

To: City Executive Board

Date: 1st July 2009

Item No:

Report of: Strategic Procurement & Shared Services Manager

Title of Report: Award of a Framework Contract for the Supply of Print

Summary and Recommendations

Purpose of report: To grant project approval and delegated powers to award to the Chief Executive, for the supply of Print to Oxford City Council

Key decision? No

Executive lead member: Councillor Van Nooijen

Report approved by: Chief Executive Peter Sloman

Finance: Chris Kaye
Legal: Lindsay Cane

Policy Framework: Oxford City Council Corporate Plan:
Be an effective and responsive organisation,
providing value for money services.

Recommendation(s):

- 1) To grant project approval for the supply of print to Oxford City Council**
- 2) To delegate, to the Chief Executive, the authority to award the Framework Agreement for the supply of print to Oxford City Council**
- 3) To agree that the Agreement should be for 3 years commencing on 1st September 2009 with an option to extend the contract by up to 1 further year.**

1 Background

- 1.1 Oxford City Council currently spends approximately £180,000 a year on print and has had a contract in place with a single print supplier since 2003.
- 1.2 The original contract, which enabled officers to order print (particularly stationery, business cards, headed paper and repeat forms) on-line, produced financial savings resulting from fixed pricing. It also resulted in the supplier printing items in bulk and holding stock so that items were called off and then delivered as needed therefore saving storage space.
- 1.3 This contract was re-tendered last year but resulted in no award of contract for two reasons:
 - The inability to achieve savings based on the new prices submitted
 - The lack of local suppliers expressing an interest in the contract
- 1.4 Following a pre-exit meeting with the Council's existing supplier, the monitoring officer was informed that the supplier has made no margin of profit on the contract for the past year and will not be expressing an interest in the re-tender.
- 1.5 During their collaborative work with the other District Councils in Oxford, the Procurement Team discovered that Cherwell District Council also has a need to put a print contract in place. It was agreed that Oxford City Council lead on the procurement to put in place a Framework Agreement (agreements with multiple suppliers) for the supply of print. South Oxfordshire, The Vale of White Horse and West Oxfordshire District Councils have also been named on the advert and are very likely to use the Agreement.

2 Tender Process

- 2.1 The Procurement Support Officer invited 66 locally based printers to attend the Meet the Buyer Event on 2nd April. At the event the printers were able to discuss the printing requirements with both Oxford City Council and Cherwell District Council Officers. A further invitation to a tendering workshop was extended to the printers.
- 2.2 A tendering workshop was held on the 27th April 2009 at which 44 locally based printers attended.
- 2.3 As specified in 1.1, the value of the contract meant that an advertisement was placed in the Official Journal of the European Union, local, trade press and on the Council's website.
- 2.4 The evaluation panel is made up of officers from the Procurement Team, Transformation Unit (Copier Supervisor) and Communications

Team. These officers are also marking the tenders and will agree on the award recommendation.

2.5 The evaluation panel have determined the relevant financial and technical evaluation criteria that will provide the most economically advantageous contract, with 40% of marks being awarded for the pricing offer and 60% of marks awarded for evidence of quality. Suppliers must demonstrate that they are technically and operationally competent and able to meet the specification.

2.6 Timetable for this procurement:

- Tenders returned by 10th July 2009
- Evaluation short-listing completed by 27th July 2009
- Contractor interviews to be held on 6th and 7th August 2009
- Framework Agreement awarded on 22nd August 2009
- 23rd August, contract implementation commences

3 Other Options

3.1 The Constitution and Procurement Strategy advises that City Executive Board considers what other options are available before giving major project approval and awarding a contract over 100K. These are detailed below.

3.2 Continue as we are

If we continue with the current service, the contract threshold value, as specified by the European Procurement Law, will be exceeded therefore putting the Council in breach of Procurement regulations.

3.3 Use a contract set up by another organisation

The only other available contract is with Oxfordshire County Council; they are currently re-tendering and cannot meet our required timescales for having the contract in place.

3.4 Spot Buying

Purchase print through spot buying and obtaining quotes for each order. This would not comply with EU regulations and would be seen as artificially reducing the Council's spend to avoid the EU process. It would also not benefit a collaborative approach with the other districts.

