and data presented includes the following for each product:

- description of the exact specification of the good or service used in our survey to collect the price information;
- spend and/or volume;
- a scatter chart showing price variation across different annual volumes purchased;
- the high, low and average (mean) prices across different volume bands;
- the high, low and average (mean) prices broken down by central government, health trusts and local authorities; and
- the high, low and average (mean) price across different brands (paper and envelopes only).

For all six products it is important to note that:

- The graphics show prices paid through both collaborative and non-collaborative arrangements.
- A number of observations were excluded as being outside the viable price range. It was not possible to validate each individual survey response, therefore where particularly high or low prices were reported these were excluded due to the likelihood that survey respondents had mis-keyed or provided a price for the wrong quantity or product specification.
- Not all goods were purchased on the same day. Therefore, the prices are likely to be subject to some variation due to, for example, fluctuations in underlying commodity market prices or exchange rates. In addition, there may also be some variation in the supplier services associated with the goods or services.

Section A

Copier paper

Figure A1

Specification, expenditure and volume

Good or service	Specification	Quantity
Photocopier paper	A4 size, Plain white paper, 100% recycled, 80g/m ²	Box of 5 reams, 500 sheets per ream

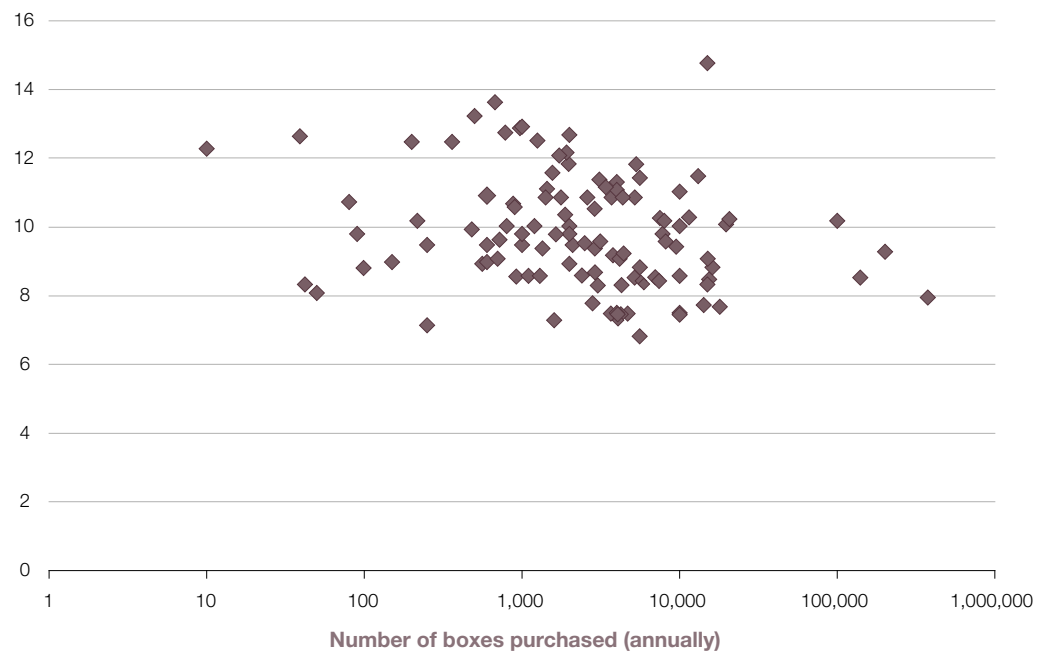
Total volume across respondents: 1,282,508 boxes annually.

Total expenditure across respondents: £11,519,094 annually.

Figure A2

Scatter chart of prices paid against annual volume purchased

Price paid per box of 5 reams (£ per box)



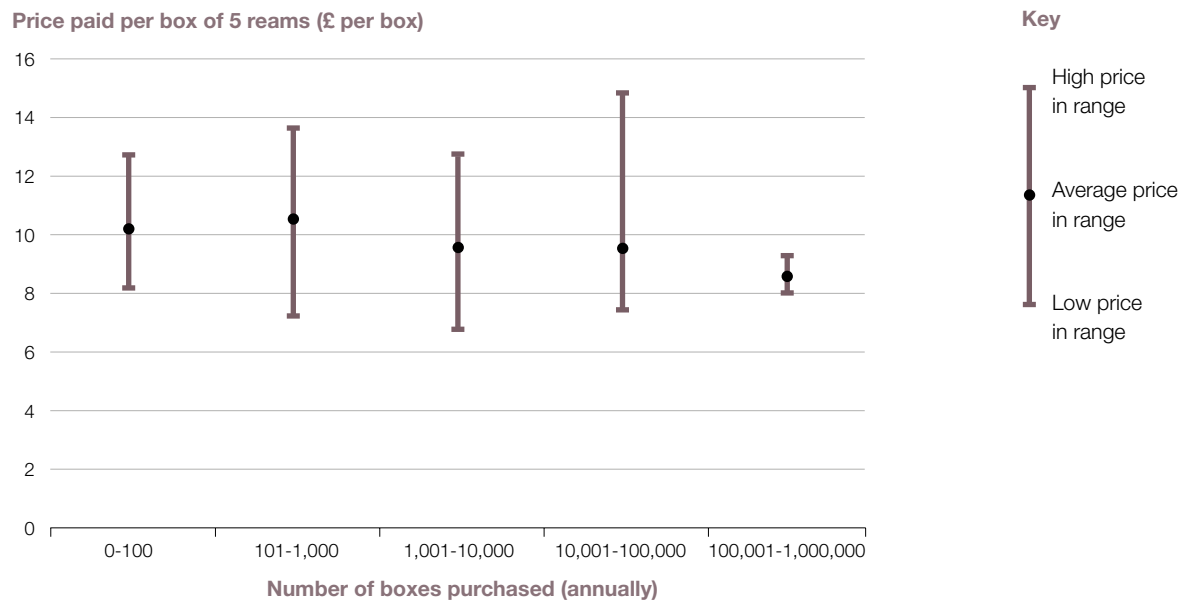
NOTES

Number of observations: 112 organisations.

The x axis shows a logarithmic scale to allow all observations to be viewed on one chart.

