

Report of Mike Camponi, Leeds Homes Business Manager

Report to Neil Evans, Director of Environment and Housing

Date: 6th August 2015

Subject: Leeds Homes Printing Requirements

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

- 1 This Report is seeking approval to waive Contract Procedure Rule 9, which relates to procurements over £100k in value.
- 2 Claremon Limited currently provide print services to Leeds Homes at a cost of £140K per annum. The original contract expired in 2012 and a waiver to extend it was approved in May 2012. Approval is sought for the continuation of print services under an additional waiver until 31st March 2016 whilst alternative options are considered.

3 Recommendations

To approve the request to waive contract under procurement procedure rule 9 and to continue with existing print contractor, Claremon Ltd, until 31st March 2016 at current cost until the new re-procurement of a contract has been completed.

1 Purpose of this report

- 1.1 To approve the request to waive contract procedure rule 9 to procure print services through Claremon Ltd without competition, to cover the period of the procurement process and until a new contract is put in place.

2 Background information

- 2.1 Claremon Ltd has been providing print services to LCC since 2004 and under a waiver since May 2012, when the contract expired.
- 2.2 The value of the contract is approximately £140K per annum. This is made up of £120K for print and distribution of the weekly Leeds Homes property flyer and £20K for general printing of application forms and information leaflets as required.
- 2.3 There has not been an increase on the value of the contract by Claremon since May 2012 and no issues in terms of adhering to the terms and conditions of the contract nor in the quality of service.
- 2.4 In accordance with standard procurement procedure, in-house print services have periodically been asked to provide quotes, which have been used to confirm that the existing contractor is competitive on price.

3 Main issues

3.1 Reason for Contracts Procedure Rules Waiver / Invocation

- 3.1.1 Talks are ongoing with the Print Unit service providers and the Procurement Unit to bring the general printing elements of the contract into the council, as it has recently been confirmed that this work can be delivered in-house. Negotiations are currently taking place and it is anticipated there will be savings to the current costs of £20K per annum.
- 3.1.2 However, LCC in-house providers have confirmed they do not have the capacity to produce the Leeds Homes Flyer. Consideration has been given to adding this to the existing Revenue and Benefits procured contract with FDM. This has been discounted due to the contract expiring in March 2016, which would potentially involve having two changes in supplier in a relatively short timescale.
- 3.1.3 It is intended to incorporate the printing requirement for the Leeds Homes Flyer into the specification for the re procurement of the Revenues and Benefits Printing contract. The new contract will be in place by the end of March 2016.
- 3.1.4 It is however the subject of debate whether LCC should continue printing the weekly flyer at the current numbers and cost of £120K per annum. An options appraisal is currently being undertaken on the future of the printed property flyer and the potential for using a web only based service.

- 3.1.5 This waiver is therefore required only as an interim measure until March 2016 when either the Leeds Homes Flyer will be accommodated under the new contract until it is reduced or phased out, or a decision is made to withdraw the printed flyer and rely on a web based service with in house printed back up to save costs.
- 3.1.6 PPPU have advised Housing Leeds on this matter and support the waiver as an interim approach.

3.2 Consequences if the proposed action is not approved

- 3.2.1 The consequence Claremon Ltd not providing print services would be a serious detriment to the Council's Choice Based Lettings scheme as there is currently no alternative in place. The Council's lettings service would be severely diminished impacting on approximately 100 lettings per week across the city, along with access to the service for customers engaging in choice based lettings.

3.3 Advertising

- 3.3.1 The Revenues and Benefits Printing Contract will be openly advertised in Official Journal of the European Union (OJEU) and on the Council's electronic portal, Yortender.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Due to the nature of the contract in printing the Leeds Homes Flyer on a weekly basis it is proposed to continue to use the current supplier without seeking competition, to ensure continued service provision.
- 4.1.2 The value for the remainder of the financial year to March 2016 is approximately £77K. This will ensure business continuity and until the Revenues and Benefits Printing procurement exercise is completed. Consultation has taken place with officers from Revenues and Benefits and PPPU and is considered to be the best interim solution.
- 4.1.3 When the procurement exercise commences the opportunity to apply will be advertised in the Official Journal of the European Union and on the council's electronic tendering portal, Yortender.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality Impact Assessment Screening has been completed in relation to this recommendation and is available as a background document for information (Appendix 1).
- 4.2.2 The EIA Screening Tool indicates that a full EIA does not need to be completed due to the fact that this new contract will allow continuation of existing services and will involve no change for service users, stakeholders or the Council. The services have been subject to robust contract management to ensure that equality standards

are met and that there are no adverse effects on any particular groups of people within the city.

4.3 Council Policies and City Priorities

4.3.1 This waiver relates to the Council's Lettings Policy, and the need to maintain a service to customers engaging in the letting process.

4.3.2 Resources and Value for Money

4.3.3 To continue with Claremon Ltd in the interim is considered the best value for money option since the service will continue on the existing rates until March 2016. The rates have not increased since 2012.

4.3.4 Bringing the general print element of the contract in-house will not reduce the current value of the services but negotiations are continuing.

4.3.5 The re-procurement of the Revenues and Benefits Printing contract will be subject to a fully competitive tendering procedure therefore the incorporation of the Leeds Homes Flyer should secure the best rates achieved through the tender.

4.3.6 The options appraisal of the Leeds Homes flyer could provide further savings in future.

4.4 Legal Implications, Access to Information and Call In

4.4.1 Procurement Unit have advised that European case law suggests contracts that may be of interest to other organisations within Europe should be subject to a degree of advertising. It is up to the council to decide what degree of advertising is appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc) and the geographical location of the place of performance. In maintaining the status quo, there is a risk of challenge from other potential providers that have not been given the chance to tender for this opportunity. This risk is diminished somewhat on the basis that a competitive, EU-wide procurement is being put out to tender in the near future, which will allow other organisations in the marketplace to bid for this work.

4.4.2 Although there is no overriding legal obstacle preventing the waiver of CPR 9, the above comments should be noted. In making their final decision, the Director of Environment and Housing should be satisfied that the course of action chosen represents best value for money.

4.4.3 PPPU support the current recommendation for a waiver on an interim basis.

4.5 Risk Management

4.5.1 The contract has been in place since May 2012 and Claremon Ltd have been providing a good quality printing services to Leeds Homes since 2004.

4.5.2 Removal of the service would be a high risk to both the management of the Council's Choice Based Lettings scheme and to the reputation of the Council.

5 Conclusions

- 5.1 The approval of the waiver of CPR9 is considered the best value for money and lowest risk option, in that Leeds Homes can continue with the existing supplier, Claremon Ltd, until such time as the Standard Forms element can be brought in-house and the Leeds Homes Flyer can be accommodated under the newly procured Revenues and Benefits contract or by alternative means.

6 Recommendations

- 6.1 The Director of Environment and Housing is recommended to approve the waiver of the following Contracts Procedure Rule: Contract Procedure Rule No 9 - Over £100k High Value Procurements

7 Background documents¹

None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.