

Meeting: Cabinet

Date: 19 January 2020

Wards Affected: All

Report Title: MFD and Postal Services Contract

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1. Purpose of Report

- 1.1 **Postal Goods & Services** – Collection of bulk first and second class mail from Torquay Town Hall and introduction into Royal Mail post streams for delivery for to households. Services supplied and Whistl and Royal Mail. Extension of current contract to accommodate the completion of the Printing Services tender
- 1.2 **Corporate MFD contract** – Providing office printing and scanning for offices across the Council. Extension of current contract to accommodate the completion of the printing services tender

2. Reason for Proposal and its benefits

Current tender for Printing Services includes MFD provision and postal services within various lots, future copier and postal volumes could be affected by the tender outcome which would change the volumes and requirements of the current MFD and postal contract, the extension will allow us to make the most financially beneficial decision for the Council.

We want Torbay and its residents to thrive.

We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.

We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.

- 2.1 This decision affects all services within the council who currently use MFD's and the internal Postal Service. Every piece of mail which leaves the Council does so

through either Whistl or Royal mail postal streams allowing all services to have timely contact with their customers in support of a thriving Torbay.

2.2 The reasons for the decision are:

Postal Service

We currently use two of the nine approved suppliers from CCS RM1063/RM6017 and have rarely been approached over the last 10 years by any of the others. In any case, we could not provide for them the profile of our mail for any new contract period at this time until Full Council decisions regarding the printing tender have been made so the risk of any challenge must be minimal as we are still under contract until 28/2/2021 and can provide no accurate information on our requirements beyond that period.

MFD Service

We currently use Xerox copiers from CCS framework which is due to finish in February 2020, due to the office copiers being part of a lot on the current printing services tender we are seeking an extension to allow the printing services tender to be completed. The extension will also for allow for further analysis of requirements in light changes resulting from the pandemic which will likely reduce our requirements for any future contract.

3. Recommendation(s) / Proposed Decision

- (i) That Whistl agree a 6 month extension of the expiring CCS Postal Goods & Services Contract (RM1063 expires 28/2/2021) to include:
- The current service levels subject to our requirements;
 - The current pricing (subject to Royal Mail's normal price increases in January); and
 - A clause with 90 days' notice for the Council to terminate.

At a cost of £110,000 (See supporting information for further detail)

- (ii) An extension to the MFD contract on the CCS framework until the printing services tender is completed. A clause with 90 days' notice for the Council to terminate will be included. This will cost £40,000 for six months.

Supporting Information

1. Introduction

Torbay Council is undergoing a re-design of services and part of that will include a re-design of printing and postal services. A decision is expected from Full Council in February 2021 which will determine how these services go forward, so we are unable to commit currently to a longer contract period or have one in place to run concurrently with the expiration of the current contracts.. This short term waiver will allow us to tender via compliant channels, once we are fully aware of the Full Council decision and the impact it has on our requirements, in order that we are not committing the Authority to a contract which we may not be able to utilise in an economical way.

2. Options under consideration

No other options are currently being considered

3. Financial Opportunities and Implications

Postal Services: An extension to the current contract would produce a spend of
£85,000 (Whistl)
£25,000 (Royal Mail)

Total = £110,000

Not extending the current contract would incur extra cost as we would be unable to access reduced postal rates through Down Stream Access providers

MFD contract: An extension to the current contract would produce a spend of
£40,000 (6 months)
£80,000 (12 months)

Cost may be lower due to reduced usage i.e. Covid homeworking

4. Legal Implications

Without the Extension we would be operating without a formal contract in place which could be open to challenge for other suppliers.

5. Engagement and Consultation

Contract discussions have taken place with procurement services and the printing services tender group.

6. Purchasing or Hiring of Goods and/or Services

Postal Services

Purchasing through the postal framework gives the best pricing for all postal services, we require 2 services to gain best value for our different streams of mail. 1st class, handwritten, recorded and special delivery is provided directly by Royal Mail.

2nd class business post which has machine readable clear addressing is provided by downstream access provider Whistl, which gives improved postal rates.

MFD Contract

The current contract will have been in place for 5 years in Feb 2021, the proposal is to have a new contract in place during 2021 when the decision is finalised on the printing services tender. All processes have been overseen by procurement services.

7. Tackling Climate Change

The extension to the current contract hasn't taken climate change into account, any future tender will look into ways of reducing the Councils carbon footprint.

8. Associated Risks

Risks associated with not making this decision will be a temporary increase in the cost of MFD and Postal Services, and potential challenge from other providers.

Equality Impacts

9.	Identify the potential positive and negative impacts on specific groups		
	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			x
People with caring Responsibilities			x
People with a disability			x
Women or men			x
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			x
Religion or belief (including lack of belief)			x
People who are lesbian, gay or bisexual			x
People who are transgendered			x
People who are in a marriage or civil partnership			x
Women who are pregnant / on maternity leave			x

	Socio-economic impacts (Including impact on child poverty issues and deprivation)		X
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)		X
10..	Cumulative Council Impact (proposed changes elsewhere which might worsen the impacts identified above)	None identified	
11.	Cumulative Community Impacts (proposed changes within the wider community (inc the public sector) which might worsen the impacts identified above)	None identified	