Figure A3

High, low and average prices paid by volume band



	Volume band (number of boxes purchased annually)				
	0-100	101-1,000	1,001-10,000	10,001-100,000	100,001-1,000,000
Number of observations	7	24	65	13	3
High price (£ per box)	12.66	13.65	12.70	14.79	9.30
Low price (£ per box)	8.10	7.16	6.84	7.47	7.97
Average price (£ per box)	10.12	10.53	9.62	9.60	8.61

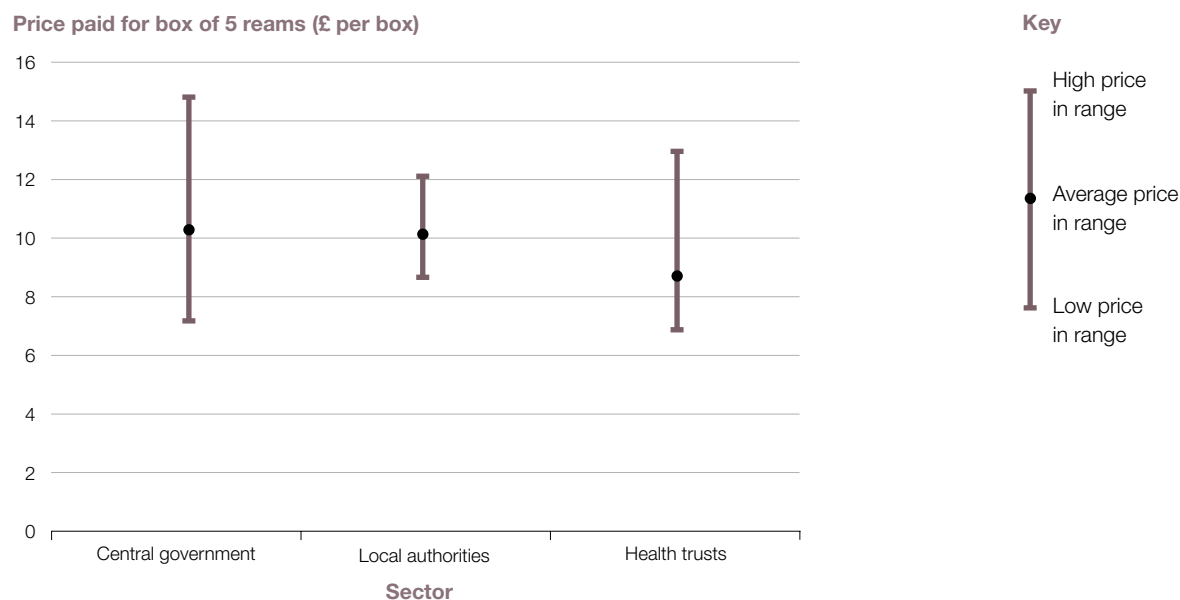
NOTES

Number of observations: 112 organisations.

The average is the mean price across the volume band.

Figure A4

High, low and average prices paid by sector



	Sector		
	Central government	Local authorities	Health trusts
Number of observations	63	22	27
High price (£ per box)	14.79	12.10	12.94
Low price (£ per box)	7.16	8.61	6.84
Average price (£ per box)	10.20	10.06	8.72

NOTES

Number of observations: 112 organisations.

The average is the mean price across the sector.

Figure A5

High, low and average prices paid by brand

	Brand			
	Brand A	Brand B	Brand C	Brand D
Number of observations	57	16	6	6
High price (£ per box)	14.79	9.60	9.50	12.45
Low price (£ per box)	7.16	6.84	8.10	9.50
Average price (£ per box)	10.57	8.00	8.96	10.33

NOTES

Number of observations: 85 organisations.

Table shows top four brands in terms of number of organisations purchasing the brand.

Average is the mean price across the brand.

Some of the price variation within the brand may be due to different products within the overall brand. For example, Brand A has three products within the brand all of which provide 100 per cent recycled, 80g/m².

Section B

Envelopes

Figure B1

Specification, expenditure and volume

Good or service	Specification	Quantity
Manila envelopes	229x162mm (size C5), medium weight 90g/m2, self sealing, no window	Box of 500 envelopes

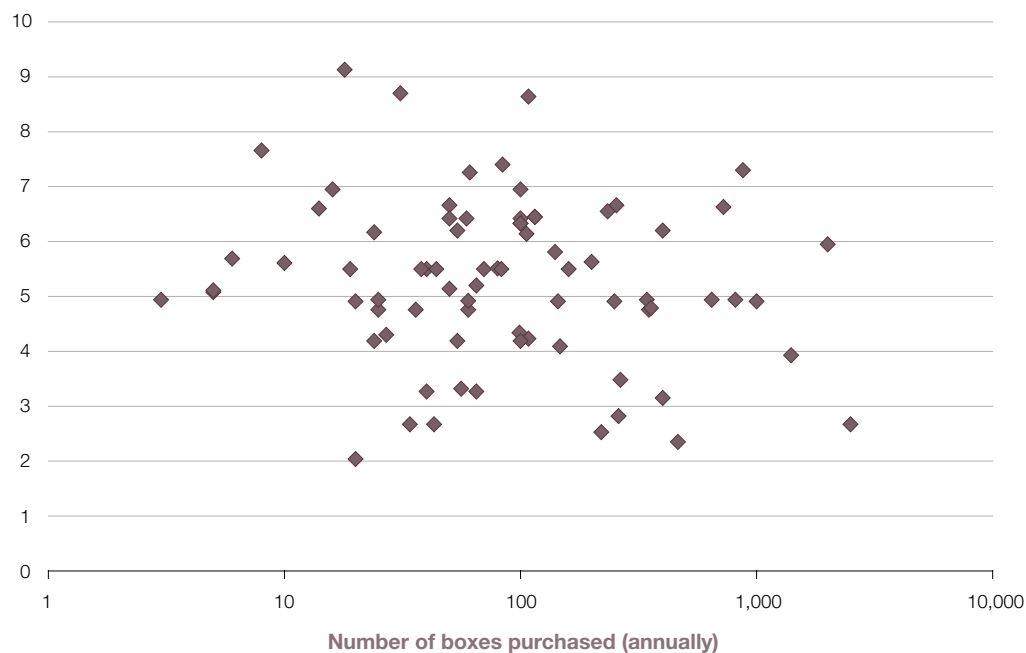
Total volume across respondents: 17,275 boxes annually.

Total expenditure across respondents: £83,464 annually.

