

Report to:	Cabinet	Date of Meeting:	2 December 2021
Subject:	Re-tender of the Councils Managed Print Service		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	All
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

This report sets out the background of the Council's current Managed Print Service, provided by Xerox, which is due to expire across a 15-month period device-by-device (spanning November 2021 to February 2023) and seeks authority to run a procurement exercise for the tender of a new Managed Print Service. For clarity, the Council's Managed Print Service provides printing, scanning copying and faxing capabilities for staff in Council buildings predominantly through photocopier style multifunctional devices (MFD's).

Recommendation(s):

(1) That the Executive Director of Corporate Resources & Customer Services be authorised to conduct a procurement exercise for the retendering of a managed print service to cover all corporate sites with a requirement for printing, copying and scanning (noting that faxing is now provided through the Council's cloud telephony solution).

(2) That the Executive Director of Corporate Resources & Customer Services in consultation with the Cabinet Member for Regulatory, Compliance and Corporate Services be granted delegated authority to award the Contract resulting from the procurement exercise.

Reasons for the Recommendation(s):

- (1) To have a suitable facility for Council Officers to print, copy, scan which aligns with both the Councils Contract Procedure Rules and Public Contract Regulations.

Alternative Options Considered and Rejected: (including any Risk Implications)

- (1) To continue with the existing fleet of Xerox devices, however this would be on an out of contract basis, and not in line with the Council's Contract Procedure Rules. It must also be highlighted that the current contract was awarded by the Council's previous ICT supplier, Arvato and novated to the Council mid-term, given the recent change in working practices and building footprint there is also an opportunity to rationalise the current MFD estate, thereby reducing costs

What will it cost and how will it be financed?

(A) Revenue Costs

The revenue implications are detailed within the report, all expected costs are contained within existing budgets.

(B) Capital Costs

There are no anticipated capital costs.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

Financial:

It is anticipated that there will be a saving made from a new managed print service due to a reduction in devices required in line with the Council's agile working policy and through running a competitive tender.

IT:

There will be a resource requirement from the Councils managed IT provider; Agilisys as part of the implementation of this project and via the decommissioning process of the outgoing managed print service. As the procurement will be following the Council 'Cloud first' policy, any new service should reduce the IT resource required to manage/run this service inhouse as this activity would now be conducted by the new supplier in their cloud environment.

Staffing:

Currently, there is administration work required by staff in both financial management and the IT Client Team to recharge departments for their print usage (clicks). This procurement exercise will ask suppliers how they can help try to automate this process to reduce the administration work for Council staff.

Assets:

There are no likely implications in relation to assets as devices are leased and not purchased.

Legal Implications:

Since the existing service provision winds down over a 15-month period (November 2021 to February 2023), the commissioners will need to carefully consider and determine at what specific point commencing the new procurement will be most appropriate (i.e. if it is commenced early, then it may be that old machines whose term has not yet expired remain in operation alongside new machines and cannot yet be displaced by new machines if there is no contractual right to accelerate their scheduled

termination; if it is commenced later after several old machines will have already expired, then this may create a capacity issue). If the intention is simply to replace old machines as they expire according to their current expiry schedule with new machines under the new service provision on a rolling basis, then this should not create any legal/contractual issues with the existing service provision (because the council will be adhering to, and not seeking to deviate from, the terms existing expiration schedule); but any variant on this approach might entail seeking to either extend or terminate early some of contract terms for the existing machines in order to coordinate a single commencement date for all of the new machines. This is ultimately an operational determination to be made by the commissioners having regard to the number of machines/capacity required across the council.

Equality Implications:

There are no equality implications.

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	Y
Have a neutral impact	N
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	Y

A question will be asked within the quality section of the tender to score suppliers on their proposal attributing to the energy efficiency of their devices, recycling of used toners, the recycling of packaging and smart use of delivering devices over as few journeys as possible (and anything else the supplier wishes to provide) which may be of environmental benefit.

Contribution to the Council’s Core Purpose:

Protect the most vulnerable: Not applicable
Facilitate confident and resilient communities: Not applicable
Commission, broker and provide core services: Not applicable
Place – leadership and influencer: Not applicable
Drivers of change and reform: Not applicable
Facilitate sustainable economic prosperity: Not applicable
Greater income for social investment: Not applicable

