

Decision Pathway Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 02 October 2018

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| TITLE | Procurement of print and mail services | | |
| Ward(s) | City wide | | |
| Author: | Adrian Randall | Job title: | Head of Facilities Management |
| Cabinet lead: | Councillor Craig Cheney | Executive Director lead: | Patsy Mellor |
| Proposal origin: <i>BCC Staff</i> | | | |
| Decision maker: Cabinet Member | | | |
| Decision forum: <i>Cabinet</i> | | | |
| Purpose of Report: | | | |
| <p>A waiver is required to allow the current print and mail provision to continue, specifically to cover the period between existing contracts ending and a new contract beginning. The purpose of this report is to obtain Cabinet approval for a waiver to continue to provide existing print and mail services. This necessitates using existing external suppliers up to the value of £1.4m per annum. The supplier base provides; collection of mail, maintenance contracts, courier services and secure and specialist printing for parking fines, council tax bills, elections etc. The request is for the waiver to be in place for 12 months to undertake a procurement process for print and mail provision within a 6 month timescale and to implement the new contact within a further 6 months.</p> | | | |
| Evidence Base: | | | |
| <p>The council has been reducing paper material spend and physical sent mail in order to meet the aspirations of being carbon neutral by 2050 and to save money for the council. In August 2016 a Cabinet decision was taken to outsource print and mail services to benefit from improved technology through an external provider and to reduce the cost to the council. There were a number of stages required to facilitate this objective, which included an incremental reduction in the size of the in-house team, an incremental shift to print and mail being outsourced using an interim contractor and importantly, a behaviour change of council staff in order to continue to reduce the amount of paper being used and the volume of printed matter being produced and mailed.</p> <p>In June 2018, having completed the background work, approval was given to progress with the procurement process to tender print and mail services. The work leading up to this point took significantly longer than originally anticipated. Contributing factors to this delay were the need to do some substantial reconciliation work to the financial data that the work was based on, a reduction in council staff working on the initiative and changes in leadership resulting in the work not being managed at a senior level, and a more complex procurement method than previously anticipated.</p> <p>The current arrangements are delivered by a very small in-house team who deal with business as usual requests, and this is supported by external providers who undertake some business as usual mail work, and bespoke work for the council including printing council tax, housing benefit letters, parking tickets and license letters. The need to physically move post around key BCC sites will remain but with a significant migration to digital technology. The arrangements currently in place for print and mail need to continue while the tender process takes place.</p> <p>This report requests permission for a financial waiver to continue to purchase print and mail services from existing suppliers until the tender and implementation processes is complete. The value of the work is up to £1.4m a year and the procurement process is due to take an estimated 6 months, with a further up to 6 months for implementation of the new contract. Therefore, the request is for a waiver to cover the procurement and implementation period,</p> | | | |

estimated to be one year from the date of this report. The work has already commenced ready for the procurement process.

While the tender process takes place, targeted work will be scheduled to ensure that while we meet our statutory obligations the use of print and mail services is restricted to only when absolutely necessary and that all costs are minimised in this area and the maximum investment can be made into critical services.

There are savings of £150k associated with the outsourcing of print and mail services which have already been identified within the Facilities Management budgets from 2019 onwards. The proposal will also free up an operational property (Willway Street), with an estimated capital receipt value of £250k and running cost of £25k per annum.

The inability to provide Print & Mail Services across the city and buildings would have serious consequences for critical services, colleagues, citizens, clients, the democratic process, legal process and revenue generation.

Recommendation:

1. To approve the extension of the existing print and mail services contracts for a period of no more than 12 months, to allow for a compliant procurement and tendering process, and an alternative delivery model, to be implemented.

Corporate Strategy alignment:

Consideration has been giving to the Council’s corporate strategy’s four core commitments and whilst this does not sit within these areas it helps to support those involved with delivering the Council’s corporate strategy.