Figure B2

Scatter chart of prices paid against annual volume purchased

Price paid for box of 500 envelopes (£ per box)



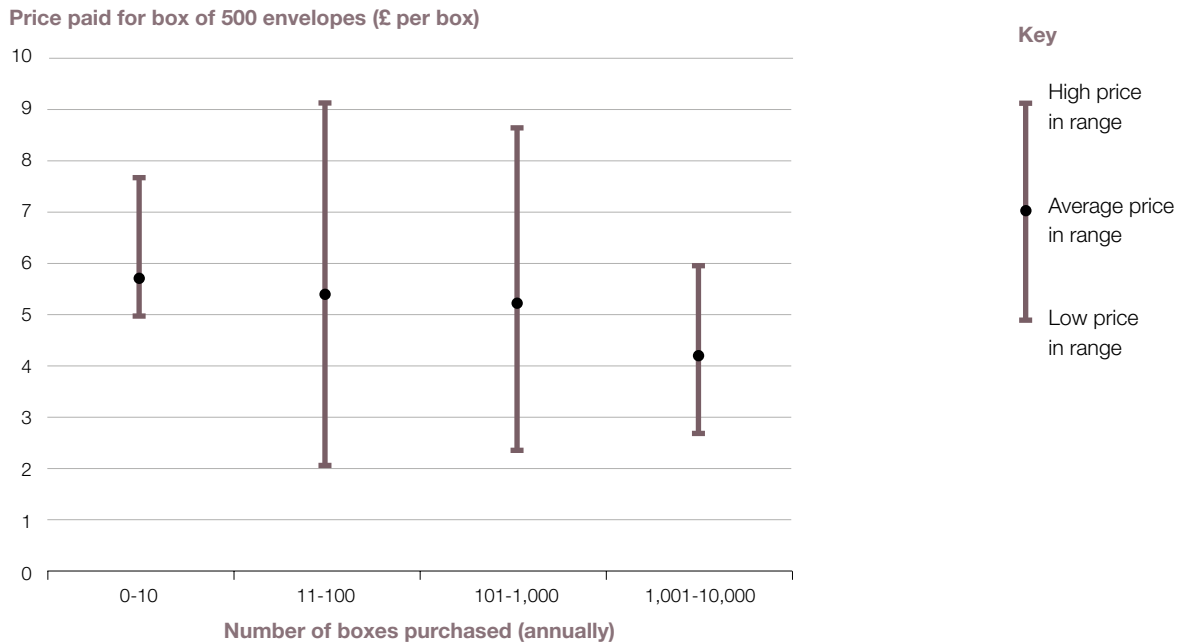
NOTES

Number of observations: 77 organisations.

The x axis shows a logarithmic scale to allow all observations to be viewed on one chart.

Figure B3

High, low and average prices paid by volume band

**Volume band (number of boxes purchased annually)**

	0-10	11-100	101-1,000	1,001-10,000
Number of observations	6	41	27	3
High price (£ per box)	7.66	9.13	8.64	5.95
Low price (£ per box)	4.94	2.04	2.35	2.67
Average price (£ per box)	5.68	5.37	5.17	4.18

NOTES

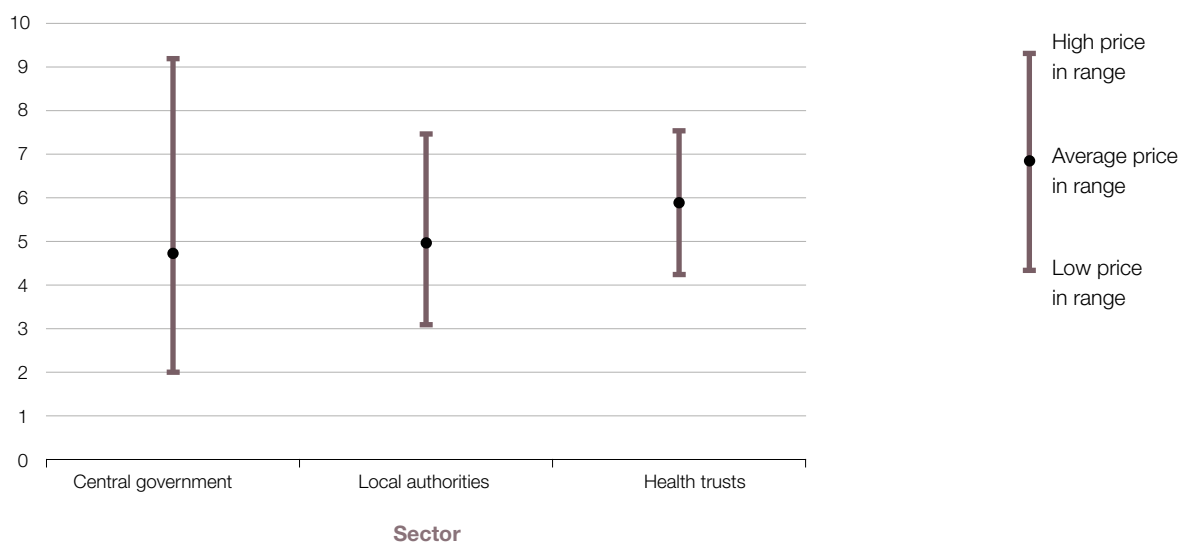
Number of observations: 77 organisations.

The average is the mean price across the volume band.

Figure B4

High, low and average prices paid by sector

Price paid per box of 500 envelopes (£ per box)



	Sector		
	Central government	Local authorities	Health trusts
Number of observations	25	19	33
High price (£ per box)	9.13	7.40	7.66
Low price (£ per box)	2.04	3.15	4.30
Average price (£ per box)	4.72	4.97	5.88

NOTES

Number of observations: 77 organisations.

The average is the mean price across the sector.

Figure B5

High, low and average prices paid by brand

	Brand			
	Brand A	Brand B	Brand C	Brand D
Number of observations	27	13	9	7
High price (£ per box)	8.70	7.26	6.45	8.64
Low price (£ per box)	4.30	2.53	2.67	2.35
Average price (£ per box)	5.46	4.77	5.66	4.09

NOTES

Number of observations: 56 organisations.

Table shows top four brands in terms of number of organisations purchasing the brand.

Average is the mean price across the brand.

Some of the price variation within the brand may be due to different products within the overall brand.

