

## **Cabinet – 24 October 2018**

### **Contract Award – Multi Functional Printing Devices, Production Printing Devices and Associated Software**

**Portfolio:** Councillor A Harris, Personnel and Business Support

**Related portfolios:** Councillor M A Bird, Leader of the Council

**Service:** Resources & Transformation  
Information, Communications and Technology

**Wards:** None

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary**

- 1.1 This report should be read in conjunction with the private report – Contract Award – Multi Functional Printing Devices, Production Printing Devices and Associated Software Report, to be considered by Cabinet on this Agenda.
- 1.2 The Council's current contract for the supply of multi-functional devices is due to expire on 31 December 2018. In order to ensure service continuity it is necessary to have a replacement contract in place prior to this date so as to allow sufficient time to retire old devices and implement new devices.
- 1.3 This is a key decision because it exceeds the threshold for significant expenditure.
- 1.4 Awarding the proposed contract will give the Council a secure and stable environment for printing hard copy documentation when it is required.
- 1.5 The print management software which is also part of this contract will support the Council's digital strategy.
- 1.6 The proposed contract is for a 5 year term and will accommodate for flexibility and change as and when it is required; for example relocating devices when buildings close or amalgamate and returning a % of devices which are no longer required without penalty.

#### **2. Recommendations**

- 2.1 That following consideration of the confidential report in the private session of the agenda Cabinet approves the award a 5 year contract, with an associated value in the region of £1.6 million, to Konica Minolta, for the leased supply of

multifunctional printing devices, production printing devices and associated printing software.

- 2.2 That Cabinet delegate authority to the Executive Director Resources and Transformation to enter in to subsequent lease agreements which may be taken out under this contract and to subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents.

### **3. Report detail**

- 3.1 The Council have used Konica Minolta multi-functional devices and secure print software for the past 5 years. The previous contract was awarded against a Crown Commercial Services Framework for a 4 year term with a 1 year extension period. The current contract is in its extension period and will expire on 31 December 2018.
- 3.2 The current contract included 133 corporate devices and 4 devices within Print & Design. Each device is subject to a separate Leasing Agreement. Of the 133 corporate devices 14 have already had their leases terminated, leaving an operational total of 119 corporate devices and 4 devices in Print & Design.
- 3.3 In April 2018, ICT engaged with Procurement to establish the most appropriate procurement route to enter into a new contractual arrangement. ICT and Print & Design defined the Council's printing requirements and Procurement advised on the most appropriate procurement route to meet the specified requirements.
- 3.3 Whilst the majority of leases expire on 31 December 2018, however there were 30 corporate devices and 4 devices in Print and Design, which had leases expiring on 30 June 2018 and 31 August 2018 respectively. An audit of the devices was undertaken by ICT in order to identify the immediate replacement requirements for those devices that expired in June and August 2018. The audit concluded that 30 corporate devices should be replaced with 24 devices and that the number and type of devices in Print and Design should be increased and enhanced with additional functionality to support the Council's digital transformation.
- 3.4 Benchmarking was undertaken in consultation with Procurement, to establish the most cost effective, compliant contractual route to address the immediate requirements, pending a subsequent Cabinet Report to seek approval for the award of a longer-term, higher value contract.
- 3.5 Crescent Purchasing Consortium provides independent consultancy services and independent benchmarking against the suppliers on their framework. Benchmarking was undertaken against suppliers on the framework, who were able to meet the Council's requirements. The benchmarking exercise demonstrated that Konica Minolta would deliver best value on the grounds that not only were Konica Minolta the most cost effective supplier on the framework the new framework pricing would reduce the Council's printing costs by approximately 10%. Due to commercial sensitivity further details of the benchmarking information is included in the private agenda report.

- 3.6 On the basis of identified need and benchmarking information, in accordance with Procurement advice and Contract Rules, approval was sought from the Executive Director Resources and Transformation, to utilise Crescent Purchasing Consortium 'CPC' Framework and award a contract to Konica Minolta, in order to ensure continuity of service and replacements for those devices that were expiring in June and August 2018. Due to commercial sensitivity further details of the benchmarking information is included in the private agenda report.

The corporate devices were installed seamlessly over a 3 day period (02 July – 04 July 2018); and the devices in Print & Design were replaced during August 2018.

