

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	3 September 2020
<b>Subject:</b>	Procurement of Bulk Print & Hybrid Mail Solution		
<b>Report of:</b>	Executive Director of Corporate Resources & Customer Services	<b>Wards Affected:</b>	All
<b>Cabinet Portfolio:</b>	Cabinet Member - Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt Confidential Report:</b>	/ No		

### Summary:

This report sets out the background to the Council's current bulk print and mail arrangements and proposes a procurement route for a new bulk print and mail contract.

### Recommendation(s):

- (1) That the Executive Director of Corporate Resources & Customer Services be authorised to conduct a procurement exercise for bulk print & hybrid mail services with a view to entering into a contract for a maximum period of 5 years comprising an initial 3 year period with an option to extend for up to 2 periods of 12 months.
- (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 and to award any extension thereof.

### Reasons for the Recommendation(s):

- (1) To have an appropriate and best value contract in place for bulk print and mail services provision.

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

None

### What will it cost and how will it be financed?

#### (A) Revenue Costs

Costs can be contained within existing revenue budgets. Savings are anticipated and will contribute to the PSR ICT and Digital project.

## **(B) Capital Costs**

Capital costs will depend upon which supplier is selected; some suppliers provide background work and support and the charges are recovered in the running revenue costs; others charge large upfront fees for this service. Any potential capital costs will be a consideration in the awarding of a contract and can be met from existing capital budgets.

### **Implications of the Proposals:**

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

##### **Financial:**

It is expected that the move to an external provider via a Crown Commercial Service framework contract will achieve savings. Any potential savings will not be known until the procurement exercise is underway.

##### **IT:**

The awarding of a new contract will enable the decommissioning of the existing print design software. It will also enable Agilisys to cease the existing print work they are providing to the Council, which will allow reallocation of the resource to other ICT activity.

##### **Staffing:**

The awarding of a new contract is likely to have TUPE implications regarding Council staff engaged in mailroom duties. The Council will follow existing relevant policy and process as part of this exercise. Agilisys has been consulted and advises there are no TUPE implications.

The new solution will require training and implementation, some suppliers on the framework can provide this but staff time and capacity will be required to attend such training.

##### **Assets:**

There are likely to be asset implications associated with this procurement. Equipment currently owned and leased by Sefton Council will be released. This equipment could be redeployed elsewhere or disposed of, potentially reducing maintenance of those assets.

##### **Legal Implications:**

There are no legal implications

##### **Equality Implications:**

There are no equality implications.

### **Contribution to the Council's Core Purpose:**

Protect the most vulnerable: Hybrid mail allows agile workers to mail documents from any location, this will enable officers to use time more efficiently and removes the need for frequent base visits.

Facilitate confident and resilient communities: Not applicable
Commission, broker and provide core services: Adopting a hybrid mail solution for the council will produce savings versus continuing with in-house provision of bulk print and mail services. We will be providing a service at the best value.
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: Adopting a hybrid mail solution for the council will reduce carbon emissions associated with the postal chain by removing intermediate steps from the process and streamlining the process.

### **What consultations have taken place on the proposals and when?**

#### **(A) Internal Consultations**

The Executive Director of Corporate Resources & Customer Services (FD6060/20) and the Chief Legal & Democratic Officer (LD4242/20) has been consulted and any comments have been incorporated into the report.

#### **(B) External Consultations**

Not applicable.

#### **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.

## Introduction/Background

- 1.1 Sefton Council carries out various bulk printing and mailing activities. These legacy activities are carried out by different parts of the organization (and by third parties).
- 1.2 There is an opportunity to consolidate these bulk printing and mailing services under an external contract, which would provide operational improvements, efficiency benefits and cost savings.

## Bulk Print – current arrangements

- 1.3 From 2008, bulk printing services for Sefton Council were originally provided by the Council's former ICT provider.
- 1.4 The Council's contract with the Council's former ICT provider ended in September 2018. The ICT function was again contracted to a new ICT provider under a contract which commenced in October 2018.
- 1.5 The Council's ICT provider is currently providing print systems support, design and print services for Sefton Council. Revenues & Benefits and Transactional HR & Payroll are the biggest users of these services, which are operated from St Peter's House.
- 1.6 The intention is that these bulk print services are moved away from the ICT provider and we have reached an appropriate point where procurement activity can commence.
- 1.7 639,562 pages were printed by the Council's ICT provider in the previous financial year.
- 1.8 Various specialist printing jobs were also carried by the Council's ICT provider including 37,600 pages of P45's, P60's and Payslips.
- 1.9 Annual Revenues and Benefits output is printed (and mailed) from an external site by an external specialist print provider. The current contract is due to expire in March 2021 and will need re-procuring.