Section C

LCD monitors

Figure C1

Specification, expenditure and volume

Good or service	Specification	Quantity
LCD flat screen monitor	TFT (Thin Film Transistor) 17 inch flat screen monitor; aspect ratio 4:3; resolution 1280 x 1024; excludes sound and other additional features (e.g. extra USB ports)	Single monitor

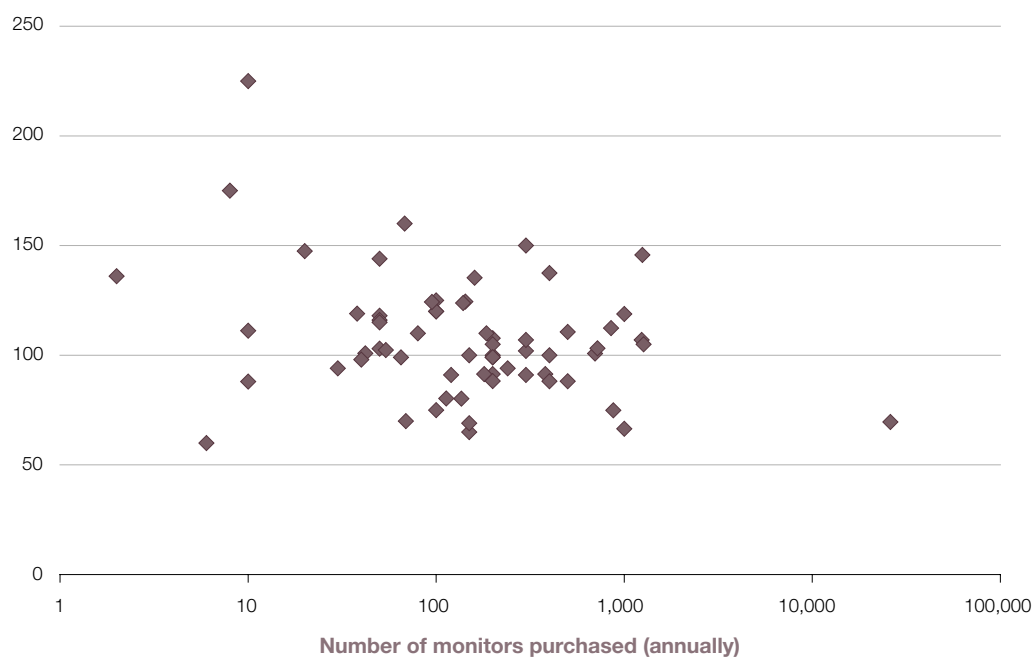
Total volume across respondents: 43,244 monitors annually.

Total expenditure across respondents: £3,612,866 annually.

Figure C2

Scatter chart of prices paid against annual volume purchased

Price paid per monitor (£ per monitor)



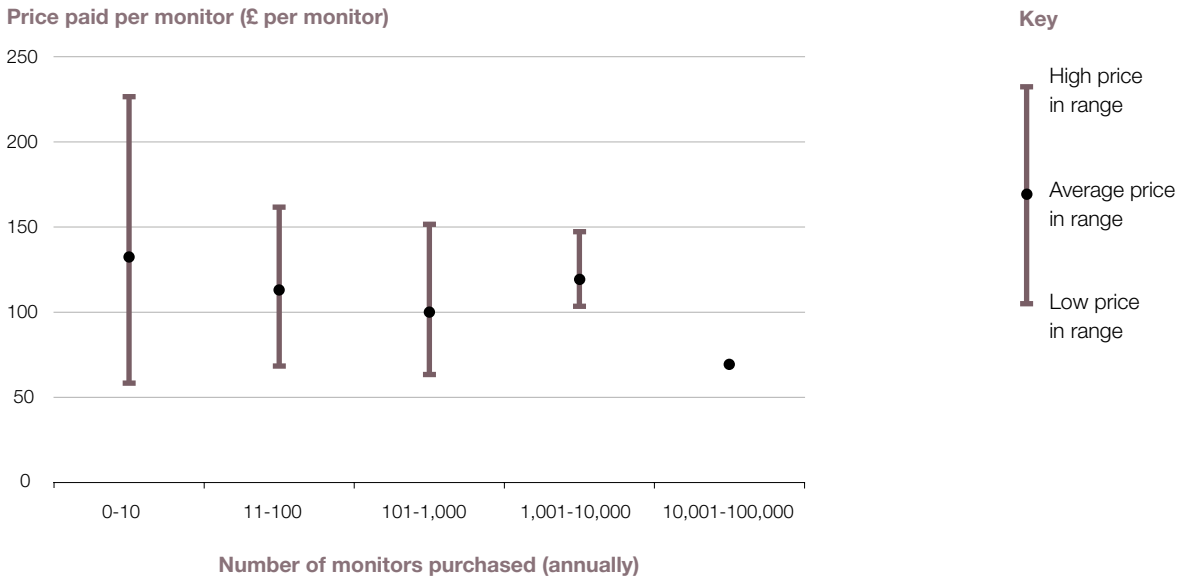
NOTES

Number of observations: 65 organisations.

The x axis shows a logarithmic scale to allow all observations to be viewed on one chart.

Figure C3

High, low and average prices paid by volume band



	Volume band (number of monitors purchased annually)				
	0-10	11-100	101-1,000	1,001-10,000	10,001-100,000
Number of observations	6	20	35	3	1
High price (£ per monitor)	225	160	150	146	n/a
Low price (£ per monitor)	60	70	65	105	n/a
Average price (£ per monitor)	133	113	100	119	70

NOTES

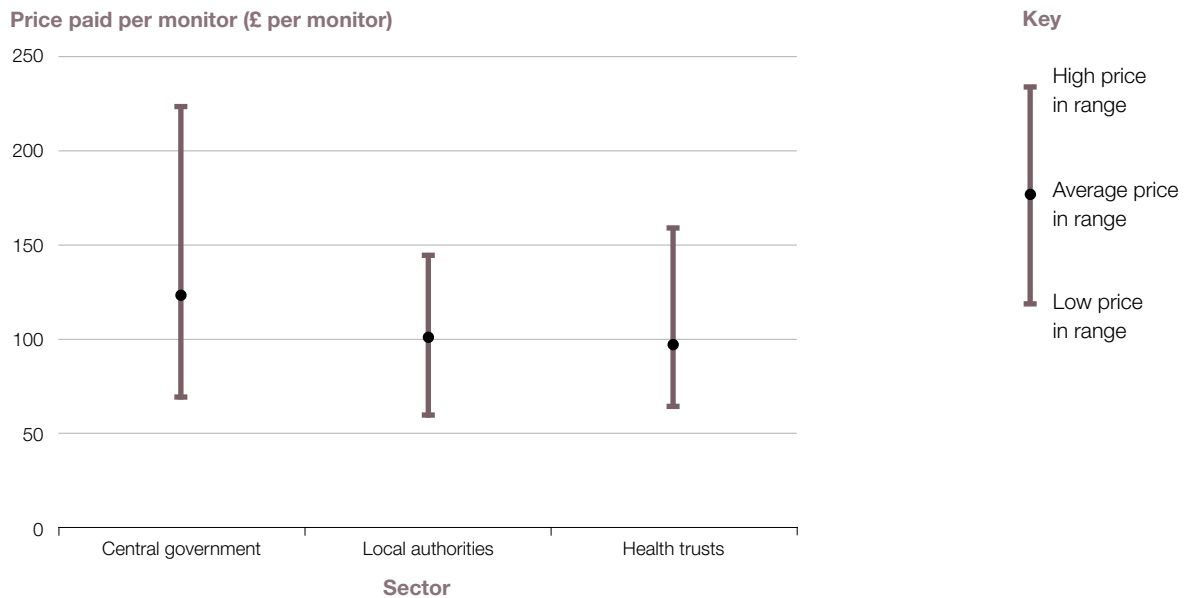
Number of observations: 65 organisations.

The average is the mean price across the volume band.

For the volume band 10.001-100,000 the average is a single observation.

Figure C4

High, low and average prices paid by sector



	Sector		
	Central government	Local authorities	Health trusts
Number of observations	21	17	27
High price (£ per monitor)	225	146	160
Low price (£ per monitor)	70	60	65
Average price (£ per monitor)	125	101	98

NOTES

Number of observations: 65 organisations.

The average is the mean price across the sector.

Section D

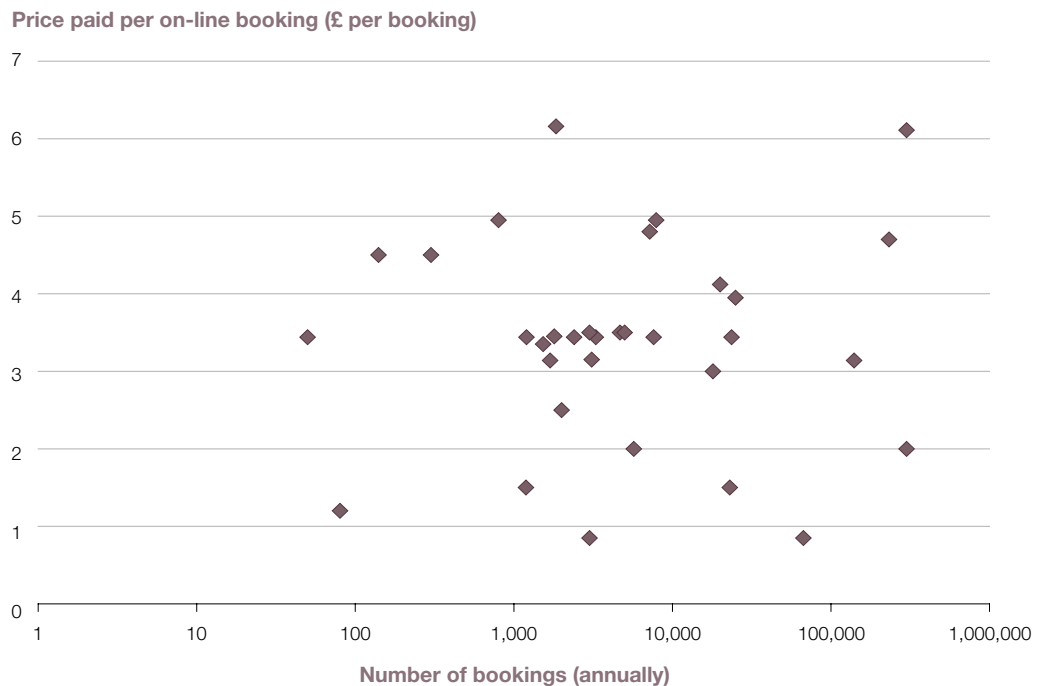
Travel agency rail booking fee

Figure D1
Specification and volume

Good or service	Specification	Quantity
Travel agency rail booking fee	On-line booking fee	Single booking

Total volume across respondents: 1,214,429 bookings annually (on-line and call centre).

Figure D2
Scatter chart of prices paid against annual volume purchased



NOTES

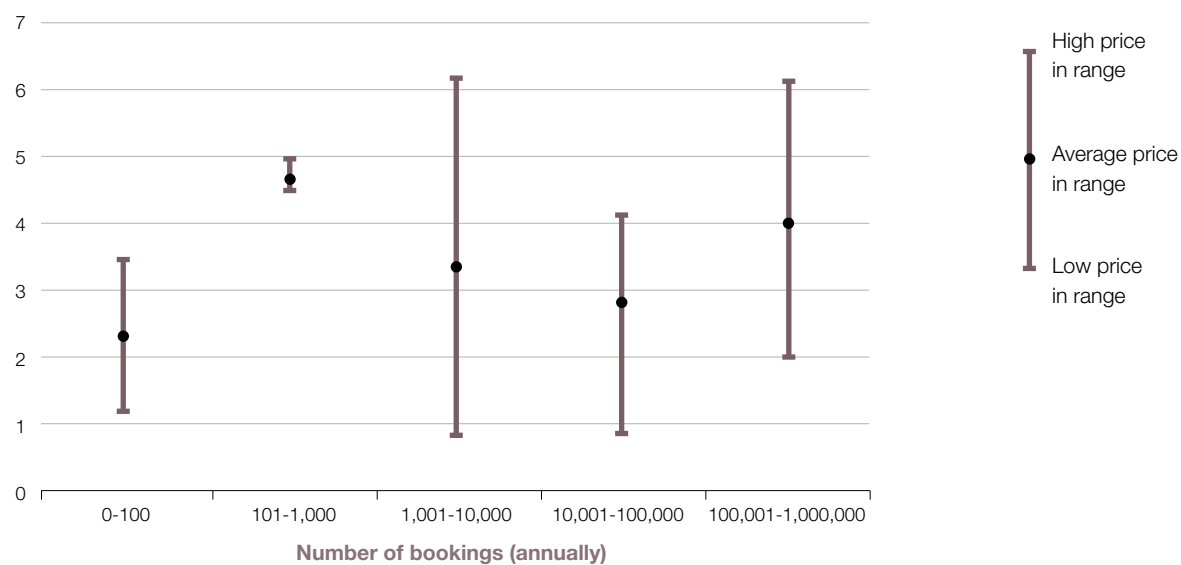
Number of observations: 33 organisations.

The x axis shows a logarithmic scale to allow all observations to be viewed on one chart.

