

**SURREY COUNTY COUNCIL****CABINET****DATE: 29 MAY 2018****REPORT OF: HELYN CLACK, CABINET MEMBER FOR CORPORATE SUPPORT****LEAD OFFICER: LOUISE FOOTNER, HEAD OF COMMUNICATIONS****SUBJECT: AWARD OF CALL OFF CONTRACT FOR THE PROVISION OF PRINT MANAGEMENT SERVICES****SUMMARY OF ISSUE:**

This report seeks approval for the Council to award a call off contract to Corporate Document Services (CDS) for the provision of Print Management Services to commence on 1 August 2018.

The Council operates a 'digital by default' approach to communications but has a need to print a range of publicity materials from leaflets and booklets to exhibition materials and consultation questionnaires.

This information is aimed at residents and people who use services provided by the Council for the following purposes:

- a. To inform of services the Council is providing (for example, a new Adult Social Care (ASC) online portal, care leavers pack, information for anyone suffering from domestic abuse);
- b. Where the Council is looking to make changes to existing services and is seeking feedback/input (for example, flooding, ASC charging, highways major schemes);
- c. To encourage changes in their behaviour (for example, recycle more, stop smoking, become a foster carer).

This report outlines the procurement process, including the results of the evaluation process. When considered in conjunction with the Part 2 report, it demonstrates why the recommended contract award will deliver value for money, quality and brand consistency across all areas of print.

Due to the commercial sensitivity involved in the contract award process, the names of the bidders and their financial details have been circulated as a Part 2 report.

**RECOMMENDATIONS:**

It is recommended that:

1. A call off contract is awarded to CDS for two years from 1 August 2018 with the option to extend for two periods of one year. Over the maximum term of the call off contract (4 years), the anticipated value is £1.5m (approximately £375,000 per annum).

2. The Council will work with CDS over the life of the call off contract to look at ways to standardise, rationalise and aggregate the Council's printing requirements, to reduce costs. In some areas the Council will also look to reduce and remove elements of the printed business stationery.

#### **REASONS FOR RECOMMENDATIONS:**

The current contract is due to expire on 31 July 2018.

As there is an ongoing need to deliver these services, a new call off contract has been procured through a national framework.

A thorough evaluation process has identified awarding the call off contract to CDS will provide the Council with the best value for money.

#### **DETAILS:**

##### **Business Case**

1. The Council has maintained a contract for a fully managed print service to provide information to residents and people who use services provided by the Council (see Summary of Issue section above).
2. The main users of the contract are the Corporate Communications team, Property Services and the Adult Learning department.

##### **Background and Options**

3. Several options were considered in the Strategic Sourcing Plan and presented and approved by the Sourcing Governance Board on 20 March 2018.
4. A mini-competition process under Lot 2 for Tailored Managed Print Solutions of the Crown Commercial Service (CCS) Managed Print & Digital Solutions Framework (Ref. RM3785) was deemed most appropriate and selected because:
  - a. The Council could seek to obtain a best value and innovative solution from suppliers who have been pre-vetted and qualified as demonstrating a high level of technical ability and value for money by the CCS;
  - b. The framework route would allow the Council access to a list of potential suppliers with the ability to develop strategic relationships and who will use their expertise and guidance to drive savings;
  - c. There is potential for cost savings through standardisation, rationalisation and aggregation of demand under a national framework;
  - d. The transparent price model on the framework provides competitive paper pricing and rate cards with maximum rates;

- e. The Council could access a managed print solution where the successful supplier would manage the operational delivery of print requirements including supply chain sourcing and management;
- f. Social value considerations and social value evaluation criteria could be incorporated within the RFQ documents.

### **Tender Process**

- 5. The Council published the mini-competition process on 12 April 2018 issuing the request for quotation (RFQ) documents to all six suppliers on the CCS framework.
- 6. All six suppliers expressed an interest in the mini-competition opportunity. Three suppliers submitted responses to the RFQ, which were evaluated against the criteria and weightings described in the Part 2 report.
- 7. A procurement and project team was set up to include representatives from the Corporate Communications team, Property Services and Adult Learning.
- 8. Bidders were scored based on most economically advantageous tender including price and technical elements.

### **Benefits of the Contract**

- 9. The contract offers the following benefits to the Council:
  - a. Management of a robust supply chain to provide responsiveness, flexibility and scalability to the printing needs;
  - b. Increased control and delivery of brand consistency on all areas of print;
  - c. Printed material sourced via the most appropriate route to drive cost efficiencies and value for money;
  - d. A knowledgeable and experienced supplier to offer advice and challenge the best strategy for individual print jobs.
- 10. The contract offers the following benefits to the local and wider economy and environment:
  - a. Helping to improve the economic, social and environmental well-being of Surrey via the implementation and utilisation of a Surrey based supply chain, where available and cost effective;
  - b. Improve the local economy by sourcing a supplier who would provide social value to the local economy (see paragraph 20 for a summary of Social Value benefits offered by CDS);
  - c. Wherever possible, minimising the carbon footprint of each print job;
  - d. Promoted through the supply chain the use of environmentally friendly materials and practices; recycled and renewable sources of supply;

and the safe disposal of waste materials used in the production of finished goods;

- e. Paper stock that is WWF Timber Pledge (or equivalent) (for organisations seeking to buy all wood from sustainable sources by 2020).

