

**STATEMENT OF OFFICER DECISION UNDER DELEGATED AUTHORITY
TO APPROVE A PROCUREMENT AND/OR WAIVER OF CONTRACT RULES**

TITLE OF REPORT/DECISION:	Waiver for Interim Contract and Procurement of the new Contract for Electoral Services Stationery, Printing and Registration Services
WARDS INVOLVED:	All
DECISION MAKER:	Jon Bunt, Strategic Director of Finance and Investment
DECISION(S) MADE:	<p>(i) For the Council to continue with the existing Individual Electoral Registration (IER) stationery and printing arrangements with Corporate Mailing Solutions (CMS) for approximately six months whilst a tender process for a new contract is carried out, and</p> <p>(ii) For the Council to proceed with the procurement for the contract for Electoral Services stationery, printing, and registration services via a competitive open tender through the EU Open Procedure route to provide the anticipated savings and best value to the Council.</p>
IS THIS A KEY DECISION?	No
VALUE:	<p>6 month Interim Contract - £28,800.</p> <p>New Contract - £331,109.68 over a 4 year period (if the one year extension is utilised).</p>
AUTHORITY FOR DECISION:	In line with the Council's Contract Rules, the decision to be approved by the Procurement Board.
REASON(S) FOR DECISION:	There is a need to have approved arrangements in place which is also compliant with the Council's Contract Rules and EU regulations.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:	<p><i>Do Nothing.</i> This option has been rejected because there is an ongoing need for the requirement and to allow existing arrangements to continue without an agreed contract established would place the Council in a non-compliant position.</p> <p><i>Utilise Internal Print Service:</i> Whilst some standard printing work will continue to be dealt with in house, for the purposes of this contract this option has been rejected due to the specialised nature of the print work that cannot be accommodated by the internal print service.</p>

	<p><i>Procure via a framework:</i> This option has also rejected as there is no suitable framework.</p> <p><i>Procure via a competitive tender process:</i> A waiver is being sought to allow for the existing arrangements to be continue for a period of six months with Corporate Mailing Solutions (CMS) in respect of the provision of stationery and printing in connection with Individual Electoral Registration (IER) to allow time for this requirement to be tendered via an Open EU Tender process. The tender for the new contract will consist of multi-lots that also include the current services provided by CMS and ongoing stationery, printing and registration services.</p>
ANY CONFLICT OF INTEREST DECLARATION BY ANY CABINET MEMBER CONSULTED?	Not applicable
ANY DISPENSATION GRANTED BY CHIEF EXECUTIVE IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST?	Not applicable
DATE OF DECISION:	23 December 2015

For completion by Democratic Services	
Date decision published	
Date decision implementable	

This Decision Sheet to be submitted to Democratic Services by []

**OFFICER DECISION UNDER DELEGATED AUTHORITY
PROCUREMENT STRATEGY REPORT**

Title: Waiver for Interim Contract and Procurement of the new Contract for Electoral Services Stationery, Printing and Registration Services	
Key Decision: No	Wards Affected: All
Decision Maker: Jon Bunt, Strategic Director of Finance and Investment	
Responsible Officer: John Dawe, Group Manager, Democratic Services	
Recommendations: It is recommended that approval be given for the Council to: <ol style="list-style-type: none"> 1) Continue with its existing Individual Electoral Registration (IER) stationery and printing arrangements with Corporate Mailing Solutions (CMS) for a term of 6 months, commencing on 8th December 2015, in the total Contract Value of £28,800, and 2) Proceed with the procurement for a framework for Electoral Services Stationery, Printing and Registration Services via the EU Open Procedure in accordance with the strategy set out in this report. 	
Reason(s) From June 2014, each person in the Borough has been required to register to vote individually, rather than by the previous household system. This is known as Individual Electoral Registration (IER). Under the new system, residents have to provide identifying information, such as dates of birth and national insurance numbers. This enables their application to be verified before they are added to the Electoral Register. The introduction of IER and statutory requirements associated with the process means the Council is required to make sure processes and procedures are in place to facilitate continuing registration on a day to day basis.. To that end in order to meet statutory requirements and provide for full compliance with the Council's Contract Rules, it is recommended that by way of a waiver the current arrangements with Corporate Mailing Solutions (CMS) to provide stationery and printing in connection with IER continues to ensure continuity of service while a tender process for a new contract is undertaken in accordance with EU Regulations.	

