

REPORT TO: Executive Board

DATE: 24 May 2012

REPORTING OFFICER: Strategic Director Policy & Resources

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

PORTFOLIO: The Leader

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 provide 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 both Procurement Standing Orders 6.0 – EU Public Contract Regulations 2006 and Standing Orders 6.7 – Restricted Tender Procedure, is to be undertaken. The award criteria will be based on the Most Economically Advantageous Tender (MEAT)**
- (2) the contract will be a Framework Agreement, for which Halton (in collaboration with Knowsley and Merseyside Fire & Rescue) will be the lead authority of the restricted tender process on behalf of the Merseyside Procurement Partnership (MPP).**

3.0 SUPPORTING INFORMATION

3.1 Outline of the current service

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

Printing requirements are currently fulfilled in a number of ways:

- a) By accessing the in-house service provided through the Communications and Marketing team. In-house design and print capabilities enable a good proportion of the Council's printing

requirements to be fulfilled in-house. This work includes the copying of committee papers; stationery (including pay slips); low quantity runs of leaflets, flyers and posters.

b) Where the requirement cannot be accommodated in-house, staff from Communications and Marketing manage the procurement of work 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 £603,000 but has reduced to £271,000 per annum.

This spend is currently spread over eight contracted external suppliers.

A print policy sets out clear processes for the ordering of goods under this contract.

Since the implementation of the Framework agreement, officers are now required to follow a process for ordering these goods. Improved efficiencies as a result of the contract include standardised prices on common products, aggregation of spend and improved back office processes

3.2 Change in context

It is intended to establish a new formal Framework Agreement 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 managed by the Divisional Manager, Communications and Marketing. Staff within the Communications and Marketing team will be responsible for the sourcing of all print requirements, with the in-house service being the preferred route. Where work cannot be fulfilled in-house, Communications and Marketing staff will use their expertise to procure relevant services through the new contracts, via the framework module on the chest e-tendering portal to ensure all suppliers within the awarded lots have an equal, transparent and fair opportunity to bid.

In the exceptional circumstances where requirements fall outside the scope of the contracts, Communications and Marketing staff will work with Procurement to source a suitable product.

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 and paid on the councils 10 day payment terms for SME's.

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 Project risks and controls

With the existing Framework Agreement due to expire in June 2012, there would be no formal arrangements in place. There is now improved control from monthly monitoring of expenditure in relation to externalised print. With spend spread across eight suppliers this gives us opportunity to seek discounts and to build relationships with suppliers.

We have established 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 MPP. To support this, a working group (with representatives from procurement, print unit and communications) is in place to develop the supply arrangements with the support of a cross-department officer forum. 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.

After the Framework Agreement has been awarded, the Divisional Manager of Communications and Marketing will take responsibility for the contract management which will include monitoring performance and compliance of both internal officers and external suppliers. Working closely with the Procurement Division, who will provide management information on spend and compliance with the commercial elements of the agreement. Contract Management will be

ongoing for the life of the contract to ensure continuous improvement and value for money efficiencies are realised.

3.5 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.

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 £271k 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.