4 Benefits of the Contract

4.1 Although we cannot pre-empt the procurement process, it is likely that there will be a number of local printers that are successful in being placed on the framework. It is hoped that placing the Council's print requirements locally will:

- Help boost the local printing economy and contribute towards the retention of local jobs.
 - Contribute towards the Council's Corporate Priority of reducing the overall carbon footprint of the Council (printed material has fewer miles to travel).
 - Encourage other local suppliers to apply for contracts with Oxford City Council.
- 4.2 It is anticipated that by putting in place this Framework Agreement small savings may be generated (possibly less than 1% on our current spend). The officers involved in this contract feel that the efficiencies have already been made during the current contract (please refer to 1.4). If the Council aims for any increase on these savings then the suppliers may not be able to sustain their margins in the current economic climate.
- 4.3 The contract-monitoring officer is determined to reduce further the cost of the Council's printing by working with officers to deliver additional training in the buying of print and even to consider whether there are cases where we should not print, but look at alternative methods of publication. The tender documentation communicates the aim to reduce spend and has asked all tenderers to submit their proposals for working with officers to achieve this.
- 4.4 By putting in place a Framework Agreement, the Council is seeking to increase the competitiveness in the marketplace and, in tandem with the suggestion in 4.3, may help the Council achieve the 1% savings.

5 Financial Implications

- 5.1 The buying of print is an ongoing and funded element of managers' budgets and therefore represents no financial implication to the Council.

6. Legal Implications

- 6.1 This contract has been tendered in accordance with the EU procurement regime. It therefore complies with both the Council's own procurement requirements and external regulation.

7. Environmental Impact

- 7.1 The tender documentation is weighted quite heavily against these criteria, and asks for detailed information regarding use of paper, inks and other essential materials. It is a common aim amongst all the participating councils that there will be at least one local environmentally focused printer placed on the framework.

7.2 As mentioned in 4.1, having local printers on the framework will help further reduce the Council's carbon footprint.

8. Equalities Impact

8.1 The Communications Team are continually reviewing the Council's need to produce clear, accessible, plain and concise publications. This imperative is communicated throughout the tender specification. The Monitoring Officer will also be able to draw on the Suppliers' experience in delivering similar publications.

9. Risk

9.1 There are no high risks associated with putting this contract in place. There is, however, a moderate risk that this contract will not achieve the 1% savings expected from most procurement exercises. There is also a low risk associated with this tender. As the Council is moving from a single supplier to dealing with multiple suppliers, this may make the contract more complex to manage. This risk will be mitigated by arranging contract management training for the Supervising Officer and by the Procurement Team offering extra support during the first 6 months. Please refer to Appendix 1 for more detail on the risks.

10. Recommendations

10.1 That the City Executive Board agrees:

- 1. To grant project approval for the supply of Print to Oxford City Council.**
- 2. To delegate, to the Chief Executive, the authority to award the Framework Agreement for the supply of print to Oxford City Council.**
- 3. To the Framework Agreement being for 3 years commencing on 1st August 2009 with an option to extend the contract by 1 further year.**

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List of background papers: None

Version number: 2

APPENDIX 1 CEB REPORT RISK REGISTER

Risk Score **Impact Score:** 1=insignificant; 2=Minor; 3=Moderate; 4=Major; 5=Catastrophic **Probability Score:** 1=Rare; 2=Unlikely; 3=Possible; 4=Likely; 5=Almost Certain

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid	Monitoring Effectiveness				Current Risk		
		I	P			I	P		Q	Q	Q	Q	I	P	
1.	Poor contract management as a result of moving from managing a contract with a single supplier to one with multiple suppliers (Transform Oxford City Council by improving value for money and service performance)	2	3	Decision to put in place a framework agreement to help achieve a more competitive market, boost the local economy and give Councils greater choice.	Mitigating Control: Provide contract management training to the Monitoring Officer and for the Procurement Team to provide extra support for the first 6 months. Level of Effectiveness (HML) H	1	2	Action: Provision of support & contract management training Action Owner: Procurement Team	Outcome required: Training delivered Milestone date: Prior to the start of the contract	☺	☺	☺	☺	1	1
2.	Print contract does not deliver savings (Transform Oxford City Council by improving value for money and service performance)	3	3	Efficiencies and financial savings have already been achieved within the current contract. Any savings will be marginal.	Mitigating Control: Create a large framework of suppliers to maximise any savings Level of Effectiveness: M	2	2	Action: Quarterly contract review Owner: Procurement / Communications Team	Outcome required: Fruitful supplier relationships & competitive pricing Milestone date: By end of 2 nd quarter	☺	☺	☺	☺	2	2