

 <b>Brent</b>	<b>Officer Key Decision</b>
	<b>Report to the Strategic Director of Resources</b>
<b>Award of a Printing Services Contract for the Shared ICT Service Authorities</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
<b>No. of Appendices:</b>	Two: <ul style="list-style-type: none"> <li>• Participating Contractors (exempt)</li> <li>• Tender Evaluation Grid Scoring</li> </ul>
<b>Background Papers:</b>	<a href="#">Cabinet Report – 12 November 2018 (Item 12)</a>
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Philippa Brewin Service Account and Procurement Manager Email: <a href="mailto:philippa.brewin@brent.gov.uk">philippa.brewin@brent.gov.uk</a> Tel: 020 8937 1733

## 1.0 Purpose of the Report

- 1.1 This report requests authority to award a contract for the Printing Services for the Shared ICT Service London Boroughs of Brent, Lewisham and Southwark, and to the Local Government Association. This report summarises the process undertaken in procuring the contract and recommends to whom the contract should be awarded.

## 2.0 Recommendation

- 2.1 That the Strategic Director of Resources, in consultation with the Deputy Leader, awards the contract for Printing Services to Ricoh UK Ltd for a period of four years, plus three possible one year extensions.

### 3.0 Detail

#### ***Background***

- 3.1 The three Shared ICT Service authorities have requirements for day to day office printing (using multifunctional devices known as MFDs), as well as bulk printing for specific service areas such as Council Tax Statements, Payslips, and Benefit Statements. This list varies for each authority, as some have separate specialist contracts for some areas, and some may not require the services at all (eg. Brent doesn't require hard copy payslips).
- 3.2 Under the current contracting arrangements, the Shared ICT Service manages the MFD element of printing, and in Brent, Customer Services manages the bulk printing, as part of the Capita Revenues and Benefits contract. In Southwark, some of the bulk printing is delivered through the Capita contract owned by IT, and the revenues and benefits printing is delivered through the Northgate contract managed by that service. In Lewisham there is a bulk printing contract which serves several service areas, and is owned by IT.
- 3.3 The contract that is the subject of this award will deliver office print and bulk print for all 3 councils, as well as office printers for the Local Government Association.
- 3.4 In June 2018 Strategic Director of Resources approval was given to invite tenders from a framework for a contract for the provision of these services.
- 3.5 Current contracting arrangements are as follows:

Authority	Supplier	Service	Annual Spend	End date
Brent	Capita	Bulk Printing	£260,000	30/04/2019
Brent	Xerox	MFDs and Print Room	£353,000	31/07/2019
Lewisham	FDM	Bulk Printing	£156,000	30/04/2019
Lewisham	Xerox	MFDs	£217,000	31/07/2019
Southwark	Capita	Bulk Printing (Housing and Exchequer)	£280,000	30/04/2019
Southwark	Itec	MFDs	£480,000	28/02/2020

- 3.6 The tender included all of the above requirements, as well as scope for the contract to include Southwark's revenues and benefits printing at a later date should they choose to do so. The pricing for this was included as part of the tender.
- 3.7 The contract will also enable authorities to include additional requirements during the term, based on the unit rates which have been transparently stated as part of the pricing structure.

### ***Outline of Tender Process***

- 3.8 Tenders for the contract were invited from the Crown Commercial Service (CCS) Framework RM3781 Multifunctional Devices, Managed Print and Content Services and Records and Information Management, Lot 2 Multifunctional Devices and Print Management Software and Services.
- 3.9 The opportunity was published using the CCS e-tendering portal on 20 September 2018. The closing date for tenders was 25 October 2018 and 4 of the 9 suppliers on the framework submitted tenders.
- 3.10 In accordance with the requirements of the Framework Agreement, the Invitation to Tender stated that the selection of Suppliers to be awarded the contract would be made on the basis of the most economically advantageous bid and that in evaluating tenders, the Council would have regard to the following:
- Quality (40%)
  - Price (60%)

Full details of the criteria used and the weighting attributable to each criterion is set out in Appendix 2.

### ***Evaluation Process***

- 3.11 All tenders had to be submitted electronically no later than 12 noon on 25 October 2018. 4 tenders were submitted.
- 3.12 The tender evaluation was carried out by a panel of officers from the Shared ICT Service, and Bulk Print service users from Brent, Lewisham and Southwark.
- 3.13 The members of the evaluation panel each scored the quality submissions from the tenderers separately, a panel meeting took place and the scores were moderated.
- 3.14 Some further clarifications were sought from each of the tenderers in order to be able to finalise the scoring for all of the quality elements.
- 3.15 The names of the tenderers are contained in Appendix 1. The scores received by the tenderers are included in Appendix 2. It will be noted that Tender C was the highest scoring tenderer, and it is therefore recommended that the contract is awarded to Tenderer C, namely Ricoh UK Ltd.
- 3.16 The off site bulk printing services to be delivered under the call off contract will commence on 1 May 2019, and the office printing (multifunctional devices and Brent Print Room) on 1 August 2019, with the exception of the Southwark office printing. Implementation work will be carried out in advance of these service start dates. As the proposed contract represents a call-off under a framework agreement, a mandatory standstill period is not required.

## 4.0 Financial Implications

- 4.1 The value of the award is based on the tender pricing, and is £6.12m over the initial four year term.

