



Report of Assistant Head of Business Support Centre

Report to Director Resources and Housing

Date: 20 January 2021

Subject: Approval to award a new contract for the provision of postal goods and services

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: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- The provision of postal goods and services is currently delivered by Whistl UK Limited. The contract was procured under the previous Crown Commercial Services (CCS) framework agreement ref: RM1063 as part of the West Yorkshire Consortium. A new contract is required to ensure the continuation of critical services beyond the expiry date, 31 January 2021.
-

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

- The award of this contract supports the delivery of the Best Council Plan in contributing to becoming a more efficient and enterprising Council.

3. Resource Implications

- The collaborative approach enables the participating local authorities to aggregate requirements thereby achieving better value through economies of scale.
- YPO managing the further competition on the Council's behalf represents a resource saving. However, this exercise is being undertaken in full consultation with

officers in the Business Support Centre and Procurement and Commercial Services.

Recommendations

- a) It is recommended that the Director of Resources and Housing approves the award of a short-term contract to Whistl UK Limited for the provision of postal goods and services for a period of one year (from 1 February 2021 to 31 January 2022) with a contract value of £800,000.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to award a new one year contract for postal goods and services in collaboration with other Local Authorities (call-off) under the new CCS framework RM6017 for Postal Services.

2. Background information

- 2.1 The provision of postal goods and services is currently delivered by Whistl UK Limited. The contract is in place until 31 January 2021. A new contract is required to ensure the continuation of critical services beyond this date.
- 2.2 This is a critical service and in the first half of 2020 Whistl UK Limited delivered approximately 1,250,000 items of mail on behalf of Leeds City Council.
- 2.3 The contract was entered into with Whistl UK Limited in August 2016 following a procurement exercise in conjunction with a group of authorities from Yorkshire and Humberside to realise savings in the provision of postal goods and services. In July 2020, an extension was approved up to 31 January 2021.
- 2.4 Approval is now being sought to award a new contract under the CCS Framework RM6017 Postal Services.
- 2.5 This is a collaborative procurement with 22 other Local Authorities and is being led by Kirklees Council and being procured by the Yorkshire Purchasing Organisation (YPO) on our behalf.
- 2.6 The contract value for the period 1 February 2021 to 31 January 2022 is anticipated to be in the region of £800,000.
- 2.7 Due to the Council's current financial pressures it is recommended that the contract is awarded for a short term (one year) call-off whilst other cost-saving options are explored for the delivery of Postal Services.
- 2.8 Should other options prove to be unfeasible, approval for a further call-off will be requested before the new contract expires.

3. Main issues

- 3.1 On 30 October 2020 the Director of Resources and Housing approved the Postal Services Contract Authority to Procure report dated 28 October 2020, in which the Council put forward its intention to join with the West Yorkshire Consortium again, and conduct a further competitive exercise under the framework to ensure value for money.

- 3.2 In December 2020 the Consortium led by Kirklees Council and the Yorkshire Purchasing Organisation (YPO) led a further competitive tender exercise to procure a replacement supplier under the CCS Framework RM6017.
- 3.3 The further competition closed in December 2020 and 2 submissions were received.
- 3.4 Submissions were evaluated on both quality and price with 60 points available for quality and 40 points available for price.
- 3.5 Individual method statement questions were weighted based on the importance to the delivery of the contract.
- 3.6 The tender responses were evaluated and a preferred bidder identified.
- 3.7 Approval is now being sought for Leeds City Council to call off from this contract.
- 3.8 Due to the Council's current financial pressures this will be a short term (one year) call-off whilst other cost-saving options are explored for the delivery of Postal Services.
- 3.9 The contract value is approximately £800,000 for Leeds City Council for the period 1 February 2021 to 31 January 2022. The approval to procure report was approved as a Key Decision, this subsequent decision is a Significant Operational Decision.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Leeds City Council has been consulted throughout the process and our requirements have been adequately accounted for in the tender documentation. The YPO is acting as the Lead Authority in this collaborative procurement.
- 4.1.2 The other participating Authorities are:
 - The Council of the Borough of Kirklees
 - Selby Council
 - Hull City Council
 - Doncaster Council
 - Calderdale Council
 - North East Lincolnshire Council
 - North Yorkshire County Council
 - Harrogate Borough Council
 - Stockport Borough Council
 - Ryedale Borough Council
 - Scarborough Council
 - Craven Council
 - Blackpool Council
 - Trafford Council
 - Rotherham Council

- Salford City Council
- Bolton Council
- Manchester City Council
- Transport for Greater Manchester
- Rochdale Council
- Bury Council
- Tameside MBC

4.2 Equality and diversity / cohesion and integration

4.2.1 There are no issues relevant to Equality and Diversity/Cohesion and Integration with this decision.

4.3 Council policies and the Best Council Plan

4.3.1 This contract award will support Council Policies and Best Council Plan objectives. Specifically, it will help deliver “An Efficient, Enterprising and Healthy Organisation”.

Climate Emergency

4.3.2 The suppliers on the framework are required to have achieved the environmental standard, ISO 14001:2015. This is a certified environmental management system for organisations who want to enhance their environmental performance.

4.3.3 One of the objectives of the corporate Mail and Print Project is to reduce the demand for mail and increase the use of digital channels. As such, the requirement for postal services will continue to reduce and this will reduce the carbon footprint associated with delivering the mail.

4.3.4 The specification sets out the following objectives:

- Increased efficiency in all mail output areas
- Promoting the use of ‘best practice’ in the mail output areas
- Reduced organisational costs and process cycle times
- Driving maximum savings into mail output areas
- Reduced impact on the environment

4.4 Resources, procurement and value for money

4.4.1 The collaborative approach enables the participating local authorities to aggregate requirements thereby achieving better value through economies of scale.

4.4.2 YPO managing the further competition procedure represents a resource saving. However, this further competition is being undertaken in full consultation with officers in the Business Support Centre and Procurement and Commercial Services.

4.4.3 The evaluation model is based on a total of one hundred per cent (100%), with a maximum of sixty percent (60%) being available for Quality and forty percent (40%) being available for Price. The contract has been awarded to the Bidder that achieved the highest total score.

4.4.4 All Bids were evaluated by an Evaluation Panel comprised of experts and officers from the local authorities of the YPO's choosing, who assessed each of the bids in line with the award criteria. The YPO ensured that the size, make-up and experience of the Evaluation Panel was appropriate given the size and complexity of the bids to be evaluated and degree of specialist input required to evaluate the bids.

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

4.5.1 This is a Significant Operational Decision as it follows on from an approved Key Decision.

4.5.2 The CCS framework was procured under the EU Public Contracts Regulations (2015) and it therefore considered legally compliant.

4.5.3 The further competition has been conducted by YPO as a collaborative exercise involving a number of different Local Authorities throughout Yorkshire and Humber.

4.6 Risk management

4.6.1 The further competition has been conducted by YPO as a collaborative exercise involving a number of different Local Authorities throughout Yorkshire and Humber.

4.6.2 The risk of challenge was deemed to be relatively low since all suppliers on the new framework had the same opportunity to submit a tender.

5. Conclusions

5.1 A new contract is required to ensure the continuation of critical postal goods and services beyond 31 January 2021 when the current contract with Whistl UK Limited expires.

6. Recommendations

6.1 It is recommended that the Director Resources and Housing approves the award of a short-term contract to Whistl for the provision of postal goods and services for a period of one year (from 1 February 2021 to 31 January 2022) with a contract value of £800,000.

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.