

Decision Pathway – Report

PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 November 2020

| TITLE | Print and Mail Strategic Review | | |
|--|--|-------------|------------------------------|
| Ward(s) | n/a – internal change | | |
| Author: Nikki Davey | Job title: Project manager | | |
| Cabinet lead: Councillor Craig Cheney | Executive Director lead: Mike Jackson | | |
| Proposal origin: BCC Staff | | | |
| Decision maker: Cabinet Member | | | |
| Decision forum: Cabinet | | | |
| Purpose of Report: | | | |
| <ol style="list-style-type: none"> To seek approval for the outsourcing of the digital and non-digital functions of the council’s internal print and mail service through the procurement of a single supplier at a value of up to 1.2M (existing service budget) To seek approval for extending the existing contracts, compliantly in line with the council's procurement rules, from Feb21 for up to 9 months pending the procurement of a fully outsourced service due to be awarded in Mar21 and implemented by Aug21: cost = ~50K pm, total cost = up to ~450K (to be funded from the existing service budget) | | | |
| Evidence Base: | | | |
| <p>The council has a small in-house print and mail service through which inbound and outbound mail, printing, and scanning is managed. The council also has a contractor for scanning and a separate contractor for outbound mail; however, uptake of the contracted services is variable and often staff use the more expensive approach of printing and posting their own mail (using the MFDs and buying envelopes and stamps).</p> <p>NB. MFDs are the multi-functional devices, ie. printers/photocopiers/scanners.</p> <p>We are intending to modernise the print and mail service through a consistently applied corporate business process enabled by digital technology by:</p> <ol style="list-style-type: none"> Outsourcing and expanding the Print and Mail service with a compliant contract (replacing all existing contracts); the following table shows which how current activity is managed – the aim is to move all activity to an external contractor and significantly reduce the use of MFDs | | | |
| | | | |
| Activity | In-house P&M Service | MFDs | External contractor/s |
| Inbound mail | Y | N | N |
| Outbound mail | Y | Y | Y |
| Printing | Y | Y | Y |
| Scanning | Y | Y | Y |
| Security scanning | N | N | N |
| Fax* | N | Y | N |
| *Fax capability also available on stand-alone fax devices and fax server | | | |
| <ol style="list-style-type: none"> Ensuring the contract value for a fully outsourced service is within the existing annual budget of £1.2M thereby eradicating the income target shortfall (~£300K pa) and reducing the cost of the service Combining the Print and Mail contract with the MFD contract (currently held by ICT) and moving the MFD budget and responsibility into Facilities Management (cabinet approval was secured for the procurement of MFDs in Sep19) | | | |

4. Designing, implementing and embedding a To Be model which meets the budget, enables accurate recharging and incorporates MFD contract and which is supported by robust strategy and policy
5. Extending the existing contracts from Feb21 for up to 9 months pending the procurement of a fully outsourced service due to be awarded in Mar21 and implemented by Aug21: cost = ~50K pm, total cost = up to ~450K (to be funded from the existing service budget)

It is anticipated that this approach will yield significant benefits by reducing turnaround time, costs and environmental impact while increasing security, accessibility, flexibility and productivity.

Cabinet Member / Officer Recommendations:

That cabinet:

1. Approves the procurement of a contract with a single supplier for internal print and mail services at a value of up to 1.2M.
2. Authorises the Chief Executive in consultation with the Cabinet Member Finance, Governance and Performance, management of the Housing Revenue Account budget to take all steps required to procure and award the contract(s) necessary for the implementation of an outsourced print and mail service, in-line with the procurement routes and maximum budget envelopes outlined in this report.
3. Authorises the Chief Executive in consultation with the Cabinet Member Finance, Governance and Performance, management of the Housing Revenue Account budget to take all steps required to extend the existing contract from February 2021 for up to 9 months pending the procurement of a fully outsourced service at an estimated cost of £50k per month (to be funded from the existing service budget).