## Mail – current arrangements

- 1.10 In the last financial year, the Council sent the following volume of items from St Peter's House:

Postage type	Volume
First class	11,316
Second class	451,419
Total number of items	<b>462,735</b>

- 1.11 As stated above, annual Revenues and Benefits output is printed and mailed from an external site by an external specialist print provider. These documents were sent second class. The volumes are:

<b>Quantity</b>
135,000

### **e-Billing – current arrangements**

- 1.12 The Council's ICT provider also provides e-Billing services for Revenues & Benefits. Approximately 23,000 e-Bills are sent across the year.

### **Opportunity for combining bulk print and mail services into an external contract**

- 1.13 The bulk printing and mailing services as currently operating under the auspices of the Council are run under legacy processes. Whilst these services are delivering the required outcomes, there is an opportunity to modernise the approach.
- 1.14 There are numerous third-party companies which offer hybrid print and mail services; these services allow customers to send bulk materials to print, but instead of these being printed and mailed locally, these are routed to a specialist off-site facility which handles the printing and also the mailing of these materials.
- 1.15 The potential adoption of third-party hybrid print and mail services offer an opportunity to the Council. It would enable the streamlining of bulk print and mail services and offer cost reductions given the scale of these third parties.
- 1.16 In terms of set-up costs, some suppliers bundle these costs into the revenue costs; others charge large upfront fees for set-up.

### **Scoping and preparation activity**

- 1.17 Officers have conducted a review of existing process surrounding bulk print and mail services. This has included consultation with relevant Heads of Service and Service Managers to fully understand the Council's business requirements.
- 1.18 This process has allowed officers to develop a statement of requirements outlining which elements of bulk print and mail, currently fulfilled with the Council's ICT provider's involvement, should be prioritised to move to a new supplier.

- 1.19 Officers now propose to commence a procurement exercise for bulk print and mail services that will align with current & future business requirements.
- 1.20 It should be noted that the existing annual Revenues & Benefits print & mail requirements currently outsourced to the external specialist print provider will be factored in to any centralised external hybrid mail and print contract.

### Proposed Procurement Route

- 2.1 Following discussions with the Council's Procurement Team, the recommendation is that a Crown Commercial Services framework is used for this procurement.
- 2.2 The specific CCS Framework is RM6017- Postal Goods, Services and Solutions.
- 2.3 The Council would be procuring from Lot 7 Hybrid Mail, Digital and Transformational Communications, there are 23 suppliers in this lot.
- 2.4 This framework offers two key procurement methods:
  - **Direct Award** - Offers a quick and flexible way to buy products and services from the RM6017 framework without the need to run a further competition.
  - **Mini Competition** - Enables the Council to approach all of the suppliers within a specific lot of RM6017 to obtain quotes in order to identify the most economically advantageous solution through the application of the agreement award criteria.
- 2.5 The market is competitive with 23 suppliers on the specific lot of RM6017; therefore, in order to seek the best financial deal for the Council, it is recommended that a Mini Competition is conducted.
- 2.6 A Mini Competition will allow officers to fully articulate the Council's requirements and invite multiple quotations from bidders. This, in turn, will allow officers to compare offers / prices and identify a supplier who can provide high quality services at a competitive cost.
- 2.7 It is envisaged that the procurement exercise will be led by the Council's Business Transformation Lead, with support from the Procurement Team. The evaluation panel will include key stakeholders from Customer Services, Personnel and Revs & Bens, who are the key users of bulk print.
- 2.8 In terms of evaluation weighting, the following is proposed:

Price	60%
Quality	30%
Social Value	10%

- 2.10 It is recommended that the term of any contract is 3 years with the option to extend for 2 periods of 12 months.

### **Next Steps**

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

<b>Activity</b>	<b>Timescales</b>
Soft Market Testing (via Skype meetings)	1 week
Publication and bidder response time	up to 4 weeks
Evaluation leading to Award	up to 4 weeks

- 2.10 Depending on approval, the intention is to commence this procurement activity in September 2020, with a view to Award taking place in November 2020.
- 2.11 Timescales may flex depending on the number of suppliers which decide to make a full submission.
- 2.12 In conclusion, the move towards an external bulk print & hybrid mail service is the next stage in developing and improving our service provision. It will also align with the ongoing development of new ways of working, as well as reduce costs.