



Report of: Assistant Head of Business Support Centre (BSC)

Report to: Chief Officer, Strategy and Policy

Date: 1st October 2020

Subject: Approval to award a call off contract to Ricoh UK Ltd for the provision of high volume digital devices and provision of associated print management, transactional printing and hybrid-mail software and associated support, maintenance and training for a period of 3 years with options to extend by 2 further periods of 12 months.

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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: 9 Appendix number: 1 - Mini Competition Score Breakdown	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- 1.1 The Director of Resources and Housing provided approval on the 28th August 2019 as a Key Decision (D49992) to commence a further competition under Lot 2 (Multifunctional Devices and Print Management Software and Services) of Crown Commercial Services Framework RM3781 Multifunctional Devices, Managed Print and Content Services and Records and Information Management for the provision of high volume digital devices and associated print management, transactional printing and hybrid-mail software and associated support, maintenance and training.
- 1.2 The further competition has now been concluded and this report seeks approval to award a call off contract to Ricoh UK Ltd for a period of 3 years with options to extend by 2 further periods of 12 months.
- 1.3 The value of the contract is £298,435 which covers lease costs of hardware and software, plus estimated copy costs, implementation and training services for a period of 3 years.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- 2.1 The award of this contract is fundamental to the Print Unit becoming the Print Hub for the Council, giving it the tools to be able to deliver a modern and efficient service whilst contributing to the reduction of print costs for the Council as a whole.
- 2.2 The implementation of modern new equipment will contribute to the overall aim of reducing printing by 34 million pages per year, saving 2,500 trees and 15,400 kg of CO₂e in the process and making significant cash savings for the council.

3. Resource Implications

- 3.1 Apart from increased reliability, the new hardware and software will allow services to submit jobs directly, allow for mail to be printed, enveloped and distributed without manual intervention and allow the Print Unit greater control of print output.
- 3.2 Funding of £268,000 for the implementation work, year 1 device leasing, provision of on-premise hardware and installation of the hardware and software in FY20/21 has been secured from the Invest to Save Reserve. Shared Services will fund the year 2 and 3 lease costs from revenue.
- 3.3 A post within DIS application support is covered in the business case for a period of 2 years to help with the implementation and support of the new software.

Recommendations

- a) It is recommended that the Chief Officer, Strategy and Policy provide approval to award a call off contract to Ricoh UK Ltd for the provision of high volume digital devices and provision of associated print management, transactional printing and hybrid-mail software and associated support, maintenance and training. The contract value is £298,434.46 over a period of 3 years.

1. Purpose of this report

- 1.1 The purpose of this report to seek approval to award a call off contract to Ricoh UK Ltd following the conclusion of a further competition under Lot 2 (Multifunctional Devices and Print Management Software and Services) of Crown Commercial Services Framework RM3781 Multifunctional Devices, Managed Print and Content Services and Records and Information Management.

2. Background information

- 2.1 A Business Case was approved to undertake a business change programme in relation to Mail and Print operations across the Council and presented to the Council's Best Council Design Team on 4th December 2018. This Business Case was further revised during June 2019 to update expenditure and saving figures. This updated Business Case was presented to the Director of Resources & Housing on 26th June and approved by the Mail & Print Project Board on 27th June. The summary Business Case was presented to Best Council Design Team on 12th July.
- 2.2 The business change programme seeks to bring about a significant reduction in the volume of mail and print that is produced by the Council. The Council currently produces in the region of 53 million "clicks" per year through its office based printers (Multifunctional Devices – MFD) and central Print Unit. A click is a unit of measure which equates to an image or side of printed output. In addition contracts exist with external mail service and print providers for the production of letters and documents relating to Revenues & Benefits and Elections plus numerous smaller contracts for one-off or specialist prints are in place.
- 2.3 Ambitious targets are being set in line with the Climate Emergency and Budget Savings ambitions of the Council. The default position will be zero print.
- 2.4 A programme of demand reduction has commenced which is seeking to reduce volumes of mail and print through digital channel shift, behavioural change and "hard measures" such as preventing the printing of certain document types, for example emails.
- 2.5 The Print Unit is central to the Council's desired demand reduction approach. It fulfils essential internal print requirements such as the production and distribution of outputs from the Council's core transactional systems, committee papers and confidential legal papers plus other numerous high-volume and specialist "one-off" prints.
- 2.6 The unit's digital printers are now at end-of-life and only with an investment of up-to-date hardware and software will the Council be able to fulfil its current digital print needs and meet its business change aspirations.
- 2.7 In June 2020 the supplier who provides support for the existing print hardware wrote giving 90 days of ceasing the service due to the age of the equipment.

3. Main issues and reasons for contract award

- 3.1 The further competition for provision of high volume digital devices and provision of associated print management, transactional printing and hybrid-mail software and associated support, maintenance and training was commenced on 19th December 2019.

- 3.2 The further competition closed on 29th January 2020 and 3 submissions were received.
- 3.3 Submissions were evaluated on both quality and price with 550 points available for quality and 450 points available for price.
- 3.4 Individual method statement questions were weighted based on the importance to the delivery of the contract.
- 3.5 The tender responses were evaluated and a preferred bidder identified, however COVID then struck and a decision was taken that proceeding with a contract award was unwise at that time.
- 3.6 In June the incumbent supplier of print hardware, wrote giving 90 days' notice of cessation of support due to the age of the equipment.
- 3.7 The Mail & Print Programme Board agreed that the procurement should be resumed but requested that current print volumes were analysed to confirm or reduce the number of devices required. This analysis concluded that fewer devices were needed.
- 3.8 The hardware requirement element of the specification was therefore amended and on 27th August 2020 the three bidders were requested to resubmit one method statement question and their pricing by 7th September. All bidders responded and these revised submissions were evaluated on the same basis as previously.
- 3.9 A detailed breakdown of scores can be found at Confidential Appendix A and demonstrates that the best combination of price and quality was offered by Ricoh UK Ltd.

