

Decision maker:	Cabinet member contracts and assets
Decision date:	Tuesday 9th October 2018
Title of report:	Contract review for printing, scanning and photocopying
Report by:	Project manager, Customer services and facilities manager

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose and summary

The purpose of this report is to request approval to carry out a procurement of a new contract for 3 years with an option to extend for a further two which will meet the identified requirements. This contract includes printing, photocopying and scanning of documents along with the secure printing using ID cards.

Recommendation(s)

That:

- (a) To procure a replacement print contract for a period of up to five years at a maximum cost of £305,000 per annum, via Crown Commercial Services Framework RM3781; and
- (b) the Assistant Director Communities be authorised to award a contract.

Alternative options

1. It would be possible to allow individual departments to make their own arrangements for printing and scanning, however it is recommended that this is not progressed as the following benefits have been identified with the existing contract which was entered into during 2014.
 - a. There has been a financial benefit from a combined and consequently larger procurement with a reduction in rental costs from £86,220 to £57,853.
 - b. Individual printer purchases would also not allow reports to be created showing the use made of devices by users. This reporting has enabled each department/directorate to understand where printing is being carried out and has resulted in reductions to be made both with the environmental impact (less paper and power) and the cost of printing.
 - c. Reporting on the use of individual printers has enabled work to be undertaken to ensure that the best use is being made of the variety of printers, and that printers have been moved to address issues where devices have been over or underutilised.
 - d. By having a central management system for the printers and printing it has been possible to provide both a secure printing system using the ID cards but also for any user to send their printing to and collect from any printer providing both security but also resilience.

Key considerations

2. The current print contract commenced in April 2014 for a period of five years and will end at the end March 2019.
3. During its period the contract has delivered a reduction in the number of printers being used from 191 to 103. The quarterly cost of printing has reduced from £86,220 for the rental fixed charges to £57,853 and from £36,311 for the print and service costs to £18,277 giving a total quarterly saving of £46,401 (based on average print costs from September 2016 to December 2018). The reduction in the number of printers has been achieved by a full assessment of the users, their requirements and the buildings being used and an agreement in the lease allowed for devices from decommissioned sites to be returned.
4. When the new contract was approved it was estimated that there would be a 30% reduction in print costs to approximately £30,000 per quarter. As shown above, considerably more has been achieved with the average for the last 15 months being

£18,277. The agreement ensured that where work was done to reduce printing then the benefit, in the form of reduced costs, was passed directly to Herefordshire Council. The contract allowed sufficient flexibility to account for changing requirements.

5. During the course of the next three years it is likely that the printing requirements will change further with more services and documents being offered online both internally within Herefordshire Council and externally to service users. Other ways of sharing information and colleagues collaborating will also be developed as more flexible working practices are implemented. It is important that prior to letting a new contract that we understand not only the current demands but are also clear on the individual departments' plans which may impact the printing types and volumes.
6. In order to understand these future requirements all users are being invited to respond to an online survey which will capture feedback on the current contract and try to identify any issues that need to be addressed with the new contract along with details of any changes in the printing requirements.
7. The project team are working with the teams who have identified specialist printing requirements such as Electoral Registration, the Revenues and Benefits team within Hoople and libraries to understand their on-going requirements.
8. Suppliers have been invited to provide demonstrations of the goods and services that they are able to offer as this will enable staff to understand what additional options may be available, allowing them to understand what is possible and to look at options that they had not previously considered.
9. The successful supplier will be tasked with reducing the cost of printing and scanning by £75,000 per annum on the existing cost of £305,000 per annum. This cost is covered by the Facilities Management budget.
10. The new contract will be required to support the printing and scanning of approximately 1,600 users in three main organisations. During 2017 the total print volume was as follows:

Print Type	Volume
Colour Single Sided	12,550
Colour Duplex	2,228,400
Mono Single Sided	809,800
Mono Duplex	1,571,500
Total	4,622,250

11. The supplier will be asked to provide a solution which will meet the demand detailed above and it will also be a requirement for them to assist in finding ways to reduce printing volumes wherever possible.
12. There are now 103 multi-function devices and a small number of desktop printers installed in 51 sites with 18 devices installed in Plough Lane. One way to achieve savings could be

to reduce the number of devices, however, this will only be done if defined criteria including maximum distance from a printer and ability of remaining printers to manage the volumes are met.

13. Existing services including secure printing and scanning to email are required to be maintained with the new contract and additionally we are looking to improve the services offered to end users including public access and guest printing.
14. The procurement will be carried out utilising a framework agreement from Crown Commercial Services (CCS). This will ensure that the procurement is compliant with both the Herefordshire Council standing orders and legislation. The framework agreement RM3781 has been identified for the procurement that allows for the procurement of multifunctional devices and print management software and services.
15. Changes to Herefordshire Council accommodation is likely to have an impact on the printing requirements, particularly the number of sites and printers. The CCS framework minimum requirement includes for printers to be moved at no additional cost. In addition to this our specification will include the requirement to return any surplus printers and to review and rationalise on a regular basis during the contract.
16. A project communication plan is being developed to ensure that all users are made aware of the project and are aware of the work being done to transition to a new supplier and printers.

Community impact

17. Within the corporate plan, the stated priority of securing better, services, quality of life and value for money is fully supported within this project by using the CCS framework and by carrying out a further competition between suppliers. This will ensure that the best possible price for the ongoing lease agreement and print charges which meets the stated requirements, is agreed with the supplier.

Equality duty

18. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
19. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

20. As part of the mandatory requirements within the specification suppliers will be requested to document the accessibility features included in their products, this will then form part of the quality assessment of the solutions offered by the suppliers.

Resource implications

21. Due to the specialist nature of the procurement funding of £70,000 from the ICT revenue reserve has been agreed on an invest to save basis. The funding is to cover the cost of the set up costs and project management of the procurement. The set up costs could include licences, building servers and creating reports. With the funding being repaid to the reserve once the savings have been made.
22. The ongoing equipment (lease) and print cost is included in the Facilities Management budget. This is currently £305,000 per annum but the new contract will seek to reduce this.

Legal implications

23. The council has a duty to obtain best value in the provision of all of its functions and in respect of services which have been contracted out, the council should periodically undertake competitive procurement processes to ensure that best value is being obtained. Any contract re-procured for the services identified in this report will need to be procured in compliance with the council's contract procedure rules and EU procurement regulations as applicable. The use of a pre-procured framework is a compliant alternative to undertake a bespoke procurement process.

Risk management

24. During the course of the project to deliver a new contract for printing, scanning and photocopying a risk log will be maintained and managed by the project board.
25. Initially the project risk register will include a risk that suppliers do not respond to the invitation to tender on the framework, that it may not be possible to deliver the project within the timescales and the suppliers are not able to achieve the savings target. The project risk register will include actions to mitigate these risks and the project board being responsible for managing them during the course of the project.

Consultees

26. Political groups consultation took place on the 18th September 2018. Two queries were received regarding the different sites and who the contract was with - both points were clarified. No other comments or points were made.

Appendices

None

Background papers

None identified