11. Social value considerations and social value evaluation criteria were incorporated within the RFQ documents. Bidders were asked to commit to the delivery of additional social, economic and environmental benefits over and above the core service outcomes outlined in the specification. CDS has offered a number of social value benefits as part of their bid, including:

- a. 60% of the contract spend will be allocated to Surrey-based suppliers;
- b. Adoption of a supply chain model that establishes Surrey-based suppliers as 'preferred suppliers';
- c. All current Surrey-based suppliers are small and medium enterprises;
- d. Working with the Council to consider other Surrey-based suppliers for inclusion;
- e. Monetary contributions to agreed charities;
- f. Monetary support for a social value related event.
- g. Agree a plan with the Council to identify and support a Surrey-based charity;
- h. Agree with the Council to hold an event that adds to the Social Value initiative;
- i. Offer support to any social enterprises/Non-Government Organisations/schools, etc. who may benefit from CDS undertaking appropriate workshops or other sessions;
- j. Encourage, monitor and measure best Corporate Social Responsibility (CSR) practice by their suppliers;
- k. Support Apprenticeship opportunities for Surrey residents.

### **Key Implications**

- 12. The call off contract is for the period from 1 August 2018 to 31 July 2022 (including two one year extension periods).
- 13. The CCS framework and call off contract set out the terms and conditions under which specific purchases known as "call-offs" can be made on behalf of the Council during the term of the call off contract.
- 14. Contract performance will be monitored through a series of robust key performance indicators as detailed in the call off contract and reviewed at performance review meetings.

15. The management responsibility for the call off contract lies with the Corporate Communications team and Property Services and will be managed in line with the contract management strategy as laid out in the call off contract which also provides for review of performance and costs via benchmarking.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

16. The RFQ documents were prepared jointly by representatives from Orbis Procurement, the Corporate Communications team and Property Services.
17. The CCS framework and call off contract have been reviewed by Orbis Procurement and Orbis Public Law.
18. Key risks associated with the call off contract have been identified, along with mitigation activities.
19. The call off contract terms and conditions include various termination clauses such as a termination without cause clause, which will allow the Council to terminate the call off contract for any reason should priorities/requirements change.
20. Whilst this is a call off contract, there are no guaranteed volumes or spend set within the call off contract.
21. The call off contract will include a non-exclusivity clause, which means that the Council will have the ability to purchase the services outside of the contract if required.
22. All bidders provided complete and compliant RFQ submissions.

#### **Financial and Value for Money Implications**

23. Full details of the call off contract value and financial implications are set out in the Part 2 report. Over the maximum term of the call off contract (4 years), the anticipated value is £1.5m (approximately £375,000 per annum).
24. As part of the mini-competition process, bidders were required to price a basket of goods for bespoke printing and a basket of goods for printed business stationery. The Corporate Communications team have advised that the pricing for bespoke printing may change year on year owing to a number of influences such as timescales/deadlines; fluctuations in the market; and paper prices. The basket of goods offers a snapshot of costs at a moment in time in order for the mini-competition to be priced but it is likely prices will fluctuate throughout the life of the call off contract. However, the CCS framework provides competitive paper pricing and rate cards with maximum rates.
25. It is anticipated that the call off contract will deliver a solution with savings through economies of scale; maximum rates on the CCS rate card; ongoing cost avoidance savings from reductions in volumes; and a requirement for the successful bidder to scrutinise the Council's work requests to ensure the most cost effective solution is utilised.

26. The call off contract sets out clear performance objectives and key performance indicators stating reporting requirements and the service levels to be delivered along with benchmarking to be conducted by the Council/supplier.

#### **Section 151 Officer Commentary**

27. The Section 151 Officer (Chief Finance Officer) confirms that all material, financial and business issues and risks have been considered/addressed. This contract provides for the ongoing print management requirements of the county. The recommended bidder was selected following a competitive tender exercise in order to secure value for money. The expected value is within the approved MTFP budget. The contract does not commit to any minimum levels of expenditure so the authority will benefit from any future reductions in activity levels.

#### **Legal Implications – Monitoring Officer**

28. Under Section 3(1) of the Local Government Act 1999 the Council is under a general duty to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. In meeting this duty, in addition to achieving monetary savings, the proposed contract will support the further economic development of the county through its local small and medium enterprises (SME) supply chain requirements.
29. The Council is required to act transparently in its purchasing and must adhere to the requirements of the Public Contracts Regulations 2015 (the PCRs) and the Council’s own Procurement Standing Orders (the PSOs) for securing best value. The proposed contract is a call off from a CCS framework and the first placed bidder’s tender has been scored as the most economically advantageous for the Council. This route to market is in compliance with the requirements of the PCRs and the PSOs.

#### **Equalities and Diversity**

30. There is no requirement for an Equality Impact Assessment (EIA) as there are no implications for any public sector equalities duty due to the nature of the services being procured. However, all suppliers are required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Humans Commission. In addition, the successful bidder was required to agree to the call off contract terms and conditions which included provisions for the Equalities Act 2010. The successful bidder accepted the terms and conditions.

#### **WHAT HAPPENS NEXT:**

31. The timetable for implementation is as follows:

<b>Action</b>	<b>Date</b>
Cabinet decision to award	29 May 2018
Cabinet 5 day ‘call in’ period	7 June 2018
‘Alcatel’ Standstill Period	11 June to 21 June 2018
Contract Signature	29 June 2018
Contract Commencement Date	1 August 2018

32. Although the Council does not have an obligation to run an 'Alcatel' standstill period (which allows unsuccessful bidders the opportunity to challenge the proposed contract award) under a mini-competition process, it is best procurement practice and therefore, an 'Alcatel' standstill period will take place.

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**CONTACT DETAILS:****Contact Officer:**

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**Consulted:**

Orbis Procurement  
Orbis Public Law  
Corporate Communications  
Property Services  
Adult Learning

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