In relation to the new contract, it is recommended that this requirement is procured via an Open EU tender process. This contract will be for a three year term 2016-19 with an option of a 12 month extension.

The provision of the Electoral Services stationery, printing and telephone and internet registration services accords with the Council's Priority of enabling social responsibility and the process of entering into a procurement exercise for a new contract seeks to obtain value for money for the Council whilst adhering to strict design and production standards to accord with guidance issued by the Electoral Commission.

1. Background

1.1 The provision of Electoral Services stationery, printing, telephone and internet registration services together with corresponding election responsibilities is currently being delivered through formal agreements with the following specialist companies:

- Financial Data Management Ltd (FDML) – Election stationery and printing
- Corporate Mailing Solutions (CMS) – Individual Electoral Registration (IER) stationery and printing, and
- Electoral Reform Services (ERS) – Telephone and Internet Registration Service in connection with the current annual registration canvass which concluded on 30 November 2015.

1.2 Due to the legal requirement to facilitate ongoing IER, the current stationery and printing arrangements with CMS set out in the specification detailed in Appendix A will need to continue for the next six months whilst the tender process is carried out to procure the new contract.

1.3 Whilst the in house print service is used wherever possible (generating of the order of 6,000 letters per week during the annual canvass period of 1 July to 30 November 2015), the specialist nature, complexity and the imperative to adhere to legal requirements in respect of both registration and election stationery and printing activities, limits what can specifically be undertaken in house.

1.4 There are no other suitable frameworks that could be utilised to deliver this contract.

2. Proposed Procurement Strategy

2.1 The proposed interim arrangement for Electoral Services stationery and printing for IER to continue through the existing arrangement with Corporate Mailing Solutions (CMS) will allow time for an EU tendering process to be carried out.

2.2 The proposed new contract will consist of multi-lots containing up to 3 operators and will combine the stationery, printing and registration services, which is to be procured via the EU Open Tender Process using the Council's e-tendering system.

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

2.3.1 A summary of the specification of the goods and services to be provided under the new contract is set out in Appendix A.

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

2.4.1 Based on the current and previous spend the following commitments and indicative costs will be as follows:

Printing and Stationery	Other Services	Period required	Cost per annum	Total costs
IER including the annual canvass		2016-2019	£49,612.90	£198,451.60
	Telephone and Internet Registration Service	2016-2019	£3,510.30	£14,041.20
Local by-election		2016-2019	£3,000(per by election)	£12,000.00
Parliamentary by-election		12 month period	£21,731.90	£21,731.90
European Referendum		12 month period	£35,411.94	£35,411.94
Local Elections		12 month period	£49,473.04	£49,473.04
OVERALL TOTAL				£331,109.68

2.4.2 Based on current spend for Electoral Services stationery, printing, and registration services the estimated value of the new contract is an indicative cost of £331,109.68 over 4 years (if the 12 month extension is utilised) plus the interim contract with CMS for IER stationery and printing services totaling £28,800. See Appendix B for a breakdown of the indicative costs.

2.4.3 Funding will be met from existing revenue budgets which are made up of Council monies as well as time limited Cabinet Office Section 31 grant funding in respect of IER and central government funding for national and regional elections and referendums (excluding local elections and any local by elections, which are wholly Local Authority funded).

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

2.5.1 The interim contract will operate for a period of 6 months commencing on 8th December 2015.

2.5.2 The new contract will operate for a period of three years commencing on 8th June 2016 with the option to extend for a further 12 months.

2.6 Recommended procurement procedure and reasons for the recommendation.

2.6.1 The recommended procurement route is to tender via EU Open Procedure. The open tender process will widen the competition as current market research demonstrates that there are not many providers able to provide this. This procurement route will provide best competition to get best value for money for the council and will be compliant with the Council's Contract Rules and EU legislation.

