

REPORT TO: Executive Board Sub-Committee

DATE: 1st December 2011

REPORTING OFFICER: Strategic Director Policy & Resources

SUBJECT: Procurement of Corporate Print Contract Framework Agreement – Preliminary Estimates Report

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To inform the board that the existing contract for externalised print services expires on 20th June 2012. Tenderers are to be invited under a formal process to apply for contracts for specified lots under the new Corporate Print Contract Framework Agreement. This is a report for information purposes, to comply and give details of the estimated preliminary costs in accordance with Procurement Standing Order 2.1.

2.0 RECOMMENDATION: It is recommended that the Board note:

- (1) that in accordance with Procurement Standing Orders and current EU Procurement Regulations 2006, a formal restricted tender procedure for the provision of Corporate Print Contract Framework Agreement is to be undertaken and a contract implemented to maximise procurement opportunities for the Council; and**
- (2) that the tender will be a Framework Agreement, for which Halton (in collaboration with Knowsley and Merseyside Fire & Rescue) will be performing the restricted tender process on behalf of the Merseyside Procurement Partnership.**

3.0 SUPPORTING INFORMATION

3.1 Outline of the current service

Print and copying requirements are currently fulfilled in a number of ways:

- a) By accessing the in-house services offered by the print unit. The unit in effect provides a 'copying' service, producing committee papers; stationery (including pay slips); plus low quantity runs of leaflets, posters etc, where artwork is supplied.

b) Where the requirement cannot be accommodated in-house, the Account Officers within Communications and Marketing manage the work procured through the existing externalised print contract.

Analysis in this last area shows that prior to the existing contract, spend on externalised print services was in excess of £500,000 but has reduced to £241,000 per annum.

This spend is currently spread over 8 contracted external suppliers.

Since the contracts were established, staff are now required to follow a process for ordering these goods. This has reduced the inconsistent pricing throughout the council for similar products, diluted purchase spend from lack of aggregation and increased administration costs from the high volume of transaction activity, which has made a saving of £130,000 over 9 months.

3.2 Change in context

It is intended to establish a new formal contract for the procurement of Corporate Print services, split across a series of lots to ensure fair competition and transparency for our whole supply community:

Lot 1	Corporate print
Lot 2	Marketing material
Lot 3	Commercial
Lot 4	Newsletters & E-Books
Lot 5	Promotional items
Lot 6	Corporate Imaging
Lot 7	Pre-Printed Envelopes

The contract will be held by the Account Officers based within the Communications and Marketing Division. They will be responsible for the sourcing of all print requirements. The in-house printing services will decide if work can be accommodated in-house and where not, the Account Officers will use their expertise to procure relevant services through the new contracts.

All print requirements will have a council Purchase Order placed with the relevant supplier, which will be raised via the Council's financial system, Agresso. Further efficiency gains will be made from utilising Agresso and E-Procurement which will reduce duplication within a paper based administration process and allow for invoices to be scanned.

3.3 Links to corporate objectives

The new arrangements seek to support the current aims of the efficiency review, establishing a corporate-wide contract and creating a centre of excellence for print services to deliver efficiency and value for money.

3.4 Costs of service

The annual cost of the print unit is £304,000. In addition, as stated above, the cost of externalised print is in excess of £241,000. With a contract period of four years and working in collaboration with our Merseyside Partners, the overall contract value would be in excess of £1m.

Costs of establishing the day-to-day provision of the contract will be accommodated within current staffing costs.

3.5 Project risks and controls

With the existing contract about to expire there would be no formal arrangements in place. There is now more control and monthly monitoring of expenditure in relation to externalised print. With spend spread across 8 suppliers this gives us opportunity to seek discounts and to build relationships with suppliers.

We have managed to establish quality procedures and monitor the application of our corporate identity. This has helped to decrease the risk that materials are being produced that do not adhere to the brand, and/or fall short of our quality standards.

It is important that the new arrangements reflect the diverse requirements of Halton and the Merseyside Procurement Partnership. To ensure this happens, a working group (with representatives from procurement, print unit and communications) is in place to develop the contracts with the support of a cross-department officer forum. The officers have provided detailed information on products purchased and a valuable insight into their requirements for the contract.

In addition, a supplier forum will take place to outline our intentions.

Once the arrangements are in place, a Contract Manager based within the procurement division will take responsibility for the contract management and work closely with Communications and Marketing to monitor performance and compliance with the contract from both suppliers and internal officers. Support from a Contract Officer who will assess the activity by means of Contract Monitoring, which will be stated in the tender documents. Contract Management will be ongoing for the life of the contract to ensure continuous improvement and value for money opportunities are achieved.

3.6 Method of procurement

Halton is a member of the Merseyside Procurement Partnership and intends to let this contract as an open framework agreement in

collaboration with Knowsley and Merseyside Fire & Rescue, the contract will also be available to the other members of the group

Liverpool CC
Wirral
St. Helens
Sefton
Cheshire West & Chester
Mersey Travel

EU Procurement Regulations 2006 will need to be followed as the value threshold exceeds £1million.

The contractor will be selected by the council following the Restricted Procedure for the Tender, which will include the following elements of procedure:

- Advertise for expressions of interest on the OJEU (Official Journal of the European Union).
- PQQ (Pre Qualification Questionnaire) will be issued to those suppliers expressing an interest.
- Evaluation of PQQ and shortlist
- Issue ITT (Invitation to Tenders) to shortlist
- Evaluation ITT (to include Presentations and samples)
- 10 day standstill period will take place prior to award and signing of the contract.

3.7 How the proposed method of procurement fits with the Authority's procurement policy

The method of procurement will follow the Best Practice principles of the councils procurement policy and maximise opportunities to deliver best value and efficiency savings from continuous improvement and contract management once the contract has been embedded within the council. The contract will award on the Most Economically Advantageous Tender (MEAT) and include procurement principles of sustainability and Equality within the supply chain.

4.0 POLICY IMPLICATIONS

In accordance with Procurement Standing Orders 2.1 this report is laid before Executive Board Sub Committee.

With spend in excess of £241k per annum (and a total contract period spend in excess of £1m) to ensure compliance there must be a formal OJEU tender procedure and contract awarded.

A Print Policy has been created that gives officers clear direction of procurement requirements to comply with when they have a need to print. This has been approved by the Council's Management Team.

5.0 OTHER IMPLICATIONS

5.1 N/A.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None Identified

6.2 Employment, Learning and Skills in Halton

None Identified

6.3 A Healthy Halton

None Identified

6.4 A Safer Halton

None Identified

6.5 Halton's Urban Renewal

None Identified

7.0 RISK ANALYSIS

The award of the contract to a number of suppliers across a series of lots as opposed to a sole supplier will provide officers with greater choice, flexibility, and access to specialist services, while offering the authority greater value for money than currently exists.

The establishment of the Print Policy and process will enable greater control and performance monitoring as well as enable suitably skilled officers to source from the most appropriate supplier.

8.0 EQUALITY AND DIVERSITY ISSUES

By awarding the contract as a series of smaller lots, accessibility to a wider number of potential suppliers including SME's is possible.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.