

Subject:	Re-Procurement of Corporate Print & Copy Devices		
Date of Meeting:	2nd May 2013		
Report of:	Executive Director Finance & Resources		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The council has an existing corporate contract for the provision of a fully managed and rationalised printing, copying and scanning solution through the use of Multi Function Devices (MFDs).
- 1.2 The existing contract for the provision of this MFD solution is due to expire in December 2013 after a period of 5 years.
- 1.3 The council is seeking to procure a new contract to enable the continued provision of existing services and build in flexibility to the new contract to allow other services, currently on separate contractual arrangements, to access the corporate solution. This will lead to further consolidation of requirements and even greater economies of scale. There is also a need to allow for reducing numbers of printers and reduction in volumes of printing over the lifetime of the contract in line with changes in working practice.
- 1.4 This report therefore seeks approval from Policy & Resources Committee to procure a new contract for the provision, maintenance, support and associated services relating to MFD's (Multi Functional Devices).
- 1.5 This does not apply to the small, separate devices which are sometimes required, for example, for members.

2. RECOMMENDATIONS:

That the Policy & Resources Committee:

- 2.1 Approves the procurement of a corporate contract for the supply and maintenance of MFD equipment through a framework agreement.
- 2.2 Approves the re-tendering of this contract for an initial term of 3 years with an option to extend for periods of up to 24 months (possible maximum 5 year term).
- 2.3 Approves the timetable and process for procurement, as detailed in section 3 of this report.

- 2.4 Delegates authority to the Executive Director Finance & Resources –
- (i) to award and let the contract following evaluation of tenders; and
 - (ii) to extend the initial 3-year term of the contract by up to 24 months, should the Director consider it appropriate, and subject always to satisfactory performance by the appointed contractor.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 In 2007 a review of the council's photocopying and print service was undertaken to assess the distribution and use of the existing photocopier and printer fleet and identify areas for service improvement and potential savings. The review found that the council had operated a decentralised, inefficient and costly service. There were found to be in the region of 160 digital and analogue photocopy machines of varying speeds and functionality and a vast array of desktop printers, largely under the direct control of local teams and individual managers. While these devices may have been purchased at reasonable cost, it was established that there were significant benefits to be found in consolidating this diverse range of devices to deliver financial savings, improved service and sustainability benefits. As a result, the Committee gave approval to procure a fully managed and rationalised corporate Print and Copy service.
- 3.2 The key objective of the contract was to replace upwards of 1800 devices/printers with a more cost-effective printing solution utilising the latest appropriate technology. The major scope for savings was envisaged to be in the removal of desktop printers and photocopiers, replacing them with a significantly reduced fleet of digital multifunction devices (MFDs).
- 3.3 The contract was awarded to Alto Digital in 2008 and provided for the supply of hardware (including end user devices and servers) software, maintenance and supplies (ink/toners). It is a fully managed service assured against a strict service level agreement. Currently the machines are leased and the value of the current contract is £530,000 per annum.
- 3.4 The introduction of a managed service has enabled significant rationalisation of the distribution, ownership and management of equipment and services. This has delivered financial savings and carbon usage reductions.
- 3.5 A review of the implementation in Kings House was undertaken following implementation of the service in 2008. The findings were as follows;
- The number of printer/copiers was reduced from 259 to 55;
 - This resulted in a reduction in annual CO² emissions of 88,750 kg;
 - The change from automatic printing to the user being required to release printing with the use of a security card showed that in one month (May 2009), of the 700,000 pages sent to print, 50,000 pages were deleted without being printed (via the automated 'purge' function) which equates to 600,000 pages p.a. Prior to the implementation of this project, these pages would have been automatically printed and may have been thrown out;

- In 2011 ICT carried out a further review of energy usage associated with MFDs and found that 1492 printers had been replaced by 412 new devices. The size and type of these new devices varied depending on the size and the layout of the building in which they were located. As a result of the reduction the annual office printing energy usage had reduced significantly from 1,224,620 KWh per year to 306,605 KWh per year. In 2011 this equated to a saving of over £90K per year.

Procurement Strategy

- 3.6 The current contract is due to expire in December 2013. The new procurement will explore options to lease or buy the equipment under a framework agreement, or via a suitable existing contract available across South East 7. Photocopying, printing and MFD equipment and services are widely available under a number of existing framework agreements, including from the GPS (Government Procurement Services) framework. These are pre-approved, OJEU compliant framework agreements which provide a wide range of suppliers and competitive offers. It is recommended that one of these frameworks is used in order to expedite the procurement process and minimise duplication and expense associated with undertaking a full OJEU procurement procedure.
- 3.7 The Specification will require bidders to submit detailed information on financial costs, technical specifications and capabilities, service and maintenance standards, sustainability and general quality controls. Selection of the supplier will be made following evaluation of various elements within the supplier's tender, including; price, technical, experience, resources and sustainability. The exact weighting of these will be decided upon by the project team (led by ICT) as part of the development of the specification.
- 3.8 The proposed elements will be broken down further into weighted components of each section and allocated a percentage score based on the sufficiency and suitability of the responses.
- 3.9 Further, the new contract will be specified to allow flexibility to reduce the number of machines, printing volumes and associated costs as requirements *may* change significantly over the period through implementation of the workstyles programme and associated accommodation changes.
- 3.10 The original procurement in 2008, focussed on general office printing, scanning and copying, however, there are also bulk printing and scanning functions within the council where the devices used are not included in the existing contract. It is the intention to let the new contract with the capacity to include the devices used in these areas as and when their current agreements come to an end. This will further consolidate separate contracts for provision of devices, support and maintenance and deliver better value for money. The identified areas to include are:
- Sign and Print Department – 1 high quality colour laser printer, leased until June 2015.
 - Kings House Print Room – 3 high quality high volume printers / copiers, leased until November 2014.