2.7 The contract delivery methodology to be adopted.

2.7.1 The new contract will be implemented utilising the Council's standard terms and conditions of contract for the services.

2.7.2 The procurement timetable is as follows:

TASK	DATE
Procurement Strategy presented to Procurement Board	Monday 7 th December 2015
Issue OJEU Notice	Tuesday 8 th December 2015
Issue ITT for Open EU Tender Process	Tuesday 15 th December 2016
Deadline for suppliers to submit clarification questions	Friday 8 th January 2016
Deadline for Council to respond to clarification questions	Friday 15 th January 2016
Deadline for Tender Submissions	Friday 22 nd January 2016
Tender Evaluation	Monday 25 th January-Friday 12 th February 2016

Raise Clarifications	Friday 12 th February 2016
Deadline for suppliers to respond to clarifications	Friday 19 th February 2016
Moderation and tender finalisation	Monday 22 nd February-Friday 26 th February 2016
Preparation of debrief material	Monday 29 th February-Friday 4 th March 2016
Prepare and circulate Award Report (Delegated Award)	Monday 7 th March – Friday 18 th March 2016
Award Report to be approved by HoLDS under delegated authority	Monday 21 st March 2016
Notification of result of Tender evaluation	Tuesday 21 st March 2016
Voluntary Standstill Period ends (10 day standstill period will be applied)	Friday 1 st April 2016
Contract award and mobilisation	4 th April 2016
Contract commencement	8 th June 2016

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

2.8.1 By conducting an open EU tender process for the new contract will widen the competition to gain a competitive price and value for money.

2.8.2 The financial mechanism of the contract between the Council and Elevate will be agreed by both parties.

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

2.9.1 The Contract awarded as a result of this procurement will be awarded on the basis of the most economically advantageous tender with a split of 80% price and 20% quality. Price will be assessed based on prices provided by suppliers based on current volume and quality will be assessed according to the suppliers' responses to the method statement questions.

2.10 TUPE, other staffing and trade union implications.

2.10.1 TUPE not applicable.

2.11 How will the procurement address and implement the Council's Social Value policies?

2.11.1 The procurement of these contracts is based on achieving value for money and will not impact on the Council's obligations under the Social Value Act 2012 (economic, social and environmental wellbeing)

3. Alternative options considered and rejected:

Do Nothing. This option has been rejected because there is an ongoing need for the requirement and to allow existing arrangements to continue without an agreed contract established would place the Council in a non-compliant position.

Utilise Internal Print Service: Whilst some standard printing work will continue to be dealt with in house, for the purposes of this contract this option has been rejected due to the specialised nature of the print work that cannot be accommodated by the internal print service.

Procure via a framework: This option has also rejected as there is no suitable framework.

Procure via a competitive tender process: A waiver is being sought to allow for the existing arrangements to be continue for a period of six months with Corporate Mailing Solutions (CMS) in respect of the provision of stationery and printing in connection with Individual Electoral Registration (IER) to allow time for this requirement to be tendered via an Open EU Tender process. The tender for the new contract will consist of multi-lots that also include the current provision with CMS for stationery and printing in connection with ongoing IER.

4. Waiver

4.1 The Council is bound by statutory obligations to ensure there are processes and procedures in place to enable residents to register to vote. Therefore in accordance with clause 6.6.8 of the Council's Contract Rules a waiver of clause 28.4 of the Rules is being sought to allow for the existing arrangements to continue for a period of six months with Corporate Mailing Solutions (CMS) in respect of the provision of stationery and printing in connection with IER to allow time for this requirement to be tendered via an Open EU Tender process.

4.2 The tender for the new contract will consist of multi-lots that will also include the current provision with CMS for which the waiver for an interim arrangement is being sought.

5. Equalities and other Customer Impact

5.1 The provision of electoral services stationery and printing in respect of registration and elections is delivered in accordance with statutory regulations and other guidance which has been subject to consideration of the impacts on communities as regards race, gender, disability, sexuality faith, age and community cohesion.

6. Other implications

Risk and Risk Management

6.1 In order to be compliant to legislation and Council Contract Rules, it is necessary to conduct a procurement process. Risks of this recommendation not being approved are that the Council would be non-compliant.

