

REPORT FOR: **CABINET**

Date of Meeting:	19 July 2012
Subject:	Print Services Contract
Key Decision:	Yes
Responsible Officer:	Tom Whiting, Assistant Chief Executive
Portfolio Holders:	Councillor Thaya Idaikkadar, Portfolio Holder for Property and Major Contracts Councillor Graham Henson, Portfolio Holder for Performance, Customer Services and Corporate Services
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Equalities Impact Assessment

Section 1 - Summary and Recommendations

This report outlines the process for the procurement of a new supplier of Print Services to the Council, and in view of the timescales involved, seeks delegated authority to award the contract to the preferred supplier.

Recommendations:

Cabinet is requested to:

Authorise the Assistant Chief Executive in consultation with the Portfolio Holders for Property and Major Contracts and Performance, Customer Services and Corporate Services to:

- select the preferred supplier and award the Print Services contract to the preferred supplier on such terms as are agreed, acting in the best interests of the Council
- implement the new print service in accordance with the contract.

Reason: (for recommendation)

To award a new print services contract to the preferred supplier that meets our future needs, reduces costs, and maintains the uninterrupted provision of print services to the Council.

Section 2 – Report

2.1 Introduction and Background

Harrow Council currently manages the majority of its printing and scanning equipment requirements through a contract with Annodata. The contract is due to expire in September 2012 and the Council does not wish to consider a long term extension to that contract.

The Council's needs for printing and scanning equipment are currently being re-assessed due to a number of transformation projects. Most significantly the Council is close to agreeing the launch of its Mobile and Flexible working programme which will see the introduction of agile working technology and new business processes to enable greater capability for staff to work anywhere, and thereby reduce the requirements for dedicated desks within a reducing buildings estate. The management of the new Printing Contract is part of the Council's Transformation Programme.

In addition the potential requirements for printing and scanning services are going to become increasingly difficult to predict in that the number of employees directly employed by the Council is likely to change over the life of the contract, as will the number of building directly used by Harrow Council staff. The creation of shared services, new delivery models and joint enterprises will mean that demand may vary in volume and by location.

The Council has completed market testing to establish current pricing, and to gauge the suppliers' appetite for a contract that meets the circumstances described above. It also wishes to develop a specification that contains the smallest number of constraints in terms of how a new supplier could deliver the service.

The current position in the Council can be summarised as:

- Multiple contracts with one supplier (Annodata)
- Mixture of Multi Function Devices (MFDs) and local printers
- Printers in multiple locations
- In-house print room for bulk and limited specialist printing
- Some progress made to reduce the number and variety of printers
- Some progress made on reducing the volume of printing
- Limited success in migrating bulk printing to the in-house print room

Current needs can be summarised as:

- Day to day printing for c.1500 employees
- Printing available to a number of sites
- Numbers of sites reducing (dependant upon a number of business and service initiatives)
- A number of services have specialist needs in terms of size, quality and volume of printing

Through the procurement of a new supplier that the Council will be looking for:

- proposals for a 5 year contract for printing and scanning services to the Council
- an approach that presents the most flexible solution, best fit to our technical and business requirements at the lowest cost
- a proposal that supports our strategic direction in terms of:
 - increased use of portable devices
 - introduction of mobile and flexible working for a significant number of employees
 - reduced levels of office printing
 - reducing the costs of printing
 - reduced number of staff directly employed by the Council
 - printing for strategic partners on site
 - need for most up to date technology

2.2 Requirements

These can be summarised as:

- Reduced costs of the central printing contract
- Proposals on service delivery model for the provision of print and scanning services to the Council
- Potential interim solution from the end of the current contract to the launch of a new delivery model or contract
- Proposal that demonstrates how up to date technology will be delivered to the Council
- Proposal capable of cost effectively managing an unpredictable volume of printing and scanning needs for the Council and its partners (strategic partners i.e. Police, and commercial partners i.e. shared services)
- Proposal that suggests an approach to reducing costs and volumes
- Pricing model that drive behaviours and shared benefits of reduced costs with the supplier
- Approach on consumables in line with Council's environmental objectives
- A flexible contract capable of responding to the Council's changing operational and technical needs

The detailed requirements are contained in the statement of requirements that have been made available to bidders.

2.3 Options Considered

The options available to the Council were as follows:

- Extend the current contract with Annodata, looking for an improved costing approach and a positive response to our changed requirements
- Undertake an OJEU procurement to obtain a new supplier based on our stated requirements
- Work within an existing government framework agreement to procure a new supplier of print services based on our stated requirements

Evaluation of Options:

Contract discussions with Annodata proved difficult and did not support a view that any new contract and relationship would support our needs. Given that we need to have a new supplier by September 2012 a framework agreement would save 3-6 months with no significant impact upon the range of suppliers. On this basis it was agreed to procure a new supplier using a framework agreement.

