

CABINET

10 November 2015

Title: Print and Design Services for Council Marketing and Information Material	
Report of the Leader of the Council	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
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Accountable Divisional Director: Marina Pirota, Head of Communications	
Accountable Director: Chris Naylor, Chief Executive	
Summary: <p>The Council produces a wide range of publications, official administrative forms and marketing materials for the borough, using design and print services. At present design and print is procured via a framework agreement to take advantage of economies of scale and to guarantee best value.</p> <p>The Council has taken a great deal of steps to reduce the amount spent on design and print each year. Measures include creating templates for staff to produce low-level marketing materials in-house and advising on the best ways to keep print costs to a minimum as well as ensuring that cost effective design and print is sourced for larger campaigns and publications, where applicable.</p> <p>In order to maintain our requirement to ensure the ongoing provision of design and print for the borough, this report seeks approval to collaboratively tender the Council's requirement for both the Print and Design Services as a multi-lot framework agreement commencing on 1 April 2016. Total framework value is approximately £1m, compliant with European Procurement Regulations, including and complementing the existing design and print facilities available within the Council.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Agree that the Council proceeds with the procurement of design and print services, delivered through an EU compliant framework agreement commencing on 1 April 2016, in line with the strategy set out in the report;(ii) Indicate whether Cabinet wishes to be further informed or consulted on the progress of the procurement and /or the award of the contract; and(iii) Delegate authority to the Strategic Director for Finance and Investment, in	

consultation with the Leader of the Council and the Head of Legal and Democratic Services, to award and enter into the framework agreement with the successful bidders in accordance with the strategy set out in the report.

Reason(s)

The main reasons to approve the recommendations are:

1. There is an ongoing requirement for Print and Design and to allow existing agreements to lapse without a replacement would affect the productivity of the Marketing Department and the Council overall.
2. Efficiencies could be realised by competitively tendering both Print and Design requirement together. This could yield a likely cost reduction, generate operational efficiencies in the delivery of the service (the same supplier(s) maybe providing both services) and minimise the required resources internally to deliver a compliant new procurement.
3. It will support the Digital shift direction of the Council as new requirements will be incorporated into the new service and contractual documentation.

1. Introduction and Background

- 1.1 The Council currently has two related, but separate contracts in place, for the provision of:
 - a) Printing Services for marketing and information purposes, this expired 12th July 2015 but has now been extended until 31st March 2016;
 - b) Design of marketing materials and information, which expires 31 March 2016.
- 1.2 Each of these contracts has multiple suppliers and the allocation of work within the contract is allocated on the basis of a mini-competition subject to capacity, ability, performance and turnaround requirements on a case-by-case basis.
- 1.3 For the period 1 July 2013 to 30 June 2014, five suppliers for Print services were used. A total of 214 invoices were raised and total expenditure was £165,932.64, giving an average price per invoice of £775.
- 1.4 For Design services over the same period (1 July 2013 to 30 June 2014), five suppliers raised 91 invoices for a total of £80,466.30, equating to an average of £885 per invoice. (Note: where invoices covered both Design and Print services, an allocation of 62.5% Print and 37.5% Design has been applied).
- 1.5 Total spend for July 2013 to June 2014 was £246,398.94, giving an average invoice value of £808.
- 1.6 There are no set prices for design and no two jobs are like. As a result, spend may exceed the estimated cost above based upon demand.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured.

The proposal is that Design and Print services are competed at the same time as a combined service framework in an OJEU compliant process, whereby potential providers can bid for one or both of the services. A competitive tender route is deemed as the most appropriate way forward to procure a service provider to ensure value for money for the Council. In accordance with the councils contract procedure rules this opportunity will be advertised on the councils e-tendering system and website and any other viable means.

The service specification will broadly include:

- a. The design of all necessary out-sourced marketing campaign and project information for the whole council, including but not limited to posters, banners, flyers, logos, booklets, etc, in a timely and quality fashion that is appropriate for the target market. Final client sign off of all designs will be required.
- b. Print of all information including delivery in a timely fashion, which may include mailshots, delivery to site, holding of call off stock, and any and all other requirements. This will include print and delivery on a wide number of stock items, and sizes, sometimes in short timescales.

Combination of both requirements as and when required into a complete Design and Print process in a cost effective, quality manner.

