

## **Cabinet – 17 April 2024**

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

**Portfolio:** Councillor Ferguson – Internal Services

**Related portfolios:** None

**Service:** Resources & Transformation  
Transformation & Digital, Digital and Technology Services

**Wards:** None

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Aim**

1.1 To ensure that the Council can continue to deliver its services using both digital and hard copy records.

#### **2. Summary**

2.1. 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.

2.2. The Council's current contract for the supply of multi-functional devices, production print devices and secure print software is due to expire on 30 July 2024. To ensure service continuity, it is necessary to have a replacement contract in place prior to this date to allow sufficient time to retire old devices and implement new devices.

2.3. This is a key decision because it exceeds the threshold for significant expenditure.

2.4. Awarding the proposed contract will give the Council a secure and stable environment for printing hard copy documentation when it is required and scanning digital records.

2.5. The print management software which is also part of this contract will support the Council's digital strategy.

2.6. 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 percentage of devices which are no longer required without penalty.

### **3. Recommendations**

- 3.1. 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 Business Solutions (UK) Ltd, for the leased supply of multifunctional printing devices, production printing devices and associated printing software.
- 3.2. That Cabinet delegate authority to the Executive Director Resources to enter into 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.
- 3.3. That Cabinet delegate authority to the Executive Director Resources to vary the contract/leases during the contractual period to ensure the Council continues to achieve value for money and the service continue to meet the corporate priorities.

### **4. Report detail - know**

#### ***Context***

- 4.1 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 Crescent Purchasing Consortium Framework for a 5-year term. Due to the pandemic, the devices were underutilised, and the contract was subsequently extended for a further 12-month period until end July 2024.
- 4.2 The current contract includes 92 corporate devices (Fleet) and 7 devices within Print & Design (Production). Each device is subject to a separate Leasing Agreement; whilst extending the existing contract for a further 12 months the opportunity was taken to co-terminate the individual leases into 3 common end dates.
- 4.3 In June 2023, after extending the existing contract, DaTS engaged with Procurement to establish the most appropriate procurement route to enter a new contractual arrangement in readiness to start replacing the existing devices and services during July 2024.
- 4.4 DaTS and Print & Design defined the Council's printing, copying, and scanning requirements and Procurement advised on the most appropriate procurement route to meet the specified requirements. Third Party Spend Board approved the selected route to Market on 8 November 2023.
- 4.5 Crescent Purchasing Consortium were selected to provide an independent consultancy and benchmarking service. Benchmarking was undertaken

against all suppliers on the framework, who were able to meet the Council's requirements.

- 4.6 The benchmarking provided by Crescent Purchasing Consortium demonstrated that that out of the 5 suppliers on the Framework, Konica Minolta would deliver best value. Due to commercial sensitivity a comparison of supplier costs and a breakdown of the contract costs is included in the private agenda report.

### ***Council Plan priorities***

- 4.7 The need to scan, copy and print documentation is an integral part of the Council's daily activities; the introduction of electronic document and records management will see the requirement for "hard copy" decline but the need to digitise paper records will increase.
- 4.8 Delivery of the Council Plan and priorities depends on the Council's service areas being able to produce professional hard copy and digital documentation; the full implementation of this contract will enable service area to continue to deliver their excellent services.

### ***Risk management***

- 4.9 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.

### ***Financial implications***

- 4.10 There are no additional revenue implications for the new contract; budget is in place for the existing contract, and this will be sufficient for the new contract; the increase in lease charges has been mitigated by:
- a. Reducing the number of devices down to 73 (Fleet) and 6 (Production)
  - b. Reduction in the page printing costs (the click charges)
- 4.11 Further economies could be achieved by changing working practices, for example prints over 20 pages could be routed to Print and Design as the click charges for the Production devices is lower than the Fleet devices and further savings could be achieved by turning off colour capability across the corporate devices; however, it should be recognised that these measures may not be practical for service users and could give rise to inefficiencies elsewhere – i.e. timely production of printed material, collection and distribution.

### ***Legal implications***

- 4.12 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 DaTS were satisfied that the framework providers and services available are fit purpose.

- 4.13 The procurement exercise which the Council has carried out in accordance with the requirements of the Public Contracts Regulations 2015. 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.

#### ***Procurement Implications/Social Value***

- 4.14 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 savings.
- 4.15 One option the Council considered was using the Crown Commercial Service Framework Agreement RM6174 (Multi-functional Devices, Print & Digital Workflow Software Services and Managed Print Service Provision) however, this would have to be facilitated via a mini-competition utilising the Council's own resources; this option was therefore discounted.
- 4.16 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.
- 4.17 The proposed award of contract is compliant with the Public Contract Regulations 2015 and the Council's Contract Rules.
- 4.18 Input has been sought from Procurement, as required to ensure the conduct of compliant procurement process.

#### ***Property implications***

- 4.19 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 7 devices can be returned and the leases terminated without penalty.

#### ***Health and wellbeing implications***

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

#### ***Reducing Inequalities***

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

#### ***Staffing implications***

- 4.22 There are no staffing implications; the project will be delivered using existing resources.
- 4.23 Because the equipment being installed is very similar to the equipment being decommissioned there is very little impact upon the end users experience.

### **Consultation**

- 4.24 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.

## **5. Decide**

- 5.1 The following options were considered prior to undertaking the tendering process:

	<b>Benefits</b>	<b>Risks</b>
<b>Option 1:</b> Extend current leases	None	MFDs are end of life therefore supplier is unable to support them
<b>Option 2:</b> “Buy out” current leases	There would be no quarterly rental costs to pay (click charges would still be payable)	MFDs are end of life therefore supplier is unable to support them
<b>Option 3:</b> Remove all MFDs	Lease and printing costs would be saved	Services would be unable to operate without the ability to Scan and Print
<b>Option 4:</b> Tender to lease new devices	New contract gives opportunity to reduce devices.  Services can continue to operate.	None.

- 5.2 After considering these options at Third Party Spend Board option 4 was endorsed; all procurement activity has been in line with Council procedures and other external legislation and regulations.

## **6. Respond**

- 6.1 Subject to approval of the recommendation, DaTS will continue to work with Procurement and Legal Services to ensure that the contract and subsequent lease agreements are appropriately authorised.

6.2 A project team will manage the device replacement cycle ensuring that there is minimum “downtime” for each site, returning old equipment and updating inventory systems.

## 7. Review

7.1 The contract will be reviewed via quarterly supplier contract management meetings.

## Appendices

None

## Background papers

None

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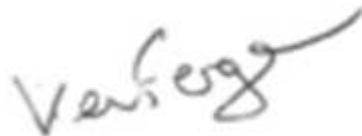
Signed



**Judith Greenhalgh**  
**Executive Director – Resources & Transformation**

17 April 2024

Signed



**Councillor K Ferguson**  
**Portfolio Holder – Internal Services**

17 April 2024