Corporate Strategy alignment:

- **Well Connected – make progress towards being the UK’s best digitally connected city:** Improved internal digital print and mail processes will improve council turnaround time, productivity and security
- **Wellbeing – keep Bristol on course to be run entirely on green energy by 2050 whilst improving our environment:** CO2 reduced by project closure (30/09/21)
- **Redesign the council to work effectively as a smaller organisation:** The internal print and mail team staff will be TUPEd to the new provider
- **Equip our colleagues to be as productive and efficient as possible:** Improved internal digital print and mail processes will improve council turnaround time, productivity and security
- **Undertaking technology redesign and replacement to improve effectiveness, enhance cyber security, technology resilience and improve staff efficiencies through new software tools and hardware:** Improved internal digital print and mail processes will improve council turnaround time, productivity and security
- **Use our assets wisely, generating a social and/or financial return:** Cost of print and mail service (including opportunity costs) reduced by end of FY 21/22

City Benefits:

- **Bristol will be a carbon neutral city by 2030:** CO2 reduced by 40% by project closure (30/09/21)

Background Documents:

Print and Mail cabinet report Jul19
 Print and Mail cabinet report Oct18
 Print and Mail cabinet report Aug16
 FSA [MFDs] cabinet report Sep19

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| Revenue Cost | Up to £1.2M | Source of Revenue Funding | Mail Services Print Services |
| Capital Cost | £0 | Source of Capital Funding | n/a |
| One off cost <input checked="" type="checkbox"/> | Ongoing cost <input checked="" type="checkbox"/> | Saving Proposal <input type="checkbox"/> | Income generation proposal <input type="checkbox"/> |

NB. Although this project does not have a savings target it is anticipated that it will be possible to achieve a reduction in service costs through outsourcing and any savings achieved will contribute to the Facilities Management savings target

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

1. Finance Advice:

General commentary:

This project aims to deliver a longer term modernised solution to the provision of BCC's Print and Mail services. It has scoped and assessed a number of approaches and concludes that its preferred option is to outsource both services (digital and non-digital) and contract with a single supplier. It should be noted that the Print and Mail services' net budget position in recent years and currently presents a forecast annual pressure of c.£0.3m. The project has not at this time proposed any savings. Finance recommends that if, in the course of procurement, savings are identified that these are first used to offset the 'bau' pressure before being recorded as contributing to FM wider savings targets. The project estimates spend of £0.2m on resources for development of this project to FBC standard.

Confirmation of funding source(s):

For the contract itself –

£1.1m expenditure budget is confirmed as held within the cost centres for Print 11751 a/c code R4300 and Mail 11636 a/c code R4503.

There is up to £0.1m further expenditure budget identified as held within cost centres across the rest of BCC which it would be appropriate to centralise as part of the project's delivery process.

For resources in the implementation of this project -

The Key Line Of Business Reserve has earmarked £180k (for Outline Business Case and Full Business Case combined). The project is revisiting cost estimates in order to meet this total budget envelope.

Finance Business Partner: Jemma Prince, 22/09/20

2. Legal Advice:

Combining the service and supply requirements of various legacy contracts into a single new contract will require a clear specification of BCC's financial and service needs together with robust legal provisions to ensure BCC's objectives are achieved through the new contract, including use of KPIs, service credits, parent company guarantees, bonds and other remedies as may be considered necessary (though not all these protections may be needed). With multiple current contracts being amalgamated into one new contract, TUPE (as has been mentioned) is likely to apply, but being a multiple transfer of employees to a single transferee, there is need to act with particular care. However, as BCC will not be employing any transferred employees, BCC has no direct legal status in the process, other than as a facilitator to support the transferor / transferee providers, except where the existing legacy contracts give BCC legal rights over the way in which the transferring employers deal with employee information. Legal services will support HR in the TUPE process as needed. A further consideration is whether the new contract will be procured and awarded through a framework or as a one-off bespoke contract, the latter offering more scope for adaptation to BCC requirements, but more complex in terms of work required. Care will need to be applied in considering the extension of the legacy contracts, with particular regard to the contract terms, the value of the extension the need for same provider need to carry out the services and whether there is any urgency. In the current Covid climate, there may also be consideration of what is proportionate in terms of extending contracts generally.

Legal Team Leader: Eric Andrews, Legal Services, 30 September

3. Implications on IT:

IT Services are supportive of the approach being undertaken. This will bring long-term benefits to the Council in terms of services and efficiencies.

IT Team Leader: Simon Oliver, 22/09/20

4. HR Advice:

A fully outsourced service is likely to involve (TUPE) transfer of staff currently undertaking these duties to the new provider. Consultation with those impacted will need to be undertaken as required by law.

HR Partner: James Brereton, 21/09/20

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| EDM Sign-off | Mike Jackson | 02/09/20 |
| Cabinet Member sign-off | Councillor Craig Cheney | 01/09/20 |
| CLB sign-off | Mike Jackson | 15/09/20 |
| For Key Decisions - Mayor's | Mayor's Office | 05/10/20 |

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| Office sign-off | | |
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| Appendix A – Risk assessment | YES |
| Appendix B – Equalities screening /impact assessment of proposal | YES |
| Appendix C – Eco-impact screening/impact assessment of proposal | YES |