- Able and Willing – contracts in place may be periodically reviewed to determine if this contract can offer better value for money.
- 3.11 For the avoidance of doubt, the above information and the purpose of this report relates only to the provision of devices and their support and maintenance. Procurement options and decisions about printing services and providers are separate decisions and are not relevant to this procurement.
- 3.12 Prior to the contract tendering process an audit and assessment of requirements will be undertaken by an independent expert, to ensure that the new contract provides the correct machines to the correct areas of the council and that they are appropriately specified to deliver the volume, quality and reliability required.
- 3.13 The procurement timetable is as follows;

Activity	Target Date
Prepare Specification	April 2013
Issue Tender Documents	Early May 2013
Tender Returns	Early June 2013
Bidder Presentations	Mid June 2013
Evaluation	July 2013
Selection & contract forming	Early Aug 2013
Contract Award	Sept 2013
Implementation / start date	Dec 2013

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 There will be consultation with end users to ensure that the user interface is simple and intuitive and meets expectations. This is an important aspect of the procurement process to ensure that the quality and usability of the devices is appropriate. To that end, it is expected that a wide range of users will be involved in the evaluation process. There will also be full collaboration between the corporate Procurement Team and ICT.
- 4.2 Regional SE7 partners have been informed of the proposed approach which will be conducted in line with a set of agreed principles so that opportunities for further regional collaboration are not missed or prohibited.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The spend for provision of print and copy services under the current contract is £530,000 per annum. It is anticipated that the procurement will generate further efficiencies through greater economies of scale and will allow alignment with the workstyles value for money programme in terms of future anticipated demand.

Finance Officer Consulted: Anne Silley

Date: 03/04/13

Legal Implications:

- 5.2 The procurement strategy set out in section 3 of the report would involve a procurement process that complies fully with the relevant EU and UK public procurement laws.
- 5.3 The authority of Policy & Resources Committee to proceed with the intended procurement is necessary by virtue of the estimated value of the proposed contract.

Lawyer Consulted: Oliver Dixon

Date: 02/04/13

Equalities Implications:

- 5.4 An Equalities Impact Assessment (EIA) will be conducted against any part of the procurement which results in a change to user functionality. Service and or customer service impacts will be addressed by relevant services where identified.
- 5.5 This contract will supply devices, software, maintenance and support. This industry typically pays levels above the living wage. A living wage bid will therefore not be applicable.

Sustainability Implications:

- 5.6 A consolidated print and copy service typically results in significant reductions in the energy costs of the service and in carbon usage. This is achieved in the following ways:
- Reduction in the number of printing & copying devices;
 - Ensuring that all devices print in duplex (both sides) by default to reduce the amount of paper used;
 - Ensuring that all devices print mono by default – colour printing is 10 times more expensive than black and white printing;
 - All toners are recycled by the supplier;
 - Ensuring that devices go into 'energy save mode' after 15 minutes of inactivity;
 - Machines 'phone home' to alert the supplier for pro-active maintenance and toner low alerts;
 - Daily print queue purge. Documents are deleted if not printed by the user within 24 hours;
 - Users are able to access printing from any MFD located anywhere in the council (follow me printing).

This procurement will build on what has already been achieved to deliver further sustainability benefits. It will do this by taking advantage of the improvements in technology since the last contract award and the reducing need for print as a result of the Workstyles Programme. It will also bring in other services who do not have access to the current contract.

Crime & Disorder Implications:

5.7 None

Risk and Opportunity Management Implications:

5.8 The proposed procurement offers the opportunity to:

- re-examine and potentially improve service levels to end users;
- consolidate the remaining print and copy contracts and deliver further savings;
- re-examine the market for more energy efficient devices.

Public Health Implications:

5.9 There are no Public Health implications.

Corporate / Citywide Implications:

5.10 This report sets out the required approach to ensure that the council continues to provide functional print, copy and scan services to meet service requirements in an efficient and cost effective way. There are no known citywide implications.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 Do nothing: As the existing devices are supplied under lease via this fully managed service, doing nothing would lead to the complete removal of services at the contract end date. An alternative would be to not reinvest in a centralised and managed service and allow individual departments to purchase their own devices. This is not considered a viable or safe option as it would lead to uncontrolled procurement of individual devices, significantly increased cost, higher maintenance and management overheads and increased carbon usage. It would also be counter to the council's investment in the Workstyles programme and may mean that the full benefits of this programme would not be realisable.

6.2 Further extension of existing contract: There is no provision for further extension of the existing contract.

6.3 It is appropriate to go out to market to ensure the council is able to obtain best value for money on any new contract and to meet its procurement obligations.

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 Print, copy and scan services are essential to the council's daily business. Procurement of the contract as proposed assures the availability of the tools and functions used by staff and supports business continuity across the council's services.

7.3 Care will be taken to ensure, as far as possible, that the contract is tendered to allow for the office accommodation changes that may result from further implementation of the Workstyles programme.

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents in Members' Rooms

1. None

Background Documents

1. None