Property / Asset Issues

None.

7. Consultation

7.1 Not applicable.

Consultee	Name/Title	Date consulted
Portfolio Holder		
Ward Councillor(s)		
Other Council Bodies		
Corporate Directors		
Other required Officer(s)		
Statutory/Proper Officer		
Others (Specify)		

8. Corporate Procurement

Implications completed by: Gillian Shine, Category Manager

8.1 The proposed procurement route to tender via EU Open Procedure will widen the competition as current market research demonstrates that there are not many providers able to provide this. This procurement route will provide best competition to get best value for money for the Council and will be compliant with the Council's Contract Rules and EU Regulations.

8.2 The financial mechanism of the contract between the Council and Elevate will be agreed by both parties.

9. Financial Implications

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

- 9.1 The funding to meet the cost of the waiver for the Council to continue with the existing Individual Electoral Registration (IER) stationery and printing arrangements with Corporate Mailing Solutions (CMS) for approximately six months whilst a tender process for a new contract is carried out comes from a combination of existing budgets and Section 31 Government grant. The Cabinet Office has already made two payments to LBBB in the current financial year of £8,885.60 and £21,452.65 as a contribution towards the cost of transition from household to individual registration introduced in June 2014.
- 9.2 The expectation is that longer term over the life of the contract the printing and stationery costs of IER will be absorbed from existing budgets, which will also be used to met the associated costs of organising the local Council Elections in May 2018 as well as any local by-elections that may be called within the contract period. Central government funding will be available to meet the costs of the GLA Mayoral Election in May 2016, the European Referendum taking place on a date to be determined in 2016/17 and any Parliamentary By Elections that may be called within the contract period.

10. Legal Implications

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

- 10.1 This report is seeking approval to proceed with the procurement of Electoral Service Stationery, Printing and Registration contract and also to obtain a waiver for an interim contract to be awarded for a period of 6 months. The proposed procurement being considered is stated to be approximately £331,109.68 over the lifetime of the contract, which is 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.
- 10.2 This report advises that it is the intention of officers to tender this contract in accordance with the Public Contracts Regulations 2015 (the 'Regulations') using the open procedure. The requirements for competitive tendering, contained in the Regulations and rule 28.5 of the Council's Contract Rules, should therefore be met, provided that the procedure is conducted in accordance with the Regulations.
- 10.3 In keeping with the EU procurement principles, it is imperative that the contract is tendered in a competitive way and that the process undertaken is transparent, non-discriminatory and ensures the equal treatment of bidders.
- 10.4 In relation to the contract to cover the interim period it is noted that the recommendation is that a waiver of the Council's Contract Rule, which requires three quotes to be obtained for contracts between £5,000 and £50,000, is obtained for the reasons set out in the body of

the report, allowing the Council to directly award the contract to Corporate Mailing Solutions.

10.5 Legal Services note that the value of the contract to Corporate Mailing Solutions will be in the region of approximately £28,800 which may be awarded by a Chief Officer with the requisite delegated authority, in accordance with the Council's Scheme of Delegation. In considering whether to agree the recommendations set out above in this report, the Chief Officer needs to satisfy him or herself that the reasons provided and grounds stated by officers for the waiver are satisfactory.

10.6 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.

11. Documents considered by decision-maker in making decision

11.1 Not applicable.

Officer decision

Having reviewed and taken account of the matters stated and documents listed in this report and having consulted with the persons/bodies identified in this report, and being satisfied that the decision(s) is/are in the best interests of the Council, I hereby agree and approve the Recommendations set out in this report.

Signed



Officer Title

STRATEGIC DIRECTOR

Date

23/12/15

List of appendices:

Appendix A – Tender Specification

Appendix 1 – Specification and Price Schedules

Appendices B-F – Breakdown of existing costs:

- ITR and Canvass costs 2014/15 & estimates of waiver costs
- European Referendum indicative costs
- Local Election (May 2018) and local by election indicative costs
- Parliamentary by election indicative costs
- Telephone and Internet Registration indicative costs

Background Papers Used in the Preparation of the Report:

None.

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