

	Cabinet 12 November 2018
	Report from the Strategic Director of Resources
Delegation of Decision and Award of a Printing Services Contract for the ICT Shared Service Authorities	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Prod Sarigianis Head of ICT Shared Service Email: Prod.Sarigianis@brent.gov.uk Tel: 020 8937 6080

1.0 Purpose of the Report

- 1.1 This report relates to the provision of printing services to the ICT Shared Service London Boroughs of Brent, Lewisham and Southwark, and to the Local Government Association. The authorities are seeking a single supplier to be responsible for the printing services, including multifunctional devices, the print room in Brent Civic Centre, and offsite hybrid mail and bulk printing. The contract will be for four years with extensions of up to three years.
- 1.2 The report outlines the further competition process under Crown Commercial Service Framework RM3781 and requests the delegation to the Strategic Director of Resources, in consultation with the Deputy Leader, of the authority to award a contract following completion of the tender and evaluation process.

2.0 Recommendations

- 2.1 That Cabinet notes the procurement of an ICT Shared Service contract for managed print services, including multifunctional devices, the print room in Brent Civic Centre, and offsite hybrid mail and bulk printing, on the basis of the criteria set out in paragraph 3.6 of this report.

- 2.2 That Cabinet delegates authority to the Strategic Director of Resources, in consultation with the Deputy Leader, to award a contract for printing services, for the reasons set out in 3.7 of this report.

3.0 Detail

- 3.1 The three ICT Shared Service authorities have requirements for day to day office printing (multifunctional devices or MFDs), as well as bulk printing for specific service areas such as Council Tax Statements, Payslips, and Benefit Statements. These services are currently delivered under various existing contracts within each borough, as follows:

Authority	Service	Contractor	Expiry
Brent	Bulk Printing MFDs and Print Room	Capita Business Services Ltd Xerox UK Limited	30/04/2019 31/07/2019
Lewisham	Bulk Printing MFDs	Financial Data Management plc Xerox UK Limited	30/04/2019 31/07/2019
Southwark	Bulk Printing Bulk Printing MFDs	Revs and Bens: Northgate Housing Rents: Capita SIS Ltd Itec Connect Limited	30/06/2019 30/04/2019 31/10/2020
Local Government Association	MFDs	Xerox UK Limited	31/07/2019

- 3.2 The multifunctional devices (MFDs) for all organisations are managed by the ICT Shared Service. The bulk printing contracts are managed by the main service areas that use them, other than the Southwark Capita Secure Information Solutions Limited contract for Housing printing, which sits with IT as it was formerly part of Southwark's overarching ICT contract with Capita.
- 3.3 The bulk printing requirements vary slightly for each authority, as some have separate specialist contracts for some areas, and some may not require the services at all. In Brent, under the current contracting arrangements, Digital Services manages the MFD element of printing, and Customer Services manages the bulk printing, as part of the Capita Revenues and Benefits contract. The procurement is being led by Digital Services, in consultation with the relevant service areas for each authority. The intention would be that Brent enters into the contract with the other authorities and Local Government Association able to access the contract.
- 3.4 Although some of the authorities may not initially require a service under the contract, they may opt to use it at a later date.
- 3.5 Commencement of services under the contract will be on 1 May 2019, following the expiry of the Capita and Financial Data Management contracts in the table

above. As the other contracts expire, their services will commence under the contract.

3.6 The following table has details of the procurement including the evaluation criteria.

Ref.	Requirement	Response	
(i)	The nature of the service.	Provision of printing services for the ICT Shared Service authorities and the LGA.	
(ii)	The estimated value.	£7.37m for the initial four year term, £13.3m over the entire possible seven year term.	
(iii)	The contract term.	Four years, plus a possible further three years/	
(iv)	The tender procedure to be adopted.	Further competition exercise from 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.	
v)	The procurement timetable.	Indicative dates are:	
		Invitation to Tender	20 September 2018
		Deadline for tender submissions	25 October 2018 (12 noon)
		Panel evaluation and supplier selection	26 October to 7 November 2018
		Cabinet approval of delegation of award	12 November 2018
		Contract Award	19 November 2018
		Call in period of 5 days	26 November 2018
		Contract Mobilisation	November/December 2018
		Contract service start date	1 May 2019
(vi)	The evaluation criteria and process.	<p>The Tenders will be evaluated by officers from IT and the Services that use bulk printing in the different authorities. The panel will evaluate the tenders against the following criteria:</p> <p>Price: 60%</p> <p>Quality Criteria: 40%</p>	