City Benefits:

Well Connected – we will support and contribute to a digitally connected city by adopting digital by default

Well Being – by embracing digital technology we will contribute to cleaner air by reducing vehicle mileage across the authority.

The award of an external contract will provide a print and mail service that is fit for purpose, future proofed by maximising supplier technology and benefits all users (colleagues, clients, the democratic process, legal process).

Consultation Details: Not required/applicable.

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| Revenue Cost | £1,400,000 per annum. | Source of Revenue Funding | General fund and some project funds. |
| Capital Cost | £0 | Source of Capital Funding | N/A |
| One off cost <input type="checkbox"/> | Ongoing cost <input checked="" type="checkbox"/> | Saving Proposal <input type="checkbox"/> | Income generation proposal <input type="checkbox"/> |

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

This report requests Cabinet approval of a further (second) waiver to continue the existing Print & Mail Service contracts (confirmed by Finance as costing up to £1.4m per annum). This waiver will provide the opportunity of a timeframe within which the Print and Mail Services can then commence and progress the tender process (as approved June 2017) for the procurement and implementation of a longer term solution. It is estimated that this timeframe may be up to 2 years.

The Print and Mail Services recognise historical issues and failings which have resulted in this request for a second waiver. Finance recommends that the Services demonstrate that they now have in place reasonable measures (based on lessons learnt) to ensure that those delays experienced under the previous waiver period are not repeated.

Both Property and Facilities Management anticipate the generation of future (distinct and separate) income and savings opportunities at the conclusion of the tender activity.

Finance Business Partner: Jemma Prince 14/8/18

2. Legal Advice:

It is recognised that the need to extend the current contracts places the Council in a situation where it may breach

the procurement regulations, and so expose the Council to a risk of challenge. The regulations do however allow for awarding contracts without running the usual competition process in certain circumstances, and furthermore provide a procedure whereby the Council might protect its position in the event of challenge. Officers should fully explore these options, together with any other operational arrangement which will avoid or minimise the risk on non-compliance. The fact that the extensions are required to allow time for the Council to run a fully compliant tendering process, which is underway, will also help mitigate the risk of challenge. Legal services will advise and assist officers with regard to the conduct of the proposed procurement process and the resulting contractual arrangements.

Legal Team Leader: Eric Andrews, Legal Services Team Leader 20/9/18

3. Implications on ICT:

The services provided by the Facilities Mail/Print service are outside and beyond those provided by the IT service day-to-day printing provision; therefore this proposal has no direct implications for IT Services. IT Services are, however, being consulted regarding the new contracted services proposals to ensure appropriate definitions of requirements.

ICT Team Leader: Ian Gale, Service Manager, ICT Service Delivery and Integration 16/8/2018

4. HR Advice: Celia Williams, HR Business Partner 17/08/2018

HR Partner:

The current provision is delivered by a small internal team who are supported by external providers. This report requests an extension to current arrangements and does not indicate there will be changes to the existing internal workforce configuration or roles. There are therefore no HR implications until the new service is procured, at which point further HR advice should be sought.

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| EDM Sign-off | Patsy Mellor | 15/8/18 |
| Cabinet Member sign-off | Cllr Craig Cheney | 20/8/18 |
| CLB Sign-off | Mike Jackson | 21/8/18 |
| For Key Decisions - Mayor's Office sign-off | Mayor's Office | 3/9/18 |

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| Appendix A – Waiver narrative | YES |
| Appendix B - Details of consultation carried out – internal and external | NO |
| Appendix C – Summary of any engagement with scrutiny | NO |
| Appendix D – Risk assessment | NO |
| Appendix E – Equalities screening / impact assessment of proposal | YES |
| Appendix F – Eco-impact screening/ impact assessment of proposal | YES |
| Appendix G – Financial Advice | NO |
| Appendix H – Legal Advice | NO |
| Appendix I – Combined Background papers | NO |
| Appendix J – Exempt Information | NO |
| Appendix K – HR advice | NO |
| Appendix L – ICT | NO |