Cleaner Greener: Upgrading to more modern devices would typically allow for reductions in energy usage. Having a new managed service hosted in the cloud will also further reduce energy consumption and carbon emissions for the Council.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6603/21) and the Chief Legal and Democratic Officer (LD.4804/21) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The Category Manager of the proposed Framework (RM6174) from Crown Commercial Services (CCS) to ensure the Council understands the different 'lots' within the framework and their boundaries in relation to direct award and further competition.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1 The Council's previous outsourced ICT provider provided the Council with a managed print service from Xerox which included 177 leased multifunctional devices. The contract was novated to the Council along with all other ICT contracts on 1st October 2018.
- 1.2 The core part of the contract spanned a five-year period (1st Oct 2016 to 30th Sept 2021) but unusually, whilst individual devices were leased for a 5 year term, their individual terms only started on the day they were deployed to each site. As a result, the individual devices now cease over a 15 month period as detailed below;

Number of devices	Contract end date
3	30 th November 2021
13	30 th April 2022
17	31 st May 2022
72	30 th June 2022
4	31 st July 2022
37	30 th September 2022
21	31 st October 2022
6	30 th November 2022
4	28 th February 2023

- 1.3 With the devices terms starting to end, there is now the opportunity for the Council to go to market for a new managed print service ensuring it is sized correctly to align with Council's agile working policy and future print requirements.

Current Arrangements

- 1.4 There are 177 multifunctional devices (MFD's) located across Council buildings authority wide which predominantly Council staff use for printing and photocopying but also for scanning documents and occasionally faxing.
- 1.5 Staff access these devices via a secure PIN to release their prints and this function also records print output (clicks) so that individual staff/departments are recharged for their usage from their own revenue budgets.
- 1.6 The cost of the service is split into two;
- Fixed cost - for the leasing of the equipment and its support, maintenance, and licencing which is £123,716 per year
 - Variable cost - for usage. There is a charge per page (known as a click) which costs 3.9p per page for colour and 0.044p for black and white. The quarterly invoice for usage varies throughout the year depending on usage and has heavily reduced as a result of Covid19 and staff working from home. Paper used for printing and scanning is purchased separately to this contract.
- 1.7 The service runs off servers and other hardware owned by the Council which is located within the Council's main data centre.

1.8 Not included within the Council's managed print service is bulk printing which is carried out under another contract provided by PSL.

1.9 Other points to note;

- the managed print service is not sold on to schools
- some affiliated organisations use the service and are recharged for it such as Sefton Carers
- some of the multifunctional devices in libraries/leisure centres are public facing and allow the customers/service users to print or make copies of documents using coin add-ons

Procurement of new managed print service

1.10 Officers within the ICT Client Team are currently working on requirements for a new service which includes the number of new devices and taking into account the Councils agile working policy, the reduction in physical office space and buildings and the drop in printing practices particularly as a result of the Covid19 pandemic.

1.11 It is expected that due to the above (1.11), there will be a reduction in devices required which may result in a saving against the fixed element of the current service (the device leasing, support, maintenance and licencing costs) however this won't be known or confirmed until competitive bids are received from suppliers.

1.12 Officers have met with staff in Crown Commercial Services and identified that the newly launched "*Multifunctional Devices (MFDs), Print and Digital Workflow Software Services and Managed Print Service Provision*" framework (RM6174) is a suitable route to market for the Council.

1.13 There are 3 particular lots on the framework to which 2 have been ruled out;

- Lot 1 which has a single supplier and offers a small catalogue of devices run as a basic managed print service but has been deemed unsuitable as it doesn't meet the requirements of allowing the new service to be externally hosted/run from a cloud environment
- Lot 3 which has multiple suppliers and includes the provision of potential suppliers auditing the Councils current estate and requirements but has also been deemed unsuitable due to the extended time this process will take and that the Council requirements will not likely need this level of diligence carrying out.

1.14 It is therefore proposed to use Lot 2 and conduct a mini competition where the Council will specify its requirements and suppliers will tailor quotes accordingly. There are 9 suppliers on the lot who will be invited to submit proposals based on a 50/40/10 price/quality/social value split.

- 1.15 In terms of a new contract duration, it is recommended that the maximum term under the framework be utilised allowing for an initial 5 years plus the option of two 1 year extensions (if required) noting that as part of the quality criteria, bidders will be asked within their proposal to detail how they propose for device numbers to flex both up and down during the term of the contract.

Next Steps

- 1.16 If the recommendation of this report is accepted and approved, the next steps will be as follows;

Activity	Timescales
Publication and bidder response time	up to 6 weeks
Evaluation leading to Award	up to 6 weeks

- 1.17 Subject to approval, the intention is to commence this procurement activity in January 2022, with a view to a contract award taking place around the middle of April 2022. This would then allow implementation of the new service to start in advance of 30th June when the bulk of leased Xerox devices expire (1.2).
- 1.18 As contingency for the Council, Xerox have confirmed that existing devices can be extended if necessary and during the 15 month period that the 177 devices expire, devices will be decommissioned where they are no longer needed.