



Report of: Assistant Head of Business Support Centre

Report to: Director Resources

Date: 23 November 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 checked="" type="checkbox"/> Yes <input 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

- 1.1. The provision of postal goods and services is currently delivered by Whistl UK Limited. The contract was procured under the Crown Commercial Services (CCS) framework agreement ref: RM6017 as part of a group of authorities across Yorkshire, Humberside and Greater Manchester.
- 1.2. In December 2020 the group, led by Kirklees Council and the Yorkshire Purchasing Organisation (YPO), led a further competitive tender exercise to procure a supplier under the CCS Framework RM6017.
- 1.3. The further competition resulted in 2 submissions being received. Submissions were evaluated on both quality and price with 60 points available for quality and 40 points available for price. Individual method statement questions were weighted based on the importance to the delivery of the contract.
- 1.4. Ten percent of the quality weighting was attributed to Social Value.

- 1.5. The tender responses were evaluated and the preferred bidder identified as Whistl UK.
- 1.6. Leeds City Council called off from this arrangement on 1 January 2021 for twelve months, and a new contract is now required to ensure the continuation of critical services beyond the expiry date, 31 January 2022.
- 1.7. Approval is now being sought for Leeds City Council to procure a new contract under this call off arrangement as the combined volumes of mail from the combined authorities means that the contract represents best value.
- 1.8. Due to the Council's current financial pressures we seek to award a short term (one year) call-off, with the option to extend by two periods of twelve months. This will allow the Council to monitor other cost-saving options for the delivery of Postal Services.
- 1.9. The contract value is approximately £800,000 for Leeds City Council per annum.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- 2.1. 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

- 3.1. The collaborative approach has enabled the participating local authorities to aggregate requirements thereby achieving better value through economies of scale.

4. Recommendations

- 4.1. It is recommended that the Director of Resources approves the request to procure a new contract by calling off from the existing arrangement made by a group of local authorities in the Yorkshire, Humberside and Greater Manchester regions with Whistl UK Limited for the provision of postal goods and services. This is for a period of one year (from 1 February 2022 to 31 January 2023) with the option to extend for 2 twelve-month periods. The estimated annual contract value for Leeds is £800,000.

5. Purpose of this report

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

6. Background information

- 6.1. The provision of postal goods and services is currently delivered by Whistl UK Limited. The contract is in place until 31 January 2022. A new contract is required to ensure the continuation of critical services beyond this date.

- 6.2. Whistl UK Limited have been the postal services provider for a group of authorities from the Yorkshire, Humberside and Greater Manchester regions since August 2016.
- 6.3. In December 2020 a further competitive exercise was conducted under CCS Framework RM6017 to realise additional savings in the provision of postal goods and services based on aggregated volumes for the 22 authorities.
- 6.4. Whistl UK Limited submitted the successful bid, and a 12-month contract was awarded by Leeds which expires on 31 January 2022.
- 6.5. Approval is now being sought to award a new contract under this existing arrangement.
- 6.6. This was a collaborative procurement with 22 other Local Authorities (which subsequently increased to 24) and was led by Kirklees Council and procured by the Yorkshire Purchasing Organisation (YPO) on our behalf.
- 6.7. The contract value for the period 1 February 2022 to 31 January 2023 is anticipated to be in the region of £800,000.
- 6.8. Due to the Council's current financial pressures it is recommended that the contract is awarded for a short term (one year) call-off, with the option to extend for two further twelve-month periods. This allows us to explore other cost-saving options for the delivery of postal goods and services.

Corporate considerations

7. Consultation and engagement

- 7.1. Leeds City Council were consulted throughout the procurement process in late 2020 and our requirements were adequately accounted for in the tender documentation. The YPO acted as the Lead Authority in this collaborative procurement.
- 7.2. The original participating Authorities were:
- Leeds City Council
 - 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

8. Equality and diversity / cohesion and integration

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

9. Council policies and the Best Council Plan

9.1. 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

9.2. 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.

9.3. One of the objectives of the corporate Mail and Print Programme 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.

9.4. The specification set 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

10. Resources, procurement and value for money

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

10.2. YPO managed the further competition procedure which represented a resource saving. This further call-off from the arrangement is being undertaken in full

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

10.3. The evaluation model was 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 was awarded to the Bidder that achieved the highest total score.

10.4. Ten percent of the quality score was attributed to Social Value.

10.5. 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.

11. Legal implications, access to information, and call-in

11.1. This is a Key Decision.

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

11.3. The further competition was conducted by YPO as a collaborative exercise involving a number of different Local Authorities throughout Yorkshire, Humberside and Greater Manchester.

12. Risk management

12.1. The further competition and risk was managed in consultation with Procurement and Commercial Services, and they have advised that the best course of action is to seek to award a new contract on the basis of this call-off arrangement.

12.2. 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.

13. Conclusions

13.1. A new contract is required to ensure the continuation of critical postal goods and services beyond 31 January 2022 when the current contract with Whistl UK Limited expires.

14. Recommendations

14.1. It is recommended that the Director of Resources approves the request to procure a new contract by calling off from the existing arrangement made by a group of local authorities in the Yorkshire, Humberside and Greater Manchester regions with Whistl UK Limited for the provision of postal goods and services. This is for a period of one year (from 1 February 2022 to 31 January 2023) with the option to extend for 2 twelve-month periods. The estimated annual contract value for Leeds is £800,000.

15. Background documents¹

15.1. 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.