4. Corporate Considerations

4.1 Consultation and engagement

- 4.1.1 The Project Board comprising of membership from numerous business areas across the Council which are stakeholders in the mail and print process has been consulted throughout the programme.
- 4.1.2 The Business Case for the programme has been presented at Best Council Design Team on 4th December 2018 and a revised summary Business Case and project update was presented on 12th July 2019.
- 4.1.3 Trade Union consultation via the sub group for Resources & Housing, and consultation with the staff in the Print Unit was undertaken in March 2019.
- 4.1.4 Wider Trade Union consultation was undertaken on 18th July 2019 through the Council's Corporate JCC.
- 4.1.5 Details regarding the decision to commence the procurement were published in the List of Forthcoming Key Decisions on 30th November 2018.

4.2 **Equality and Diversity / Cohesion and Integration**

4.2.1 An Equality and Diversity, Cohesion and Integration screening form has been completed as part of the overall programme delivery.

4.3 **Council policies and the Best Council Plan**

4.3.1 Currently there is no easy way to send print documentation to the Print Unit; staff have to email the data and Print Unit staff then have to check this and liaise with the customer and manually correct and exchange information before scheduling the job into the print queue. As a consequence the use of office based MFDs to print large volumes and for specialist print requirements is widespread. In some cases individual services are purchasing stamps and envelopes, manually packing envelopes and sending mail out either by themselves or via the LCC mailroom.

4.3.2 The Print Unit supported by appropriate High Volume Digital Printers and supporting software is central to the Council's desired Print Hub approach. Apart from increased reliability, the new hardware and software will allow services to submit jobs directly, allow for mail to be printed, enveloped and distributed without manual intervention and allow the Print Unit greater control of print output.

4.3.3 This contract supports the delivery of the Best Council Plan in contributing to priorities to become a more efficient and enterprising council.

Climate Emergency

4.3.4 Promoting paperless working practices and encouraging a move away from printing and mailing will contribute to reducing the carbon footprint of our offices. In 2019 the council printed 53 million pages, equating to over 4,000 trees being cut down, producing a carbon footprint of 24,000kg of CO₂e. That figure does not factor in the emissions from the vehicles that transport those documents, letters and parcels around the city.

4.3.5 Through demand reduction activities we are now looking to reduce and hopefully remove all non-essential printing and mailing from our day-to-day activities. The aim is to reduce printing by 34 million pages per year, saving 2,500 trees and 15,400 kg of CO₂e in the process and making significant cash savings for the council.

4.4 **Resources, procurement and value for money**

4.4.1 The submission received from Ricoh UK Ltd comfortably achieved all minimum thresholds included within the evaluation methodology and the cost proposal submitted by Ricoh UK Ltd provides best value of the 3 submissions received.

4.4.2 The programme business case includes resources for both implementation and for ongoing demand reduction activities to deliver savings of 5%, 10% and 20% in print volume over the period 19/20 to 21/22. CLT has asked the programme to be more aggressive in realising savings and to move the organisation towards a 'Zero Print' model.

4.4.3 The programme costs to refresh the Print Unit hardware, software and deliver business change is in the order of £600,000 over 3 years, £298,122 for the

hardware and software with £292,823 for implementation and business change activities. The programme is being funded by Shared Services from revenue with proposed print budget consolidation and savings providing the funding for future years' leasing costs. The Resources and Housing draft budget strategy includes savings of £288k and £443k for 2020/21 and 2021/22 respectively after the funding of estimated leasing costs.

- 4.4.4 Funding of £268k had already been secured from the Invest to Save Reserve for FY20/21, and its availability has been reconfirmed. This covers the lease payment for new hardware, payment for software and implementation and training services to allow the Print Hub approach to become a reality and to enable the programme to deliver the savings included in the draft budget strategy and to pick up the leasing costs in years 2 and 3.
- 4.4.5 The business case includes an additional post within the DIS application support team to provide ongoing support for the software suite. The programme will fund this for 2 years thereafter DIS will absorb the cost.

4.5 Legal implications, access to information, and call-in

- 4.5.1 The decision to award the call off contract to Ricoh UK Ltd is a Significant Operational Decision and is not subject to call-in. This decision is a consequence of the previous approved Key Decision (D49992) to commence the further competition.
- 4.5.2 The further competition was conducted in accordance with the Council's Contract Procedure Rules, Public Contract Regulations 2015 and Crown Commercial Services guidance.

4.6 Risk management

- 4.6.1 If approval is not provided for the replacement of the High Volume Digital Printers, the viability of the Print Unit will be severely compromised given the removal of support for the current devices. Significant risks will continue to exist to the continued operation of the current devices and therefore the continued production of essential internal print requirements and the associated generation of Print Unit income.
- 4.6.2 Risks associated with management of the contract will be managed by the Print Unit Manager in accordance with the framework terms and contract management plan.

5. Conclusions

- 5.1 The Chief Officer, Strategy and Policy approves the award of a call off contract to Ricoh UK Ltd for the provision of high volume digital devices and provision of associated print management, transactional printing and hybrid-mail software and associated support, maintenance and training.

6. Recommendations

- 6.1 It is recommended that the Chief Officer, Strategy and Policy provide approval to award a call off contract to Ricoh UK Ltd for the provision of high volume digital

devices and provision of associated print management, transactional printing and hybrid-mail software and associated support, maintenance and training. The contract value is £298,434.46 over a period of 3 years.

7. Background documents¹

7.1 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.