- 3.7 Following the successful procurement and installation of “phase 1” devices a similar exercise to address the remaining corporate devices was undertaken during August 2018; the audit concluded that the remaining 89 corporate devices could be replaced by 83 devices again using a phased approach which may result in further reductions in device numbers as the replacement programme progresses.
- 3.8 Following the proven process used for phase 1, ICT defined the Council’s printing requirements and Procurement engaged with the facilitators of the Crescent Purchasing Consortium framework to obtain independent consultancy and benchmarking.
- 3.9 The benchmarking provided by Crescent Purchasing Consortium demonstrated that that Konica Minolta would deliver best value. Due to commercial sensitivity a breakdown of the contract costs is included in the private agenda report

#### **4. Council Corporate Plan priorities**

The production of documentation and paperwork is an integral part of the Council’s daily activities although the Print Strategy and Digital Strategy will reduce the amount of printed material in the future.

Delivery of the Council’s corporate plan and priorities will have dependencies on the Council’s service areas being able to produce professional hard copy documentation; the full implementation of this contract will enable service area to continue to deliver their excellent services.

#### **5. Risk management**

All activity undertaken throughout this project has been in line with Council procedures and other external legislation and regulations therefore all risk has been minimised.

#### **6. Financial implications**

There are no additional revenue implications for the new contract; budgets are in place for the existing devices and these will be sufficient for the new devices.

Overall the new contract will realise a saving for the Council; this saving will be achieved by:

- (a) Reducing the number of devices
- (b) Reducing the click charges on corporate devices
- (c) Reducing the click charges on the print room devices.

Further economies can be achieved with the implementation of the Council's print and digital strategies – for example prints over 20 pages should be printed by Print and Design as the click charges for the production printing devices is lower than the corporate devices and further savings could be achieved by turning off colour capability across the corporate devices.

Due to commercial sensitivity further details of the way in which savings may be achieved is included in the private agenda report.

## **7. Legal implications**

The Council will be entering into a contract with standard framework terms and conditions which cannot be varied. Procurement advised that the Council can use the framework and ICT were satisfied that the framework providers and services available are fit purpose.

The procurement exercise which the Council has carried out in accordance with the requirements of the Public Contracts Regulations 2015 and the Council's Contract Rules. Services will be evidenced by a written contract under the terms of the relevant framework, which will be agreed by the Head of Legal and Democratic Services and shall be made and executed in accordance with the Council's Contract Rules.

## **8. Procurement implications/Social Value**

Under normal circumstances a retender exercise would be completed to establish new contracting arrangements following the expiry of the existing contract.

In this instance the introduction of a new supplier for the Council's printing function would introduce the following **additional costs**, thereby limiting the Council's ability to achieve 'Best Value':

- (a) Resources to implement a new print solution and devices approximately £60,000
- (b) Purchasing a new print management solution approximately £30,000

Having demonstrated that savings can be achieved by remaining with the current supplier (Konica Minolta) and additional costs (detailed above) could be avoided, ICT worked with the Procurement Team to establish a compliant route to market, whereby a direct award to the existing supplier can be facilitated.

The commercial advantages of using a compliant framework agreement are the reduced timescales of procurement procedures, flexibility and the increased purchasing power to potentially realise greater savings.

One option the Council considered is using the Crown Commercial Service Framework Agreement RM3781 however, this would have to be facilitated via a mini-competition utilising the Council's own resources and scarce expertise in this field so this option was therefore discounted.

Crescent Purchasing Consortium (CPC) facilitates a framework agreement to purchase Multifunctional Devices and Associated Print Services and Supplies with the option to direct award. Public sector entities are permitted to use this framework which also provides free unbiased consultancy benchmarking services.

8.1 The proposed award of contract is compliant with the Public Contract Regulations 2015 and the Council's Contract Rules.

8.2 Input has been sought from Procurement, as required to ensure the conduct of compliant procurement process.

## **9. Property implications**

There are no direct property implications however it should be noted that the new contract allows for a 10% reduction in devices so should building closures happen up to 10 devices can be returned and the leases terminated without penalty.

## **10. Health and wellbeing implications**

There are no direct health and wellbeing implications arising from this report.

## **11. Staffing implications**

There are no staffing implications; the project will be delivered using existing resources.

Because the equipment being installed is very similar to the equipment being decommissioned there is very little impact upon the end users experience.

## **12. Reducing inequalities**

Through liaison with the Consultation and Equalities team, the feedback is that an Equalities Impact Assessment is not required.

## **13. Consultation**

External consultation has not been undertaken as the use of these devices remains within the Council and has no impact upon the Council's delivery of services to citizens.

## Background papers

Private Report – Award a Contract for Multifunctional Devices

Private Report - Recommendation to Award a Contract Report (May 2018)

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James Walsh  
Executive Director

24 October 2018



Councillor M A Bird  
Leader of the Council and  
Portfolio holder

24 October 2018



Councillor A Harris  
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