

**SURREY COUNTY COUNCIL**  
**CABINET MEMBER FOR BUSINESS SERVICES**

**DATE: 13 MAY 2015**



**LEAD OFFICER: JULIE FISHER, STRATEGIC DIRECTOR FOR BUSINESS SERVICES**

**SUBJECT: PUBLICITY AND STATIONERY PRINT SERVICES**

**SUMMARY OF ISSUE:**

This report sets out the proposal to enter into a 12 month contract with Corporate Document Services (CDS) for the means of procuring external publicity and stationery print services for a period from 21 May 2015 to 20 May 2016.

The new agreement will be awarded using the CCS framework contract - Managed Printing and e-Communications Services (Lot 1).

**RECOMMENDATIONS:**

It is recommended that:

A new contract is awarded until 20 May 2016 as agreed on the basis set out in the Part 2 report.

**REASON FOR RECOMMENDATIONS:**

A new short term contract is requested to provide publicity and stationery print services for a period of 12 months.

This time will allow for a review of this service across the Council as part of a wider digital and print review and will also allow for a review at East Sussex County Council with a view to a future joint contract serving both Councils.

**DETAILS:**

**Business Case**

1. The provision of this service is an ongoing requirement and a range of options have been considered. The preferred option is to put in place a new short term agreement which will allow for the proper analysis to be carried out and a longer term strategy put in place.
2. The current supplier provides a fully managed service for the production of key printed materials for the Council, including:
  - Surrey County Council branded printed stationery products including business cards, letterheads, forms for public use and compliment slips.
  - Design and consultation on the design of printed marketing materials.

- Promotional and materials to support income generation, including externally funded projects. These include Travel Smart, Adult Learning, Commercial Services, Surrey Arts and the Registration Service.
  - All high volume bespoke and print based marketing including Surrey Matters.
3. The current service is 'on demand' whereby when an external print based marketing or stationery requirement is identified, the external provider acts as a management agent to provide a cost effective solution through the use of sub-contractors, many of whom are local small businesses.
  4. This new contract is on the same basis as above and will allow for a contractual agreement to be put in place whilst a full review is completed of the requirement of printed corporate stationery, printed marketing material and high volume printing services (currently provided by a different supplier / contract). This review will take into account:
    - The implementation of the managed print services project, (to install Multi-functional devices in the Council's offices); and analysis of the ongoing impact this will have on spend within the marketing and high volume print service contracts.
    - The impact of the Orbis partnership with East Sussex County Council on this spend area.
    - Opportunities for a joint contract with East Sussex County Council to cover all external printing services for both Councils, driving savings by pooling spend through a single contract.
    - The impact of the Council's 'digital by default' approach to information and the impact on future print requirements.

### **Background and options considered**

6. The new contract has been procured from the CCS framework agreement RM1687, compliant with the European Public Procurement Regulations and Procurement Standing Orders. This has been carried out following the receipt of authority from Procurement Review Group (PRG) on 24 March 2015.

### **Procurement Strategy**

7. After a full and detailed options analysis it was decided to conduct a mini competition under Lot 1 of the CCS RM1687 framework as this demonstrated best value for money from the options appraised. This option allows for a new short term agreement which will in turn allow for analysis to be carried out and a longer term strategy put in place. This will be followed by a joint retender with East Sussex County Council.

### **Use of e-Tendering and market management activities**

8. An electronic tendering platform, In-Tend was used, to which all suppliers under CCS framework RM1687 were invited to participate All tender documents, correspondence, returns and evaluation took place using the electronic tendering system.

## Key Implications

9. By awarding a contract to CDS for the provision of publicity and stationery print services to commence on 21 May 2015 the Council will ensure that it is in a contractual relationship for the continued requirements of the Council.
10. Performance will be monitored through a series of Key Performance Indicators (KPI) as detailed in the contract and reviewed at monthly operations meetings.
11. The management responsibility for the contract lies with the Communications Team and will be managed in line with the Contract Management Strategy and plan as laid out in the contract documentation which also provides for review of performance and costs, including inflationary increases / efficiency savings / gain share savings from identified continuous improvements in performance.