Ref.	Requirement	Response																										
		<p>Consisting of:</p> <table><tr><td>Implementation and Transition Approach</td><td>14%</td></tr><tr><td>Mobilisation: Resources and Experience</td><td>8%</td></tr><tr><td>Managed Service</td><td>10%</td></tr><tr><td>Support and Maintenance (Customer site equipment)</td><td>10%</td></tr><tr><td>Account Management and Performance Reporting</td><td>5%</td></tr><tr><td>Security and Confidentiality</td><td>5%</td></tr><tr><td>Social Value</td><td>2.5%</td></tr><tr><td>Bulk Printing: Delivery Approach</td><td>22.5%</td></tr><tr><td>Bulk Printing: Exit Arrangements</td><td>4%</td></tr><tr><td>Office Printing: Service and Fleet Proposal</td><td>14%</td></tr><tr><td>Office Printing: Brent Print Room Proposal</td><td>5%</td></tr><tr><td>Total Quality</td><td>100%</td></tr><tr><td>Quality weighted 40%</td><td>40%</td></tr></table> <p>These criteria and percentages are within the scope of the framework rules.</p>	Implementation and Transition Approach	14%	Mobilisation: Resources and Experience	8%	Managed Service	10%	Support and Maintenance (Customer site equipment)	10%	Account Management and Performance Reporting	5%	Security and Confidentiality	5%	Social Value	2.5%	Bulk Printing: Delivery Approach	22.5%	Bulk Printing: Exit Arrangements	4%	Office Printing: Service and Fleet Proposal	14%	Office Printing: Brent Print Room Proposal	5%	Total Quality	100%	Quality weighted 40%	40%
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(vii)	Any business risks associated with entering the contract.	<p>The implementation of the bulk printing services will need to ensure that data transfer and templates are correctly set up, in order to enable the businesses to deliver essential services, whilst keeping customer data secure.</p> <p>The office multifunctional devices are also an essential tool for many staff, and planned rollout and testing are needed.</p> <p>The lead time between award and service commencement will enable the above.</p>																										
(viii)	The Council’s Best Value duties.	<p>The council has a duty to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This procurement will assist the council in fulfilling this duty.</p>																										
(ix)	Consideration of Public Services (Social Value) Act 2012	<p>Social Value proposals will be evaluated as part of the process. As the bulk printing element is very likely to be fulfilled outside the boroughs, a proportionate percentage weighting that it is considered will deliver best value has been allocated to this.</p>																										
(x)	Any staffing implications, including TUPE and pensions.	<p>See section 8 below.</p>																										
(xi)	The relevant financial, legal and other considerations.	<p>See sections 4 5 below.</p>																										

- 3.7 For the reasons stated in (vii) in the above table, it is important that there is as long an implementation period as possible for the services. There have been extensive clarifications during the tender period, and to allow time for officers to respond to these and for the tenderers to assimilate the additional information, the tender period has been extended. This change to an already tight timetable means that the earliest that Cabinet would be able to approve the award would be January 2019. In order to maximise the lead time between award and service delivery, this report is seeking the delegation of the award approval, which will enable mobilisation to commence in November 2018.

4.0 Financial Implications

- 4.1 The estimated value of the contract over the initial four year term is £7.37m, or £1.97m per annum. The four year total is less than four times the annual value because not all services will be included in the contract from the commencement date, as described in paragraph 3.5 above. The annual value is distributed among the ICT Shared Service authorities as follows:

Brent:	£0.63m
Lewisham:	£0.45m
Southwark:	£0.89m

- 4.2 It is anticipated that the cost of the contract will be funded from existing resources within the authorities' budgets.
- 4.3 The current annual spend in Brent is as follows:
- | | |
|-------------------------------------|---------------|
| MFDs and Print Room | £0.35m |
| Revenues and Benefits Bulk Printing | <u>£0.31m</u> |
| | £0.66m |
- 4.4 The estimated contract values in 4.1 above are based on achieving a 5% saving through the competitive tender. The contract should present an attractive opportunity to the market, leading to competitive pricing and the aggregation of the three boroughs' volumes may lead to operational economies of scale. It should be noted, however, that the two current Brent contracts have both already had substantial savings taken out of them during their term, which is why the savings estimate for this procurement is no greater than 5%.
- 4.5 The inclusion of a hybrid mail service which can be used by staff to send correspondence to a remote location for printing and mailing will also lead to savings. Such savings would be predominantly against the costs of postage, as the use of hybrid mail produces mailings of the quality that enables access to the lower postage costs for machine readable, sorted mail.
- 4.6 The increased use of online facilities by customers will reduce the costs of bulk printing over time, and similarly the electronic exchange of information will reduce office printing. Both of these factors will lead to a reduction in contract costs.

5.0 Legal Implications

- 5.1 The estimated value of this contract over its lifetime is higher than the EU threshold for Services and Supplies and therefore the contract for printing must be procured in accordance with the Public Contracts Regulations 2015 (the “EU Regulations”). The printing contract is being procured using a framework established pursuant to the EU Regulations and in accordance with Contract Standing Order 86(e)(ii), the Director of Legal and HR Services has confirmed that the procurement under the Framework is legally permissible and in accordance with EU Regulations.
- 5.2 Whilst Contract Standing Orders permit Officers to commence a mini-competition under a framework, the award of any contract is subject to the Council’s usual Standing Order requirements in respect of High Value contracts and Financial Regulations. As a result Cabinet approval is required for any award. For the reasons detailed in paragraph 3.7 however, approval is sought to delegate the award of the printing contract to the Strategic Director of Resources in consultation with the Deputy Leader.

6.0 Equality Implications

- 6.1 It is a specification requirement that the office printing solution conforms to accessibility standards, with an adjustable user interface for improved disability access.
- 6.2 Social value delivery proposals have been requested as part of the tender process, and will be evaluated as part of the supplier selection process. These may include proposals that will improve equality of opportunity for residents of the three boroughs.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 As this report affects all wards, consultation with specific ward members has not been conducted.
- 7.2 The service specification and evaluation methodology have been produced following consultation with and input from service users in all three of the ICT Shared Service boroughs.
- 7.3 The tender evaluation panel will include representatives of each of the boroughs.

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 The services are currently provided by external providers and there are no direct staffing implications for the Council arising from the tender process. However, as part of the procurement process, employee liability information has been sought from current contractors and provided to the tenderers. A number of staff are likely to transfer pursuant to the Transfer of Undertaking (Protection of Employment) Regulations 2006 (“TUPE”) including staff in the print room in Brent Civic Centre. Access to the Local Government Pension

Scheme through an admission agreement will be offered to former local authority staff. The TUPE process and any issues that may arise from it will be managed during the mobilisation phase, which will be at least five months between contract award and service commencement.

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. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement. However, given the nature of the procurement the ability to incorporate social value is limited although officers have requested social value proposals which will be evaluated.

Report sign off:

ALTHEA LODERICK

Strategic Director of Resources