Figure D3

High, low and average prices paid by volume band

Price paid per on-line booking (£ per booking)



Volume band (number of bookings annually)

	0-100	101-1,000	1,001-10,000	10,001-100,000	100,001-1,000,000
Number of observations	2	3	18	6	4
High price (£ per booking)	3.44	4.95	6.16	4.12	6.11
Low price (£ per booking)	1.20	4.50	0.85	0.85	2.00
Average price (£ per booking)	2.32	4.65	3.34	2.81	3.99

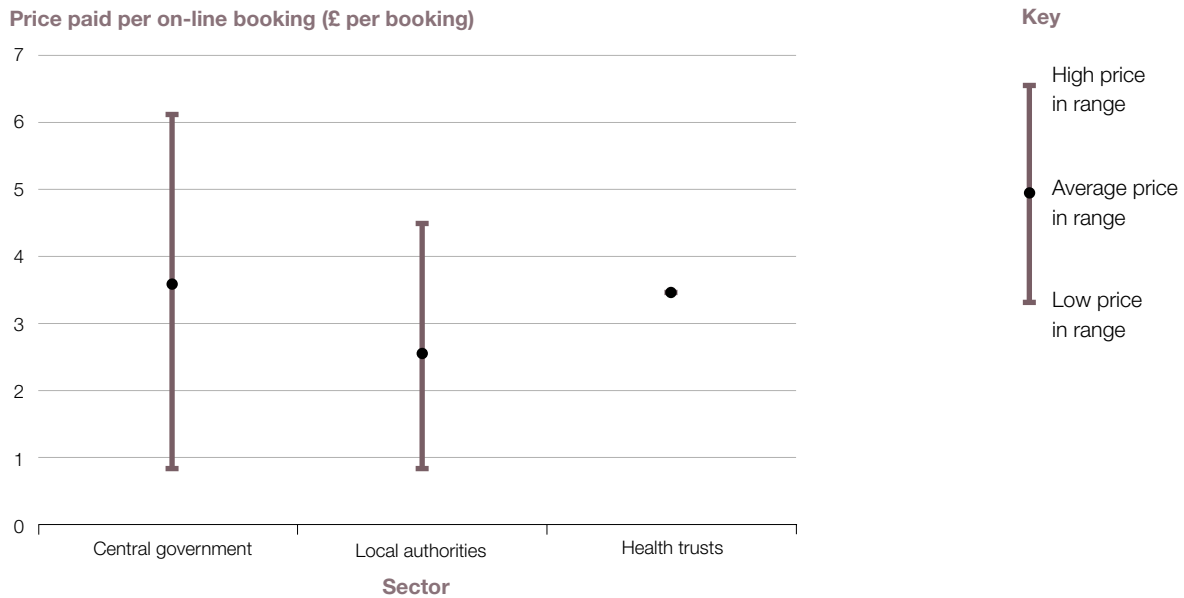
NOTES

Number of observations: 33 organisations.

The average is the mean price across the volume band.

Figure D4

High, low and average prices paid by sector



	Sector		
	Central government	Local authorities	Health trusts
Number of observations	24	6	3
High price (£ per booking)	6.16	4.50	3.50
Low price (£ per booking)	0.85	0.85	3.44
Average price (£ per booking)	3.57	2.56	3.46

NOTES

Number of observations: 33 organisations.

The average is the mean price across the sector.

Section E

Car hire

Figure E1

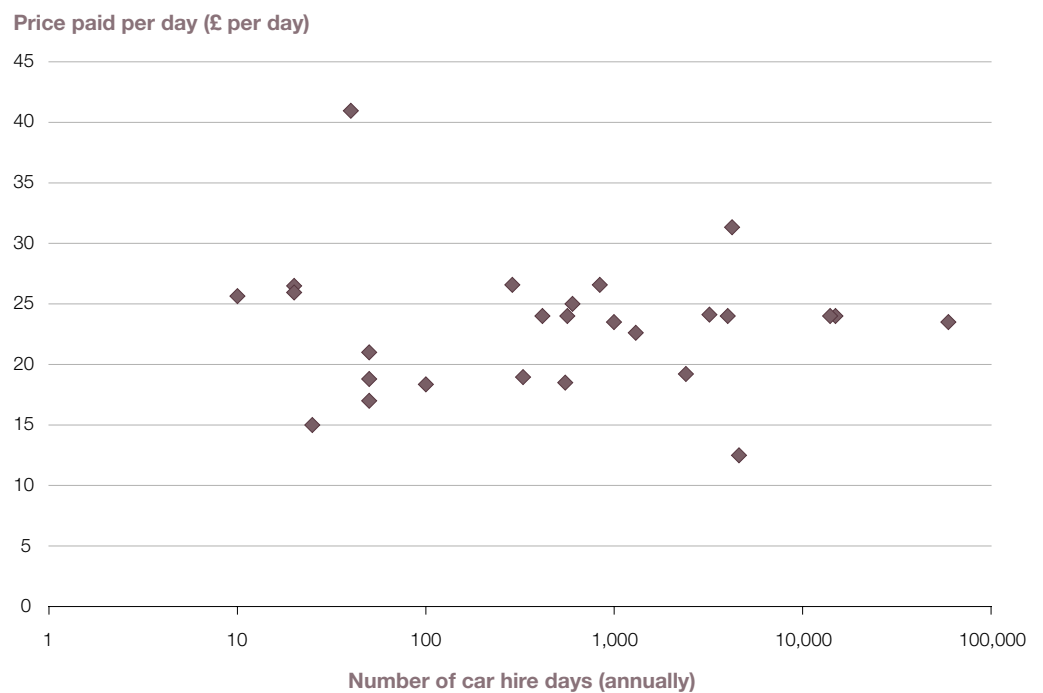
Specification and volume

Good or service	Specification	Quantity
Medium sized car hire	Manual; typical engine size 1.6 to 1.8 litre; Compact model e.g. Ford Focus 1.6 litre petrol, Peugeot 307 1.6 litre petrol, Renault Megane 1.6 litre petrol (e.g. AVIS Group E, Hertz Group C, Budget Group C); delivered to and collected from office location by hire company. Single day hire, uninsured	Per day

Total volume across respondents: 112,966 days (includes all hire periods).