This value is shared across the authorities as follows:

	Year 1	Year 2	Year 3	Year 4	Total
Brent	£683,748	£709,183	£695,731	£683,624	£2,772,286
Lewisham	£494,672	£520,288	£507,046	£495,129	£2,017,136
LGA	£17,242	£21,136	£19,023	£17,120	£74,521
Southwark	£133,124	£355,076	£399,467	£372,832	£1,260,499
	£1,328,786	£1,605,683	£1,621,267	£1,568,705	£6,124,442

Annual values vary as not all services are included from the contract commencement date. Services are included as the contracts in the table at 3.5 above expire.

- 4.2 Savings per annum

### Brent

In the table below, the Office Printing is funded by the Shared ICT Service budget, the Revenues and Benefits bulk printing and Hybrid Mail by the Customer Services budget, and the Adult Social Care printing by the Adult Social Care budget.

In Year 1 the office print savings will be for a 9 month period, commencing 1 August 2019. Therefore, the full (Year 2) per annum cost as per the tender is summarised below, along with the anticipated savings.

Full Year Costs and Savings	New Contract	Current Contract	Saving	% Saving
Existing Services				
Office Printing	£326,969	£353,000	£26,031	7.37%
Bulk Printing (Revs and Bens)	£316,653	£334,708*	£18,055	5.75%
Total	£643,622	£687,708	£44,086	
Additional Services				
Bulk Printing (Adult Social Care)	£13,078	N/A	N/A	N/A
Hybrid Mail	£52,483	£52,483	**See below	N/A
	£709,183	£740,191		

\*It should be noted that the “current contract” figure in the table above for the bulk print element is slightly higher than the current spend of £260k. This is because at detailed per page level the tender had to be based on a shopping basket estimate rather than actual volumes. The estimated savings are based on like for like volumes.

The new contract value of £317k for bulk printing is expected to be met within the existing budget for this service.

**\*\*Hybrid Mail** is a new service that is currently being trialled by Brent Customer Services. The unit costs paid under the trial are broadly similar to the tendered unit costs, and so the current contract cost has been shown as the same. As hybrid mail is rolled out more widely, savings will increase, although these savings will be in postage costs and so from the Digital Post Room budget, and are not the subject matter of this report.

The Adult Social Care printing and postage is currently carried out manually by department staff. Use of the bulk print facility will lead to corresponding reductions in office print and postage costs, and will save on staff time.

### Lewisham

The savings for the Office Printing element of the MFD contract are estimated at 32.69%. These are greater than for Brent because the Brent savings are offset by the cost of the print room.

The savings for bulk printing are estimated at 5.24%, based on a comparison of the unit rates currently paid for the printing element.

### Southwark

A comparison of the unit costs for specific print jobs shows a saving of between 5.09% and 6.98% will be achieved. The overall saving is anticipated to be between these two figures and will depend on the ratio of jobs with higher savings to those with lower savings.

The savings for the Office Printing element of the MFD contract are estimated at 20.68%, although it should be noted that Southwark will not be using this element of the contract until 1 November 2020.

## **5.0 Legal Implications**

- 5.1 The estimated value of the proposed call off contract for printing services is higher than the EU threshold for Supplies and the award of the contract is therefore governed by the Public Procurement Regulations 2015 (the “PCR 2015”).
- 5.2 Officers have used a framework to procure the printing services. The PCR 2015 allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process. Call offs under the framework need to be carried out in accordance with the framework rules, to include using evaluation criteria specified in the framework and utilising the terms and conditions set out in the framework. Officers have confirmed that the printing services have been procured in a compliant manner.
- 5.3 The Council’s Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority, where call off under the framework agreement is approved by the relevant Chief Officer and provided that the

Director of Legal and HR has advised that participation in the framework is legally permissible. The Director of Legal and HR confirmed that participation in the relevant CCS framework is legally permissible.

- 5.4 The value of Brent's element of the procurement over the possible 7 years of the proposed contract is such that it is classed as a High Value Contract under the Council's Contract Standing Orders and Financial Regulations. Cabinet approval is required for the award of a High Value Contract, but on 12 November 2018 Cabinet delegated authority to the Strategic Director Resources, in consultation with the Deputy Leader to award the contract for printing services.
- 5.5 As the procurement of printing services is from a framework, there is no requirement for the Council to observe a 10 day standstill period under the PCR 2015 although the award of the contract will be subject to the council's usual call-in process.
- 5.6 The recommended award will involve the transfer of staff from the existing contractor to the preferred contractor pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). Further details concerning this TUPE transfer are contained in Section 8.

## **6.0 Equality Implications**

- 6.1 The specification for office printing devices contained user accessibility requirements. The successful tenderer, supplier C, has confirmed that keyboard log in to multifunctional devices using a full size plug in keyboard is possible.

## **7.0 Consultation with Ward Members and Stakeholders**

- 7.1 There has been no consultation with Ward Members. Service area users of the printing services were consulted in relation to the specification and evaluation methodology, including Shared ICT Service staff. The users and ICT staff also participated in the tender evaluation.

## **8.0 Human Resources/Property Implications (if appropriate)**

- 8.1 The print room service will be delivered under the new contract, and will continue to be sited in Brent Civic Centre.
- 8.2 TUPE will apply to current Xerox print room staff, including management staff. As a former local authority member of staff, one of the print room staff is a member of the Local Government Pension Scheme. The preferred provider will be required to continue to offer former local authority staff access to the Local Government Pension Scheme through an admission agreement or alternatively provide broadly comparable pension provision.

## **9.0 Public Services (Social Value) Act 2012**

- 9.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might

improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation.

- 9.2 Social value evaluation criteria were included as part of the process, and the recommended supplier achieved the best quality score in this area, as can be seen in Appendix 2. The supplier is a London Living Wage accredited organisation.

**Report sign off:**

**ALTHEA LODERICK**

Strategic Director of Resources