2.4 Procurement Process and Timetable

Stage	Output	Dates
1. Strategy and Plan	<ul style="list-style-type: none">• PID• Project Plan• Procurement Strategy	March 2012
2. Market Testing and Framework Agreements	<ul style="list-style-type: none">• Market testing with market leaders• Pursue Framework Agreement	May 2012
3. Procurement	<ul style="list-style-type: none">• Requirements• Framework agreements• Development of Requirements• Evaluation• Selection of supplier• Contract development and sign offs with Council approvals	May - September 2012
4. Transition	<ul style="list-style-type: none">• Interim arrangements (if required)• Cut-over to new service• Live service delivery model	November 2012

The selection of the preferred suppliers must be completed in July if the Council is to successfully migrate to the new contract in the summer. On this basis Cabinet is asked to agree that authority to appoint a new supplier and implement a new service is delegated to the Assistant Chief Executive in consultation with the Portfolio Holders for Property and Major Contracts and Performance, Customer Services and Corporate Services.

2.5 Recommendation

Cabinet is requested to:

Authorise the Assistant Chief Executive in consultation with the Portfolio Holders for Property and Major Contracts and Performance, Customer Services and Corporate Services to:

- select the preferred supplier and award the Print Services contract to the preferred supplier on such terms as are agreed, acting in the best interests of the Council;
- implement the new print service in accordance with the contract.

2.6 Implications of the Recommendation

2.6.1 Staffing/workforce

The importance of the provision of suitable printing services to staff cannot be understated. It underpins a significant part of how every member of staff manages their work. However the working environment will change significantly over the coming years and the Council needs the technology, flexibility and pricing model that will support printing needs whilst reducing the actual volume of printing by staff.

The likely direct impact on staff will be the requirement to surrender existing individual printers, to be replaced by larger Multi-Function Devices, and to be encouraged through a rigorous benefits management process to reduce the volume, and thereby the overall cost, of printing.

Associated Equalities issues are covered below.

2.6.2 Legal comments

Procurement of a supplier of print services under the auspices of the chosen framework agreement is appropriate to this process. The Council must ensure that it abides by the guidance and constraints associated with this process to ensure that there is no successful legal challenge to its use, or the decision on the appointment of a supplier.

The Council can delegate this decision, subject to consultation with relevant Portfolio Holders to the Assistant Chief Executive.

2.6.3 Equalities

Members should have due regard to the public sector equality duty when making decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

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

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - Tackle prejudice, and promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race,
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

An EIA has been completed and it will be reviewed throughout the implementation of the new contract.

Whilst there will be a need to significantly reduce the number of desk top printers this will be tempered where necessary by the needs of any individual who may be negatively impacted. In addition we will ensure that the new equipment meets the needs of all staff, and enables the successful deployment of projects, such as Mobile and Flexible working that significantly support equalities.

2.7 Financial Implications

In the Council's MTFS, this project is projected to deliver a net saving of £100k in 2012-13, rising to £200k p.a. in 2013-14, subject to the selection of the supplier and detailed contractual negotiations.

2.8 Performance Issues

The new print contract will provide up to date high performing technology It will also support flexible working and specialist printing needs. However reducing the levels of printing must be driven by a rigorous approach to benefits management. The project will develop and deploy a charging mechanism for printing that will encourage reduced printing at all levels in the Council. This will probably involve the centralisation of printing budgets and a further benefits sharing approach to encourage continued pressure on print volumes.

2.9 Environmental Impact

The new service will seek to minimise its environmental impact by supporting agile working practices, cutting down on the need for journeys to and from work.

However the biggest environmental impact will be derived from significantly reducing the level of printing by the Council. Environment impact is part of the evaluation process with suppliers asked to describe exactly how they will support our environmental goals.

2.10 Risk Management Implications

A full risk register has been maintained throughout this project. Risks identified include:

- Failure to secure staff buy-in to reducing their printing
- Failure to deliver financial savings
- Failure to deliver on timescales disrupting print services for staff
- Failure to understand and deliver client needs
- Legal challenge to the procurement process causes delay
- Failure to carry out adequate due diligence
- Supplier not support approach on Mobile and Flexible working

All risks on the register have been actively monitored, and controls put in place.

2.11 Corporate Priorities

The shared practice will mean that the Councils can reduce the cost of printing to the potential benefit of all residents.

Section 3 - Statutory Officer Clearance

Name: Steve Tingle	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 2 July 2012		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 6 July 2012		

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director Partnership, Development and Performance
Date: 3 July 2012		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director Environmental Services
Date: 2 July 2012		

Section 6 - Contact Details and Background Papers

Contact: Jon Turner, Divisional Director of HRD and Shared Services

Background Papers: None

**Call-In Waived by the
Chairman of Overview and
Scrutiny Committee**

NOT APPLICABLE

[Call-in applies]