Figure E2

Scatter chart of prices paid against annual volume purchased



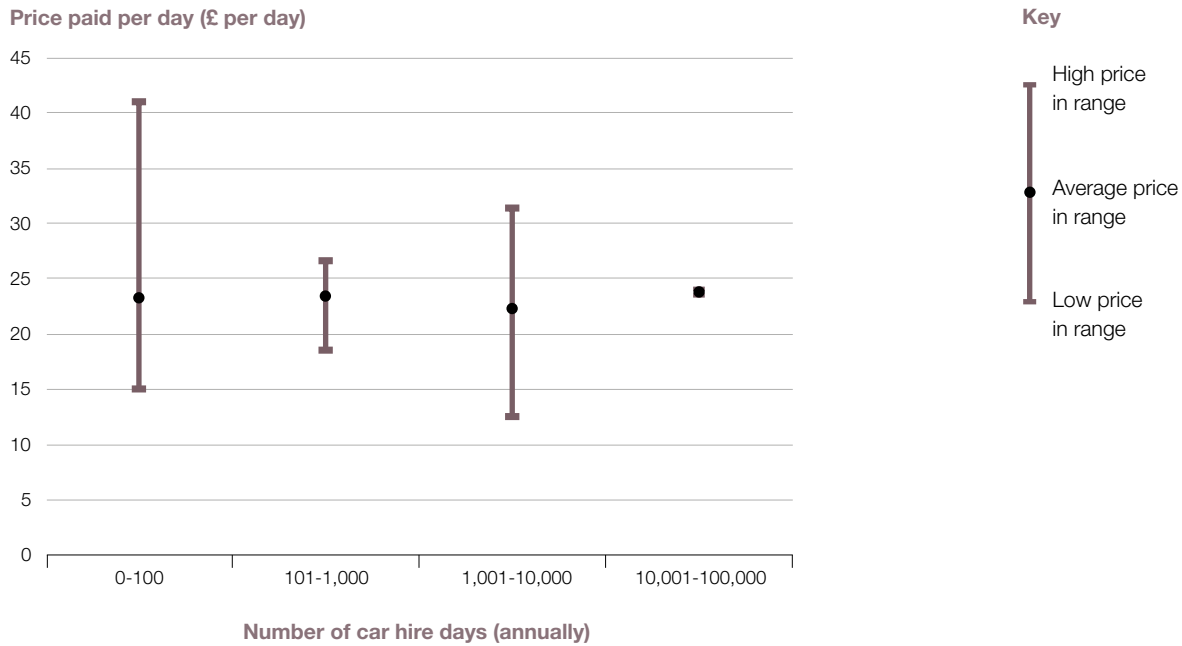
NOTES

Number of observations: 26 organisations.

The x axis shows a logarithmic scale to allow all observations to be viewed on one chart.

Figure E3

High, low and average prices paid by volume band



	Volume band (number of car hire days purchased annually)			
	0-100	101-1,000	1,001-10,000	10,001-100,000
Number of observations	9	8	6	3
High price (£ per day)	40.95	26.58	31.34	24.00
Low price (£ per day)	15.00	18.50	12.50	23.50
Average price (£ per day)	23.24	23.39	22.30	23.83

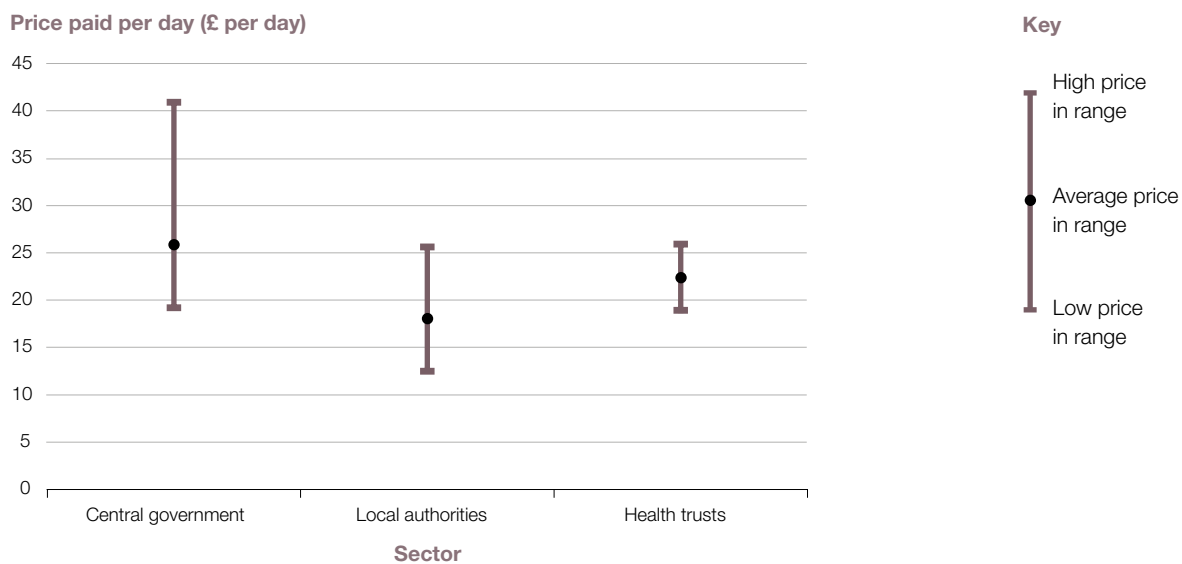
NOTES

Number of observations: 26 organisations.

The average is the mean price across the volume band.

Figure E4

High, low and average prices paid by sector



	Sector		
	Central government	Local authorities	Health trusts
Number of observations	16	8	2
High price (£ per day)	40.95	25.65	25.95
Low price (£ per day)	19.21	12.50	18.95
Average price (£ per day)	25.62	18.35	22.45

NOTES

Number of observations: 26 organisations.

The average is the mean price across the sector.