2.2 Estimated Contract Value, including the value of any uplift or extension period.

New Print and Design Framework - £1m over four years – estimated cost of £250,000 per annum.

2.3 Duration of the contract, including any options for extension.

The new proposed Print and Design framework would commence on 1st April 2016 for four years (3 years plus one additional year) ending on 31st March 2020.

2.4 Is the contract subject to the (EU) Public Contracts Regulations 2015? If Yes and contract is for services, are they subject to the Light Touch Regime?

The full contract value of the new Print and Design Framework due to commence on 1 April 2016 exceeds the threshold and will therefore have to be advertised in OJEU to be compliant with legislation and regulations but is not subject to the Light Touch Regime.

2.5 Recommended procurement procedure and reasons for the recommendation.

Open Procurement Process. This option is deemed to be the most appropriate option and will give the Council the best value for money. It will allow open competition amongst all qualified and interested bidders, including any local

suppliers who should be able to respond rapidly to non-digitalised requirements with challenging timescales if necessary.

2.6 The contract delivery methodology and documentation to be adopted.

A contract utilising LBB standard terms and conditions will be used and the contract will be managed by the Marketing Team. By submitting a Tender, Tenderers are agreeing to be bound by the terms of the ITT and the Contract without further negotiation or amendment.

If the terms of the Contract render the proposals in the Tenderer's Tender unworkable, the Tenderer should submit a clarification and the Council will consider whether any amendment to the Contract is required. Any amendments shall be published through the Clarifications Log on Bravo (e-tendering system) and shall apply to all Tenderers. Where both the amendment and the original drafting are acceptable and workable to the Council, the Council shall publish the amendment as an alternative to the original drafting. Tenderers should indicate if they prefer the amendment; otherwise the original drafting shall apply. Any amendments which are proposed, but not approved by the Council through this process, will not be acceptable and may be construed as a rejection of the terms leading to the disqualification of the Tender.

The timetable below illustrates the key stages of the procurement process to be followed for this project:

Stage of the Process	Anticipated Dates
Advertise OJEU Notice/ Issue Invitation to Tender	16/11/15
Tender Return Date	21/12/15
Technical/Commercial Evaluations	11/01/16
Governance and Approvals Process	15/02/16
Notification of Award	29/02/16
Standstill Period & Contract Issue	07/03/16 – 21/03/16
Contract Commencement	01/04 2016

2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract.

The outcome of this procurement will be to have multiple Lots on the Framework with suitable service providers, who are pre-checked and hold the required accreditations, insurances and qualifications for delivering this service to LBB.

Once the tender is complete we will be able to compare the new prices with the current baseline prices to calculate any achieved savings. By having a framework with suitable service providers we will be able to secure fixed costs resulting in

reduced costs. Please note this project is viewed as an in scope category under the terms of the Joint Venture and as such will be liable for gain share.

There will be efficiencies operationally as a result of combining the disparate services of Design and Print into a combined solution. Time and cost will also be reduced when delivering the requirement as a cohesive package.

The approach will also enable specialists in each area who do not have capacity in the other to deliver a solution, where it is appropriate to do so. The exact proposed savings cannot be calculated due to a remodelling of the service being delivered, however it is likely that the overall number of suppliers will be reduced, with a consequent economy of scale and cost reductions expected.

2.8 Criteria against which the tenderers are to be selected and contract is to be awarded

Any Framework awarded as a result of this procurement will be awarded on the basis of the offer that is the most economically advantageous to the Council. The Award Criteria are:

- 20% technical/quality.
- 80% cost.

Scores are arrived at following the application of the Evaluation Criteria set out below to the Tenderer's submission. Tenderers are required to submit a Tender strictly in accordance with the requirements set out in the ITT, to ensure the Council has the correct information to conclude the evaluation. Evasive, unclear or qualified Tenders may be discounted in evaluation and may, at the Council's discretion, be taken as a rejection by the Tenderer of the terms set out in the ITT

Each question response will be marked in accordance with the scoring matrix set as scoring evaluation 0-5. Submissions will score marks where the proposed solution is adjudged to correspond with the criteria description in the scoring matrix. Any bidder or scores of 0,1,2 on any of the quality assessment may be disqualified from the process subject to a risk assessment and implications of the response. An overall marking of less than half available marks would result in disqualification from the process.

