

<b>Subject:</b>	<b>Procurement of a Corporate Contract for the provision of Multi-Functional Devices (MFD's)</b>		
<b>Date of Meeting:</b>	<b>18<sup>th</sup> July 2019</b>		
<b>Report of:</b>	<b>Executive Director of Finance and Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Adrian Palmer</b>	<b>Tel:</b> 29-5046
	<b>E-mail:</b>	<b>Adrian.palmer@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes/No</b>	<b>Forward Plan No. (7 Digit Ref):</b>	
<b>Wards Affected:</b>	<b>All</b>		

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 Brighton & Hove City Council currently has two contracts in place for the provision of a fully managed and rationalised printing, copying and scanning solution through the use of 158 multi-functional devices (MFDs) and 132 other devices. Each device is provided under a lease contract with Siemens and operates under a fully managed service contract with Alto Digital.
- 1.2 Both contracts are due to expire at the end of March 2020 but provide the council with the option to terminate prior to this.
- 1.3 The annual spend across both leasing and maintenance contracts is currently £382,375.00
- 1.3 The council is undertaking a joint procurement exercise in association with East Sussex County Council under the Orbis partnership to procure a new contract for the provision of print, copying and scanning services. It is expected that added efficiencies will be delivered as part of a cross partnership approach through a common adoption of best working practice & solutions and economies of scale. Although the number and type of devices under the current contracts has been actively reduced to deliver cost savings, a further review of the print service is intended to take place as part of the pre-tender stage to identify potential efficiencies and savings where ever possible.
- 1.4 This report seeks approval to procure and award a new single supplier contract for Brighton & Hove relating to the provision of a fully managed MFD services contract which will include the lease of all devices, maintenance, and support and associated services including ink, toner and other consumables excluding paper.

#### 2. RECOMMENDATIONS:

That the Policy, Resources and Growth Committee:

- 2.1 Approves the procurement of a Corporate Contract for the leasing, supply and maintenance of MFD equipment through a compliant central purchasing body framework agreement
- 2.2 Grants delegated authority to the Executive Director of Finance and Resources to award a contract for the supply and maintenance of MFD equipment for an initial period of 5 years with the option to extend for two further periods of 12 months.
- 2.3 Grants delegated authority to the Executive Director of Finance and Resources to enter into a lease agreement for the leasing of MFD equipment for an initial period of 5 years with the option to extend for two further periods of 12 months.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 In 2008 a contract for a managed print, copy and scanning service was awarded to Alto digital for the supply of hardware, software, maintenance and support of MFDs following a comprehensive review of the provision of this service. Further optimisation following the Council's withdrawal from Kings House resulted in substantial financial and sustainability improvements. In 2011 ICT further reviewed the energy consumption required to deliver the MFD service and was able to reduce the number and size of devices installed resulting in a £90K p.a. energy cost reduction. In late 2013 the services were re-procured and a new contract awarded to Alto Digital via mini-competition through the Crescent Purchasing Consortium. In 2015 at the recommendation of the Finance Department, the devices purchased under the new contract were sold to Siemens from whom the council now leases the equipment via a contract with Capita.

As part of the pre-tender activities, one of the framework suppliers will be asked to undertake a print audit across the organisation to ensure an optimised portfolio of devices and services are provided under the new contract. There will also be scope to identify new opportunities for reducing print volumes through the adoption of new technologies and energy sustainability possibilities. Frequent contract review meetings with the new supplier will provide the council with an opportunity to ensure that the council's evolving needs are managed appropriately and deliver ongoing leanness for the duration of the contract. It should be noted that the adoption of paper free digital working processes will likely use the MFD devices to be procured as an indispensable foundation since existing paper documents will need to be digitised using the devices' scanning function as will new paperwork received from partner organisations. It is not therefore anticipated that the devices will be made unnecessary during the lifetime of a new contract notwithstanding aggressive pursuit of sustainable paperless working.