## Competitive Tendering Process

12. The preferred supplier was identified using a mini competition exercise as allowed by the CCS framework RM1687 which was appropriate as it was a cost effective way to procure these services for the short term.
13. An invitation was sent to four suppliers who were given 16 days to review the documentation and submit their response.
14. The responses were then evaluated by three service evaluators according to the prescribed weighting of Price 40% and Quality 60%. The quality aspects covered:
  - Staffing and Co-ordination
  - Quality Assurance
  - Contract and supply chain management
  - Innovation and cost saving initiatives
  - Business and Professional Conduct
15. Two suppliers expressed an interest in the contract but only one bid was received. The evaluation was conducted by 3 service stakeholders and following the evaluation the bidder received a score of:

Price – 40%  
Quality – 55.2%.  
Total Score – 95.2%

<b>CONSULTATION:</b>
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16. The following stakeholders have been consulted with, at all stages of the commissioning and procurement process:

- Contract manager within the communications team
- Key stakeholders from within the Council
- Incumbent supplier
- East Sussex Procurement Team
- Lead Officer

<b>RISK MANAGEMENT AND IMPLICATIONS:</b>
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17. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Reputational / financial	Challenge regarding this decision from external parties.	<p>Clear plan in place for the retender of the print management services contract with the high volume print services contract.</p> <p>Appropriate advanced advertising (both on OJEU and the Council's portal) to the market to give warning of new contract opportunity.</p> <p>Consultation / market engagement days with the market will form the consultation on the future requirements for the Council.</p> <p>Use of existing framework to procure this proposed contract.</p>
Strategic	Lack of contract management	A new contract manager within the Council will be identified and going forward will receive monthly management information reports. This account manager will actively manage spend and usage and liaise with the supplier's account manager to identify opportunities for process and cost efficiencies and issue resolution.
Operational	Supplier may not be focused on delivering a short term contract	<p>As part of the discussion with the preferred supplier the outline strategy for a longer term combined printing provision has been discussed and the supplier is keen to take part in the bidding of this future opportunity. The supplier therefore should be incentivised to perform well during this short term arrangement.</p> <p>The contract manager within the Council will work closely with the supplier to ensure that performance is up to the standard expected and will raise any issues.</p> <p>More robust reporting is being built into this short term contract so that regular reports are received and spend more effectively monitored.</p>
Financial	Price uncertainty	<p>The prices for standardised stationary such as letterheads and compliment slips are fixed as part of this new short term contract. Therefore the risk of price uncertainty should be mitigated.</p> <p>Bespoke marketing orders are priced per job and agreed upfront with the communications team who have a good working knowledge on what the costs should be for the job.</p>

Reputational	Challenge from local small business (SME) to the use of a single provider.	With the historic contractual arrangement the incumbent supplier manages the all external bespoke print and print-based marketing requirements centrally and sub-contracts out work appropriately. This sub contracting of work includes the use of local small businesses. The proposed solution will follow the same model and so will continue the use of local businesses to help deliver the requirements of the contract.
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**Financial and Value for Money Implications**

18. Full details of the contract value and financial implications are set out in the Part 2 report.

**Section 151 Officer Commentary**

19. The Section 151 Officer confirms that the recommended approach ensures the continued delivery of stationery and printed materials that are required by the Council. Individual departments, together with the communications department, remain responsible for ensuring that the demand for such materials is managed within existing budgets.

**Legal Implications – Monitoring Officer**

20. The use of the Crown Commercial Services framework to identify the preferred supplier is a cost effective and timely process, which enables the council to ensure it is fully compliant with the Procurement Contract Regulations and the Council’s Procurement Standing Orders.

**Equalities and Diversity**

21. No equalities or diversity issues are expected in the award of this contract.

**WHAT HAPPENS NEXT:**

22. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including ‘call-in’ period)	20 May 2015
Contract Signature	21 May 2015
Contract Commencement Date	21 May 2015

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**Consulted:**

Consultation with the following key stakeholders has been conducted in the appraisal of the options:

- Contract manager within the communications team
- Key stakeholders from within the Council
- Incumbent supplier
- East Sussex Procurement Team
- Lead Officer

**Annexes:**

Part 2 Annex

**Sources/background papers:**

None