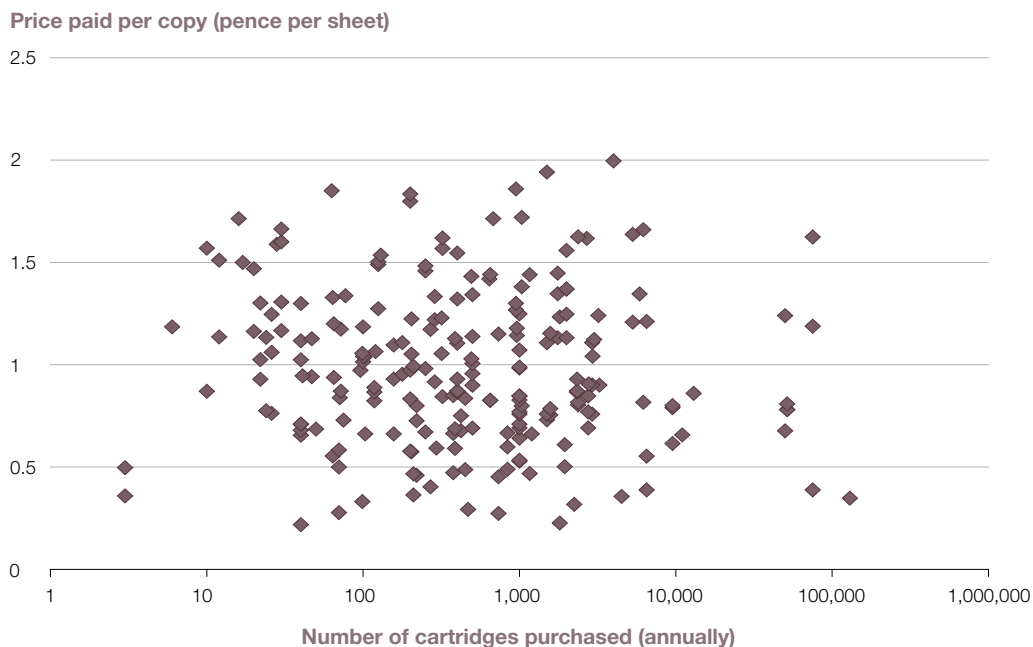
Section F

Toner cartridges

Figure F1
Specification

Good or service	Specification	Quantity
Black laser printer toner cartridge	No specification restriction	A price per sheet was calculated based on the price paid for a single cartridge and the volume (sheets per cartridge) of the cartridge.

Figure F2
Scatter chart of prices paid against annual volume purchased



NOTES

Survey respondents were asked to provide prices for up to three different types of toner cartridge purchased by their organisation.

Survey respondents were asked to provide a single volume figure for total cartridges of all types purchased by the organisation. Therefore, for a single organisation there may be up to three different prices shown each with the same overall volume figure.

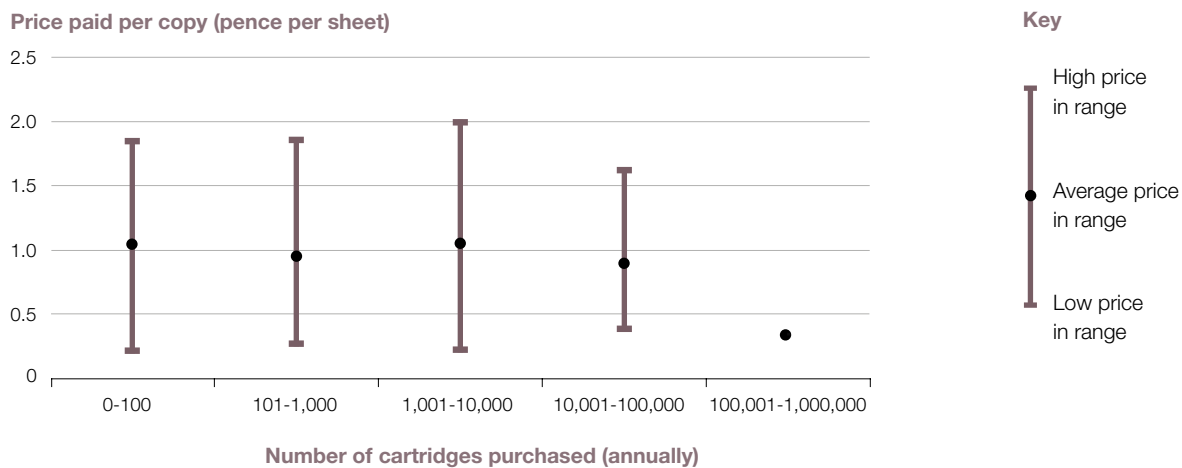
The price per cartridge figure provided by survey respondents was converted into a pence per sheet figure by using the volume (number of sheets per cartridge) capability for each specific cartridge type.

Number of observations: 222.

The x axis shows a logarithmic scale to allow all observations to be viewed on one chart.

Figure F3

High, low and average prices paid by volume band



	Volume band (number of cartridges purchased annually)				
	0-100	101-1,000	1,001-10,000	10,001-100,000	100,001-1,000,000
Number of observations	55	99	57	10	1
High price (p/sheet)	1.85	1.86	2.00	1.62	n/a
Low price (p/sheet)	0.22	0.27	0.23	0.39	n/a
Average price (p/sheet)	1.03	0.97	1.02	0.90	0.35

NOTES

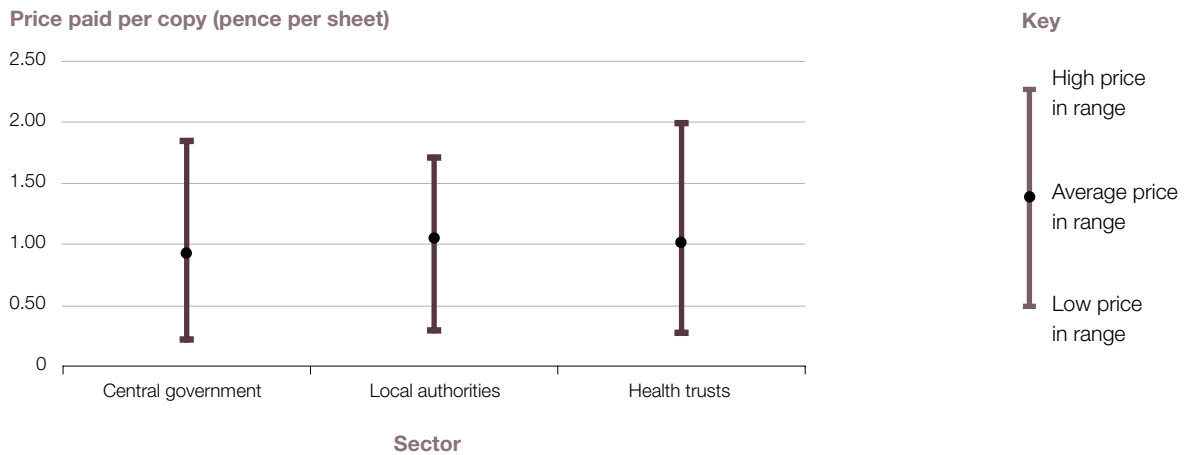
Number of observations: 222.

The average is the mean price across the volume band.

For the volume band 100,001-1,000,000 the average is a single observation.

Figure F4

High, low and average prices paid by sector



	Sector		
	Central government	Local authorities	Health trusts
Number of observations	107	41	74
High price (p/sheet)	1.85	1.71	2.00
Low price (p/sheet)	0.22	0.29	0.27
Average price (p/sheet)	0.95	1.05	1.01

NOTES

Number of observations: 222.

The average is the mean price across the sector.

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