

Report to Cabinet

23rd November 2017

By the Cabinet Member for Finance & Assets

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Approval of Multi-Functional Device (MFD) Tender Process

Executive Summary

The purpose of this report is to seek Cabinet to delegate authority to the Director of Corporate Resources to award a contract for the supply and maintenance of the Council's Multi-Functional Devices (MFD) contract. This need arises because the Council is taking part in joint tender process with Crawley Borough Council and Mid Sussex District Councils and it will delay the award if each Cabinet has to make the decision at the end of the process. The contract will also provide the Council with further opportunity to call off additional Services covered under the Managed Print Services Contract at any time during the term of the contract.

Recommendations

The Cabinet is recommended to delegate to the Director of Corporate Resources, in consultation with the Cabinet Member for Finance & Assets, to award the contract for the provision of multi-functional devices after when the joint tender process is complete.

Reasons for Recommendations

In line with the Constitution Cabinet would normally award any contract with a total value over £250,000. Because we are tendering the contract jointly with Crawley Borough Council and Mid Sussex District Council waiting for each Cabinet to make an individual award would lead to an unacceptable delay in the contract award process. Therefore the report recommends a delegation to the Director of Corporate Resources, after speaking to the Cabinet Member for Finance & Assets to avoid this delay.

Background Papers

There are no background papers

Wards affected: The proposal will affect all Wards.

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Background Information

1 Introduction and Background

- 1.1 The current contract for the supply and maintenance of MFDs expired in 2017. The current contract is with Canon and has been in place since 2014. The fleet is operated under a lease basis with the Council not owning any of the devices.
- 1.2 As Horsham District Council, Crawley Borough Council and Mid Sussex Council were considering procurement within similar timescales it was agreed by the shared procurement service that the 3 Councils work together to re-procure this requirement as a Managed Service Contract to limit the risk of fleet ownership and enhance potential cost reduction opportunities. It was agreed by the Shared Procurement Department and the 3 Councils to undertake a joint Mini-Competition exercise under the London Procurement Partnership NHS Framework Agreement for Multi-Functional Devices which is an EU compliant Framework Agreement which the Councils can access with no fees attached. The current providers of the MFD requirement for the 3 Councils are all on the LPP NHS Framework Agreement and will be able to bid for this joint requirement. The benefits of utilising and accessing this Framework Agreement are:
- Free of Charge Audit carried out by an independent supplier to ascertain the number of devices in the 3 Councils fleet and the current click rate for each device. Other Framework Agreements charged for this service.
 - The Framework Agreement has a good blend of suppliers on it. The mix of suppliers range from MFD manufacturers to MFD service focused providers.
 - Additional scope to draw down on additional services under the framework which include: Hybrid Mail, External Print Room Services, Scanning and Documentation Storage.

2 Relevant Council policy

- 2.1 The project supports the Council Policy for Efficiency in facilitating the delivery of great value public services.

3 Details

- 3.1 The process will look to establish a contract for a sole provider to the 3 authorities. The term of the contract will be an initial 4 years with an extension option of a further 4 years subject to the provision of a new fleet of MFDs being provided to the authorities.
- 3.2 The contract will cover the lease, repair, maintenance and provision of consumables for the Councils entire internal print function, it can also provide paper which will offer the Council an alternative from its current arrangement under our Stationery Contract.

- 3.3 We forecast a saving of 2-3% for the first 4 years of the Contract. This saving will be achieved through the greater buying power by the 3 Councils tendering collaboratively which will enable greater economies of scale.
- 3.4 The 3 authorities should they wish to at any stage during the contract lifetime be able draw down on the contract for additional Print Services which include:
- Hybrid Mail
 - External Print Room Services
 - Scanning
 - Documentation Storage

As these additional Services can form part of the Managed Service, VAT would exempt on those Services.

- 3.5 As the total value of this contract, including the potential extension and extra services, would exceed £250,000 award of this contract is a key decision and would normally be made by Cabinet. However when working in partnership waiting for 3 Cabinets to individually award an operational contract, will delay the introduction of the new service and the savings we hope it will achieve. Therefore this report seeks a delegation of the award to ensure all partners can move swiftly to implementation.

4 Next Steps

- 4.1 The Cabinet is requested to approve delegated authority for the award of this contract following a competitive procurement exercise. This will allow the project to be delivered on schedule and to prevent any potential delays and any cost over-runs associated with delays to the mobilisation and implementation of the new service.

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

- 5.1 The Policy Development Advisory Group for Finance & Assets was consulted on 30 October. The Group supported the proposal.
- 5.2 The Council's Monitoring Officer has reviewed and states that there are no implications of this decision.
- 5.3 The section 151 Officer says there are no financial implications of this decision. The let of this contract through a joint procurement should lead to a lower price than Horsham District Council letting separately and savings may be generated to feed into the Council's budgets from 2018/19 onwards.

6 Resource Consequences

- 6.1 There are no staffing consequences as the Council does not employ staff in these services. There may be some financial savings from this let.

7 Legal Consequences

- 7.1 The Framework is underpinned by Terms and Conditions as set out under the LPP NHS Framework, these have been reviewed by legal and approved for use across the three authorities.
- 7.2 Each authority will sign their own contract with the successful bidder which protects each Council should one of the other authorities wish to withdraw from the arrangement over the duration of the Contract.

8 Risk Assessment

The risks and implications for not granting delegated authority to approve the award of the contract following a procurement exercise are:

- Paying higher rates and having reduced contract coverage due to requirement of short-term agreements required to cover the period the Councils are outside of the new contract.
- More resource intense activities to ensure service continuity whilst awaiting migration to new contract.
- Misalignment with the project timetable leading to key milestones within the phasing programme to be missed and causing time and cost overrun.

9 Other Considerations

- 9.1 This report has no effect on Crime & Disorder; Human Rights; Equality & Diversity or Sustainability from this delegation. From the remit of this contract we expect new machines at each refresh to be more energy efficient than their predecessors.