Each submission will be scored by members of an Evaluation Panel using the objective evidence and the professional judgment of the members of the Evaluation Panel. Following the panel's evaluation, moderation will take place in which each evaluators score is compared with the score of other evaluators and a consensus view will be taken to agree the scores to be awarded – the 'moderated' score.

Each Bidder's overall score for each question will be calculated by adding all questions scores to produce a final score for the technical (quality) section in respect of the applicable Core Criteria (technical) weighting of 20%.: there will be a number of questions within the Technical weighting, limited to no more than approximately 10 questions.

Scoring evaluation	Score
Excellent response, fully meets and expands upon the expected requirements	5
Good response, meets the expected requirements and requires no additional information	4
Satisfactory response and generally meets requirements, may require additional clarification or information	3
Does not meet the expected standard, would require significant further clarification or additional information	2
Unsatisfactory response, has not addressed the question/ method statement, suggests the supplier would have difficulty meeting Council standards	1
No response to the question or the response is highly inaccurate.	0

Evaluation of cost

The cost element of the tender will be evaluated as follows:

1. What is the total price quoted; this should be a fully inclusive cost without the need for additional charging. For example, a number of jobs by type of requirement in design, print, and design and print (combined) categories, to enable the Council to choose the most cost effective method of allocating work.
2. A breakdown of what is included in this cost.
3. Details of what is included in the quotation and any additional required functions that will not be done should be clearly outlined.

Costs scoring:

Core Criteria – Price - The Bidders price and financial information will be marked in accordance with the scoring methodology set out in this section. It may include pricing for 'sample' work requirements that are typical of Council requirements, both in design, print, and design and print.

The pricing responses will be scrutinised and any concerns for deliverability of the pricing section i.e. low market cost abnormalities will be raised with the Bidder and detailed explanation sought. Where the Bidder cannot provide a credible explanation of costing, the Council reserves the right to reject that tender.

The total tender figure for the work submitted by each bidder will be scored on the extent to which they compare to the Bidder submitting the lowest tender figure. The lowest tender submitted will score full marks based upon the 80% core criteria weighting. The other bidders will be scored according to the following calculation:

Bidder A Score = (Lowest Tender figure/Bidder A Tender Figure) x 80% (the core weighted percentage).

The Framework will be awarded on the basis of the most economically advantageous tender meaning the tender offering the best overall value for money will be selected. There will be a due diligence stage near the conclusion of the process to verify that the successful bidder adhered to the instructions of the tender, the OJEU legislation and regulation, that the contents of their bid are unchanged in any substantial way, that there has been no misrepresentation by any bidder in the process, and any other factors deemed relevant in ensuring the proposal is suitable for acceptance.

2.9 How the procurement will address and implement the Council's Social Value policies.

The procurement process considers the investment of the Council's money inside the Borough wherever it is practically possible. Given the nature of the work and size of the spend, there are many suitable suppliers (including local suppliers and SME's) who could potentially provide a suitable service. Running an open procurement process (which gives an equal opportunity to all to bid) fulfills the aims of the Council to utilise the services of suppliers who fall into these categories who are not able to bid for other contracts for whatever reason.

In addition, the provision of the service will improve the economic, social and environmental well being of the Council's area, by maintaining and improving the quality of the living environment for Council residents, through the nature of the information being provided and the investment by the Council back into the region by using local suppliers.

3. Options Appraisal

- 3.1 Do Nothing** - This option has been rejected because there is an ongoing need for the requirement for Print and Design and to allow existing agreements to lapse would affect the productivity of the Marketing Department and the Council overall.
- 3.2 Alternative Open Frameworks** - The Crown Commercial Service has an available Print framework however the supplier set up costs (for the use of new suppliers) and new processes make this a less commercially viable option. There is a framework established by Sunderland Council however the location of suppliers are Northumberland, Willerby, Newport, Gateshead, Sunderland, Newcastle, and thus, not able to serve the geographic area of Barking and Dagenham economically. This option has been rejected and as at the time of this report, there are no other suitable open frameworks accessible to the Council.
- 3.3 Collaboration With Other Bodies** – This option has been rejected as Newham was the only Council with a future procurement requirement. Newham currently has an ongoing contract however the contract expiry date does not run in parallel with the Councils. Based on historical figures demand for print is reducing as the Council shifts to 'Digital By Default' and old agreements would therefore not be suitable due to a change in the print profile and demand.

