

Decision Pathway – Report Template



PURPOSE: Key decision

MEETING: Cabinet

DATE: 02 July 2019

TITLE	Print and Mail Contracts Review		
Ward(s)	Bristol City Wide		
Author: Kieron Draper	Job title: Print and Mail Operations Manager		
Cabinet lead: Cllr Cheney	Executive Director lead: Mike Jackson		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
Purpose of Report:			
This Report seeks approval as follows :			
<ol style="list-style-type: none"> 1. For further extension to current Print and Mail contract (no more than 6 months, and estimated value £0.7m) 2. For procurement process via CCS framework for Print and Mail contracts (up to £2.1m cost for up to 18 months from date of expiry of current contract) 3. To delegate the contract(s) award to Executive Director for Resources. 			
Evidence Base:			
<ol style="list-style-type: none"> 1. Context <ul style="list-style-type: none"> - Bristol Council has agreements with 7 suppliers for the provision of services such as print, franking, delivery, collection and courier services. The total cost of these contracts is currently £1.4m per annum, in addition to the running costs of the in-house Print and Mail service (approx. 4 FTE staff). - In August 2016, Cabinet considered a proposal to review the Print and Mail service, and agreed to the commencement of a tendering process for Print and Mail services and delegation to award. Since then, the Print and Mail service has managed to reduce costs (on average 10% per year over 4 years). In fact, the review called for in 2016 has proved to be more complicated and time consuming than expected, and has required greater resourcing, and for these reasons has taken longer to complete than first planned. The proposal to call off under the framework gives breathing space to finalise this process, whilst also rectifying the procurement issues, reflecting subsequent changes to the service landscape. Additionally, the service has been preparing for a procurement process that ensures Print and Mail contracts are compliant (and mitigate the procurement risk). However, it has become apparent that it may not be possible to complete this exercise by October 2019 (the deadline previously agreed by Cabinet in October 2018) and therefore a further extension to current arrangements is required to allow for completion and to ensure a compliant solution. 2. What's being proposed? <ul style="list-style-type: none"> - Since the October 2018 Cabinet decision, the Print and Mail project team have been working to collate service requirements, and prepare a specification to go to market. The intention now is to use an established route to market, using the Crown Commissioning Service (CCS) framework, to procure compliant contracts for service provision, for a period of 18 months to February 2021, the maximum available time within the provisions of this current framework, with an estimated value of £2.1m (up to £1.4m x 18 months). It should be noted that the current CCS framework expires in February 2021, to be replaced by a new 			

framework, hence the 18 months' time limit on any contracts commissioned under the current framework. The procurement Lots chosen are therefore as follows:

- Lot 1 - collection/delivery of mail (expected spend of up to £0.14m p.a.):direct award; and,
- Lot 3 - using a hybrid solution (expected spend of up to £1.21m p.a.) - mini-tender

The route to market has been identified based on best value and quality of service, and low cost/resource to progress.

- Based on expected procurement and implementation timescales (see appendix A2 – Timeline) there is a risk that the process will not conclude until after the current contract end date of October 2019, and therefore a contract extension of no more than 6 months is required, with a value of up to £0.7m.
- During the new contract period, the service will complete their review of a longer term solution.

Cabinet Member / Officer Recommendations:

It is recommended that Cabinet:

1. Approve a further extension to the current Print and Mail contract for the period 31 October 2019 to 31 March 2020, at an estimated value not exceeding £0.7m.
2. Approve the procurement of Print and Mail services using the Crown Commercial Services framework for the period 1 April 2020 to 28 February 2021 at an estimated cost of £2.1m cost.
3. Delegate authority to the Executive Director for Resources in consultation with Deputy Mayor (Finance, Governance and Performance) to take all necessary measures to award contract

Corporate Strategy alignment:

This proposal contributes to the following corporate strategy themes/ principles:

1. Redesign the council to work effectively as a smaller organisation

City Benefits:

N/A

Consultation Details:

Public consultation not applicable. Internal engagement has been completed.

Revenue Cost	up to £1.4 million/annum	Source of Revenue Funding	Mail Budget – Cost Centre 11636
Capital Cost	n/a	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 recaps that on 11/08/2016 Cabinet approved the commencement of a tendering process for Print and Mail and a 2 year interim waiver. On 02/10/2018 Cabinet approved a second waiver for a further 1 year in order to allow Print and Mail to follow a compliant procurement process and implement an alternative delivery model. This report goes on to request now a further extension of up to 6 months whilst Print and Mail concludes implementation of contract(s) up to 18 months in duration.

The report also requests that Cabinet delegate authority to the Executive Director of the Resources Directorate both to award these contract(s) and any further extensions to this 6 month waiver considered necessary. It also advises that thereafter the FM Service will undertake a strategic review of the delivery model for Print and Mail.

Finance would highlight that the budget for Print and Mail has been reduced to incorporate recent Council savings challenges so that Print and Mail's total gross expenditure budget (i.e. budget before internal recharge income) for the financial year 19/20 is £1.0m. For Print and Mail to meet its net budget it must either not exceed this gross expenditure budget or qualifying internal recharges must offset any delta increase. Otherwise the FM Service is expected to identify alternative mitigating opportunities.

Finance Business Partner: Jemma Prince - 07/05/2019

2. Legal Advice: At its October 2018 meeting, Cabinet resolved “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” i.e. to October 2019. It is recognised (as was pointed out in the October 2018 report), that the extension of the current contract places the Council in a situation where it may breach the procurement regulations. The difficulties faced by the service in getting to a position where it can retender the services are set out in the report. The further, relatively short, extension (no more than 6 months and probably less in practice) is to allow for a call off under an EU compliant framework, which will put the service in a compliant arrangement, whilst the service review continues in readiness for a retender in 2021. The fact that the extension is required to allow time for the Council to run a fully compliant tendering process (initially via a framework) will help mitigate the risk of a 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 –04/06/2019

3. Implications on IT: IT Services have been engaged with the longer term proposals referred to in the paper, and recognise the need for this interim requirement. (For the avoidance of doubt, this proposal refers to specialist print/mail services, not the provision of day to day office printing facilities.)”

IT Team Leader: Ian Gale - 05/05/2019

4. HR Advice: TUPE Regulations may apply where there is a service provision change. The Council’s Managing Change Policy will apply to any workforce changes. Early and on-going communication and consultation with affected staff and their trade union representatives is essential, alongside support from HR.

HR Partner: James Brereton (People & Culture Manager), 3rd May 2019

Background Documents:

August 2016– Cabinet report - Facilities Management Print & Mail service review

October 2018– Cabinet report – Waiver request

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment risks documented in Appendix B	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 – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO