

To: Cabinet
Date: 9 July 2025
Report of: Director of Communities and Citizen Services
Title of Report: **Project Approval and Delegated Authority to award a Hybrid Print and Post Contract**

Summary and recommendations	
Decision being taken:	To commence procurement of a contract for postage and printing of council correspondence, and to delegate approval to award the contract to Deputy Chief Executive, Citizen & City Services
Key decision:	Yes. Issue details - Post/Print Contract Re-Tender Oxford City Council
Cabinet Member:	Councillor Nigel Chapman, Citizen Focused Services and Council Companies.
Corporate Priority:	None.
Policy Framework:	None.

Recommendation(s): That Cabinet resolves to:
<ol style="list-style-type: none"> Give project approval for the procurement of a hybrid print and post contract for a term of four years to replace the existing contract, which expires on 31st October 2025; and Delegate authority to the Deputy Chief Executive of City and Citizen Services to take any decisions and actions required to award a contract for the supply of a hybrid print and post solution for the Council.

Information Exempt From Publication	
State in here what information is to be exempt from publication – where it is, attach it as an appendix and name the	None

appendix as you
describe it here

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1	Hybrid print and post risk register	No
Appendix 2	Equalities impact assessment	No
Appendix 3	Data protection impact assessment	No

Introduction and background

1. The Council has an existing contract for outbound hybrid postal services with PSL Print Management Ltd (PSL). The contract was awarded in 2020 and is due to expire on 31st of October 2025.
2. A hybrid mail contract reduces the burden on the Council for the preparation, management, delivery, and cost associated with outgoing mail. The Council can send electronic files of mail, which are then printed onto agreed templates. Council Tax bills are one such example. Individual users can send files using standard functionality within software such as Microsoft Word. Hybrid mail providers benefit from economies of scale. They can provide automated printing, packaging and distribution, whilst attracting the cheapest mail distribution prices.
3. Since the move to hybrid working for council staff, many council officers now work remotely, resulting in the need to consider alternative methods of processing mail. Remote working will remain a key feature of how the Council operates and so a solution to enable staff access to mail documents is crucial to business operations moving forward.
4. Where paper correspondence is unable to be delivered via the PSL contract, the Council maintains a reduced, but traditional in-house postal service for outbound mail. The reasons for this continued service are where the supplier may have a system outage or an urgent postal despatch is required and the time to transmit, prepare and deliver via the contract would take too long.
5. In addition, the Council must maintain a mail solution for items such as the issue of reminder notices and summonses where the Council holds an unconfirmed email address as these are not able to be sent electronically. This is a requirement for both our Financial and Regulatory Services. In addition, citizens may require physical post through reasons of accessibility or preference.

6. Inbound correspondence enters the Council's operating systems both physically and electronically. There is complexity and risk in the processing of inbound post. When considering the external market, there are limited suppliers. For these reasons, inbound post will be excluded from this procurement. This procurement will focus on outbound mail.
7. Consideration has been given to ascertain if the Council can bring this contract in-house to deliver the same standard of operation, at a reduced cost compared to the current contract. This has proved not to be a viable option as it would require investment in both new resource and machinery infrastructure to service and deliver the required volumes of post on a daily, quarterly, and annual basis. Additionally, the Council is unable to provide the Royal Mail with post of a 'sorted' status and would therefore attract a higher postage price per item.
8. The allocated budget for post and print services (for 2025/2026) is £216,040 of which a budget of £63,440 specifically relates to contract (bulk) printing.

Contract Requirements

9. A new contract will need to address the following business needs:
 - Remote and hybrid working: allowing staff to generate ad-hoc correspondence via Hybrid mail. The correspondence must be securely transferred to the mailing company for postage.
 - Daily posting of all Council Tax, Benefit letters and Business Rates bills. This is approximately 1,000 items per day.
 - Quarterly postage of circa 10,000 Rent Statements for Housing tenancies, garages, and leaseholders.
 - Bulk postings, such as a specific Notice that needs to be delivered by post; an example being Summonses for the Magistrates Court due to non-payment of Council Tax and Business Rates.
 - Annual Billing process of 63,500 Council Tax demands, 4,500 Business Rates demands, 10,000 Benefit award letters, 10,000 rent increase letters. In addition to these numbers are both Business Rates and Council Tax reminders.
 - The above paper correspondence equates to 300,000 letters on average per annum.
10. Subject to legal advice, the contract may also be made available to ODS Ltd and Oxford City Housing Ltd if required. The ability of these companies to benefit from the contract will depend on the legal structure of the procurement and contract.