- 3.4 **New Open Procurement Process for Print and Design** – The recommendation is to run an LBB compliant Procurement process for the New Print and Design service. A new Print and Design framework agreement will provide the degree of flexibility the Council needs as the print requirement becomes more digitalised. This option also allows the Design aspect to be tendered collaboratively with Print.

This will operate in conjunction with the internal services available – from the in-house Council Designer and the internal print facilities which include the MFDs and more significantly, the Print Shop. Where practical and cost effective, will we endeavour to push design and print work through the existing in-house providers, only opting to use the external design and print suppliers when either there are challenges from capacity, capability or cost effectiveness.

The intention is to be able to share a simple guide with every council officer, to help them make informed decisions about where they send design or print work. By creating a simple cost-analysis and quality control table, staff will be able to recognise when they should print low-quality, short print run items on MFDs, when they should send to the Print Shop for larger, but straightforward print runs and when the work will need to be quoted for externally and outsourced.

4. **Waiver**

- 4.1 Not applicable to this contract.

5. **Equalities and other Customer Impact**

- 5.1 As part of the procurement process, potential suppliers will be assessed for adherence to the necessary legislation and regulations. Their equality policies will be assessed to ensure they meet council requirements.

6. **Other Considerations and Implications**

- 6.1 **Risk and Risk Management** - There is very little risk beyond those associated with contracting externally for a service. These risks are mitigated by ensuring the correct levels of insurance and liability cover are held by the contractor and that Key performance indicators encourage good performance. Legal shall ensure the contract documents do not make the council liable for any issues that may arise from this service.

7. **Consultation**

- 7.1 The proposals in this report were endorsed by the Procurement Board on 2 June 2015 and all relevant consultation with Portfolio Holders and officers has taken place.

8. **Corporate Procurement**

Implications completed by: Vanessa Amissah – Interim Category Manager

- 8.1 Due to the value of the new requirement, an Open OJEU Process will be followed. This is likely to be the best route to market, offer more choice than currently

available frameworks and allow the council to control quality of provision and contractual terms.

- 8.2 The 80/20 Price/Quality split is suitable as long as the correct criteria are used to evaluate the quality. Many of the items delivered under this contract will be of a prescribed nature, so as long as the specification is robust enough, the 20% quality will be suitable to ensure a high standard of delivery.
- 8.3 If this tender process is approved, it will likely be advertised by Mid-November 2015 with the award of the new contracts taking place in March 2016.

9. Financial Implications

Implications completed by: Kathy Freeman, Group Manager, Corporate Finance.

- 9.1 Any savings resulting from tendering the Council's requirement for both the Print and Design Services as a multi-lot framework would be subject to Procurement Gainshare payments to Agilisys Ltd. In order to demonstrate whether a saving has been made from the framework agreement, Elevate will need to provide metrics to illustrate price reductions achieved through the agreement compared to current print and design costs.
- 9.2 No other print and design savings are included in the savings approved by Cabinet for 2015/16 and 2016/17.

10. Legal Implications

Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor, Legal and Democratic Services

- 10.1 This report is seeking a recommendation that approval to tender is granted for a four year framework to be put in place for print and design services from 1st April 2016.
- 10.2 It is anticipated that the estimated value of the new framework agreement will be in excess of the threshold for services (currently set at £172,514) under the Public Contracts Regulations 2015 (the Regulations) and therefore a competitive tendering process will be required, which will be subject to the full application of the Regulations. The anticipated figure over the life of the framework should be set out in the requisite notices.
- 10.3 In line with rule 28.8 of the Council's Contract Rules this requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval. Furthermore, in line with Contract Rule 47.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 10.4 It is noted that the proposed procurement route is to be conducted in accordance with the Public Contract Regulations 2015 (the 'Regulations') using the open procedure. This would appear to be following a compliant tender exercise and Legal Services will be available to assist and advise upon further instruction.

10.5 The report author and responsible directorate are advised to keep Legal Services fully informed at every stage of the proposed tender exercise. Legal Services are on hand and available to assist and answer any questions that may arise.

Background Papers Used in the Preparation of the Report: None

List of appendices: None