

## Report to Cabinet

26<sup>th</sup> March 2020

By the Cabinet Member for Finance and Assets

**DECISION REQUIRED**



**Horsham  
District  
Council**

Not Exempt

### External Print Tender

#### Executive Summary

The purpose of this report is to recommend the use of a framework agreement for printed materials established by Crawley Borough Council through the Shared Procurement Service.

This report also recommends the use of a dynamic purchasing system (DPS) also established by Crawley Borough Council through the Shared Procurement Service.

The contracts are set up from April 2020 for a three year term, with a one year optional extension period, subject to the suppliers' satisfactory performance.

#### Recommendations

Cabinet is recommended:

- i) Approve the use of the Print Framework Agreement set up on behalf of the Council by its Shared Procurement Service.
- ii) Approve the use of the Dynamic Purchasing System (DPS) to be established on behalf of the Council by its Shared Procurement Service.

#### Reasons for Recommendations

- i) Following a competitive tender exercise and evaluation undertaken by Crawley Borough Council as the lead authority, the providers on the framework agreement have submitted the most economically advantageous tenders in the four lots.
  - General print work – low volumes (lot 1a) – 4 suppliers
  - General print work – high volumes (lot 1b) – 4 suppliers
  - General signage (lot 2) – 3 suppliers
  - Envelopes (lot 3) – 2 suppliers
- ii) The creation and use of the DPS will invite the councils to invite quotes on the more complex printing jobs and will therefore obtain best value.

#### Background Papers

Print Paper - Finance and Assets PDAG November 2019

**Wards affected:** All wards

**Contact:** Becca Williams, Procurement Officer, 01403 215299

## **Background Information**

### **1 Introduction and Background**

- 1.1 Each council is legally required to aggregate their spend on similar goods and services, and if this exceeds the current threshold for Services and Supplies of £181,302 over a four-year period there is a requirement to go out to tender under current EU Procurement Directives and the Public Contracts Regulations 2015. Crawley, Horsham, Mid Sussex and Mole Valley Councils spent a total of approximately £550,000 in print services in 2017/18. Of which Horsham spent c£170,000.
- 1.2 This approach to print for all four councils is designed to consolidate and reduce spending and increase efficiency in a combined approach that is compliant with current Public Contract Regulations 2015, with arrangements being put in place for 1 April 2020.
- 1.3 Currently the Council's external printing is done on an ad hoc basis under quotes for each piece of work. This is not compliant with the aggregation rules under the Public Contract Regulations 2015 which are part of UK law and therefore this method ensures compliance and obtaining best value for money for the Council.

### **2 Relevant Council policy**

- 2.1 The approach is compliant with the Council's Procurement Code and represents an approach to obtain best value services for the council. As part of the procurement process, the organisations on the framework were assessed on their impact to the environment, sustainable approaches including carbon footprint.

### **3 Details**

- 3.1 An options appraisal undertaken by the Procurement Team in July 2019 indicated that there was no 'one size fits all' approach. Therefore, it was determined that the following processes would be followed in tandem:

#### **Framework Agreement**

- 3.2 The Councils went out to tender on 12 September 2019 (under OJEU Reference 2019/S 224-549837) for general print (low and high volumes), general signage and envelopes to create a multi supplier framework agreement where print teams can 'call-off' their requirements.
- 3.3 The deadline for receipt of tenders was 27 January 2020. 37 tenders were received across the four lots.
- 3.4 Members of project teams from across the councils, including Horsham, carried out thorough evaluations of the tenders received and Crawley's Cabinet approved award of contracts to 13 suppliers across 4 lots. Suppliers were assessed on pricing (60 – 80%) and their approach to quality management and sustainability (20% - 40%).

#### **Dynamic Purchasing System (DPS)**

- 3.5 A DPS is a completely electronic system used by a council to purchase goods, works or services. Unlike a traditional framework, suppliers can apply to join at any time throughout its duration. Suppliers must meet the councils' minimum selection criteria such as insurance levels, checks for financial strength as well as mandatory criteria which is set by Government to join a DPS.
- 3.6 Once they have been accepted onto the DPS each council has to undertake a mini-competition will all suppliers within a particular lot.
- 3.7 The council is seeking approval for the use of a DPS set up by Crawley Borough Council to include more specialist print, signage, election printing and mailing to commence in April 2020.

## **4 Next Steps**

- 4.1 Horsham District Council to enter into framework agreement and DPS with the other councils for the provision of external print supply from April 2020 until March 2023, with the option to extend for an additional one year period.

## **5 Views of the Policy Development Advisory Group and Outcome of Consultations**

- 5.1 Paper went to Finance & Assets Policy Development Advisory Group on 4 November 2019 whereby the group approved the proposed approach to establish Framework Agreement and Dynamic Purchasing System.
- 5.2 The Director of Corporate Resources is supportive of the approach.

## **6 Other Courses of Action Considered but Rejected**

- 6.1 No other courses of action considered once the approach had been approved by the Policy Development Advisory Group on 4 November 2019.

## **7 Resource Consequences**

- 7.1 There are likely to be some savings made with aggregation of spend with other councils although since work is currently done on an ad hoc and varied basis it would be difficult to quantify at the current time.

## **8 Legal Consequences**

- 8.1 The approach is compliant with the council's Procurement Code and was undertaken by the Council's Shared Procurement Service.

## **9 Risk Assessment**

- 9.1 Low risk of suppliers being unable to supply the council's print requirements but this is mitigated by the number of suppliers who are on the contracts and would be able to supply.

## **10 Other Considerations**

- 10.1 Sustainability has been considered in the tendering process as part of the evaluation criteria and will be a consideration in the setting up of the Dynamic Purchasing System.