Channel shift

11. The Council is seeking to reduce costs though channel shift to digital methods wherever possible and appropriate to citizen needs. The Council has invested in two citizen-facing portals (one for Revenues & Benefits enquiries, and one for our tenants), where the aim is to make correspondence available to view directly from the individual's account. Further to this, hybrid mail providers offer digital distribution solutions using either or both SMS messaging and email.

12. The procurement and award of a contract must include additional digital options such as those set out below:

- An SMS message is sent to the recipient, asking for evidence to be provided, make a payment or to contact a council officer.
- An SMS text, which provides a secure link to the Council website and publications. These texts allow graphics to be held, so that Council branding could be applied to reassure the public that this is an authentic text being sent to them.
- An email where letters can be attached and still provide data security with secondary passwords required to open the attachment (as used by the NHS).
- A digital email, which provides a secure link to the Council website and publications. These emails allow graphics to be held, so that Council branding could be applied to reassure the public that this is an authentic email being sent to them.

13. These digital methods maintain a time-based control where should the document not be collected digitally, it will be printed and distributed through hardcopy post. Utilising these distribution methods would further reduce expenditure.

14. All digital methods considered would be used where the citizen had expressed a preference for this method, and it constitutes legal service to do so. Traditional postal methods would be used to address legal requirement, citizen preference or accessibility needs.

Procurement process

15. The previous contract was awarded via the Crown Commercial Services framework RM6017, Lot 7. This framework has a maximum award period of four years which has now expired.

16. Working with Procurement Services, the project has determined that a standalone tender process rather than a framework award is the appropriate route to market for the following reasons:

- The Crown Commercial Services framework RM6017, Lot 7 contains sixteen suppliers of Hybrid Mail solutions. The majority of these did not bid on the Council's previous tender process in 2020.
- The framework does not include several of the eight suppliers who attended the soft market testing exercise conducted in April 2025. The purpose of the market testing was to understand what outbound postal service offers are currently available and to understand how digital functionality has progressed and could be leveraged by the Council.
- A tender process would ensure visibility to Small and Medium Sized Enterprises (SMEs), supporting the government's aspiration for £1 in every £3 to be spent with SMEs.

17. A high-level timetable for the project is shown below:

Stage	Milestone Date
Market Engagement	April 2025
Cabinet Sign Off	9 th July 2025
Publish Tender	16 th July 2025
Agree preferred supplier	31 st Aug 2025
Request authority to award	7 th Sep 2025
Contract award	14 th Sep 2025
Implementation by	1 st Nov 2025
Contract term – 4 years	31 Oct 2029

Financial implications

18. The allocated budget for post and print services (for 2025/2026) distributed across all service areas is £216,040 of which a budget of £63,440 specifically relates to contract (bulk) printing.

Legal issues

19. Under Parts 18.12 and 4.5 (10) of the Constitution, Cabinet is responsible for giving Project Approval for programmes and projects which are valued at £750,000 and over.
20. Under Part 4.5 (11) of the Constitution Cabinet is responsible for the decision to award contracts over £750,000 and under section 9E (3) (c) of the Local Government Act 2000 can delegate its functions to officers.
21. Due to the contract's anticipated value its procurement and award are subject to the Procurement Act 2023. The procurement must also comply with the Council's Constitution. Any decision to award a contract of £750,000 or greater will be a Key Decision and will need to comply with the procedure for taking Key Decision set out in the Council's Constitution.
22. Due to the value and complexity of the contract officers need to instruct legal services to advise on the procurement and draft a suitable form of contract.

Level of risk

23. A Risk Register is attached at Appendix 1. Add any detailed discussion here.

Equalities impact

24. An Equalities impact assessment has been completed for this project. The key areas for consideration relate to both paper and digital correspondence as follows:
- The tender specification will ensure visual impairments are considered and provide hardcopy options for large print and braille.
 - The tender specification will ensure citizen correspondence preferences are accounted for to avoid any form of digital exclusion.

Data Protection impact

25. A Data protection impact assessment has been drafted for this project and is based on the existing (and concluding) contractual arrangement. A definitive version will be produced once the tender process has been completed and the preferred supplier's capabilities are understood.

Carbon and Environmental Considerations

26. The choice to use a hybrid mail provider, to promote the use of online portals, and to work towards the digital distribution of correspondence, whenever possible and appropriate is expected to reduce our carbon footprint and environmental impact. By exploring the use of digital correspondence through this project and any contract awarded, the Council will minimise the need for paper, printing, and physical delivery, thereby conserving natural resources and reducing greenhouse gas emissions associated with traditional mail services. Continued use of this facility and increase of digital communication channels aligns with the Council's commitment to sustainability and supports its broader environmental goals.

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Background Papers:	
1	None
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