- 3.2 With the current equipment lease and service contracts expiring at both BHCC and ESCC, the hardware and servicing requirements for both authorities were discussed in order to agree the level of alignment across both organisations. As a result of this, the intention is to procure a single supplier which meets the business needs of both BHCC and ESCC through

a mini competition process, to be contracted under 2 separate call off contracts. This approach is expected to provide beneficial consistencies across the Orbis partners as well as economies of scale delivered by increased volume pricing discounts.

- 3.3 An analysis of a number of central purchasing body frameworks was undertaken and has been assessed based on the available technical solutions and indicative pricing. It is recommended to proceed with a procurement using a mini competition process via through the National procurement group (NPG) framework Lot 1 -Multifunctional/Reprographic Devices and Associated Print Services

The provisional procurement timetable is as follows:

Activity	Date
PAB	10 <sup>th</sup> June
PR&G Committee	18 <sup>th</sup> July
Mini competition opens	22 <sup>nd</sup> July
Tender Returns	19 <sup>th</sup> August 2019
Contract Award	1 <sup>st</sup> October 2019
Contract Commencement	2 <sup>nd</sup> November 2019

#### 4. CONSULTATION

- 4.1 There has already been extensive consultation and input from the print management teams across BHCC and ESCC to define the future technical and service specifications of the service. Orbis Procurement have been engaged from the outset and have been responsible for supplier engagement and helping to define the requirements within both organisations. End user training and support are intended to be included as part of the project implementation to deliver ease of use and consistency of service. Regular council/supplier meetings will bring any exceptions to light and manage their resolution.

ESCC have been engaged since the outset and other potential partners have been given the opportunity to explore working in collaboration as part of this procurement exercise.

#### 5. FINANCIAL & OTHER IMPLICATIONS:

##### Financial implications:

- 5.1 The current contract costs for BHCC's MFD equipment is approximately £0.360m. The indicative pricing information, received from the Purchasing Frameworks consulted as part of the joint procurement exercise achieved through the Orbis partnership, suggests savings can be expected for both hardware lease and running click costs. With the intention to produce separate contracts for each authority, any resulting savings for BHCC would assist the authority's sovereign budget position for 2020/21.

*Finance Officer Consulted: Peter Francis Date: 29.05.19*

Legal Implications:

- 5.2 In accordance with Part 4 of the Council's Constitution, Policy, Resources and Growth Committee is the appropriate decision making body in respect of the recommendations set out in paragraph 2 above. In addition to comply with CSO3.1, authority to enter into contracts in excess of £500,000 must be obtained by the relevant committee.  
Orbis Public Law officers will advise on the proposed framework agreement to be used, call off contracts and lease agreements for the MFD supply and services contract during the procurement process to ensure that they comply with the all relevant public procurement legislation as well as the council's Contract Standing Orders (CSO).

*Lawyer Consulted: Barbara Hurwood*

*Date: 06.06.19*

Equalities Implications:

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

Social Value:

- 5.4 As part of the procurement quality evaluation, Social Value will be evaluated in accordance with the Council's Social Value framework and suppliers will be expected to demonstrate their commitment and support to this.

Sustainability Implications:

- 5.5 Further reductions in energy consumption and carbon usage will be sought through the re-procurement. Reduction in use and considered management of single use plastics in device consumables will be evaluated and expected as an outcome of the Framework Mini competition. Overall the strategy is to drive down print and copy usage and to favour electronic document management and processing in preference. The new contract will build upon the substantial sustainability benefits that have already been achieved in previous efforts around this topic

Crime & Disorder Implications:

- 5.6 None

Risk & Opportunity Management Implications:

5.7 The proposed procurement offers the opportunity to:

- Re-examine and potentially improve service levels to end users
- Further consolidate print and copy contracts to deliver financial savings
- Further consolidate print and copy service offering to deliver energy usage and other sustainability benefits

Public Health implications:

5.8 There are no public health implications

Corporate / Citywide Implications:

5.9 This report sets out the recommended approach to ensure 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.

**SUPPORTING DOCUMENTATION**

None