

Report

10

Report to:	Finance and Information Technology Resources Committee
Date of Meeting:	19 January 2010
Report by:	Executive Director (Finance and Information Technology Resources)

Subject:	Second Year Extension of the Bulk Printing and Mailing Contract
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise the Committee of the current status of the contract for the supply of Bulk Printing and Mailing services and propose that the contact with Document Outsourcing Limited to supply the Council with bulk printing, scanning and mail services be extended for a further 12 months until November 2011.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the contract with Document Outsourcing Limited to supply the Council with bulk printing, scanning and mailing services be extended for a further 12 months until 30 November 2011.

3. Background

- 3.1. The Council's bulk printing, scanning and mailing services have been outsourced since 1998. Following the most recent European Union procurement, the contract for the supply of a managed printing, scanning and mailing service was awarded to Document Outsourcing Limited in May 2006. The contract was awarded for an initial period of 3½ years, with an optional extension of 2 years. The initial 3½ year period expired on 30 November 2009 and authorisation was given by the Finance and Information Technology Committee on 27 October 2009 to extend the contract for a further 12 months to 30 November 2010.
- 3.2. In awarding the 12 month contract extension, the Council noted the £38,329.46 cost savings generated in 2008/09 from use of Document Outsourcing's PrimePost deregulated postage service and the efforts made by the company to stabilise the operational service following problems at the start of 2009 which had a significant impact on Council services. The period of 12 months also provided time to carry out a full European Union procurement process and service migration to a new supplier. This is fully documented in the 27 October 2009 committee report recommending the initial contract extension.
- 3.3. The invitation to tender notice was published in the European Union Journal on the 16 November 2009. The PQQ (Pre Qualification Questionnaire) has now been completed. However, should the second year extension be approved, this would not

be progressed further at the moment and interested parties would be advised accordingly.

4. Current Status

- 4.1. There has been a significant stabilising in the service provided by Document Outsourcing and a clear improvement in processes, support, communications and escalation processes within their organisation. In addition, the Lanarkshire Joint Valuation Board annual canvass was completed successfully and planning is already underway for the Council's 2009/10 year-end processing.
- 4.2. Housing and Technical Resources has been given approval to proceed with implementation of the recommendations of the Benefits Review with the objective of bringing approximately £500,000 of annual savings to the Council. The implementation dates for the programme of work are between May 2010 and October 2010. This is the same time period targeted for the migration of bulk printing and mailing services to the new supplier.
- 4.3. All key resources from Housing and IT Services will be allocated to the Benefits Review programme of work to enable timescales to be met and the management team within Housing and Technical Resources Support Services section have serious concerns about adding in a major contract migration within the same timeframe. It is their view that the risks of undertaking the bulk printing and mailing contract migration are higher than the risks of continuing with the use of Document Outsourcing for bulk printing and mailing. In light of this, they have requested that the existing contract with Document Outsourcing be extended until 30 November 2011.
- 4.4. The Design and Production Manager, Corporate Resources is seeking approval for the creation of a corporate printing strategy. This could have a significant impact on the provision of bulk printing and mailing services. It may be prudent to delay the introduction of a new bulk printing and mailing contract to reflect the impact of any new strategy.
- 4.5. Negotiations with Document Outsourcing around the terms and conditions of the initial 12 month extension have led to an annual saving of £7,500 with an additional cost avoidance saving of £7,000 due to agreement that Retail Price Index on services will not be applied going forward. Document Outsourcing has agreed to apply these savings for a further 12 months.
- 4.6. In terms of Number 17 on the Standing Orders on Procedures, it is proposed that the contract with Document Outsourcing Limited to supply the Council with bulk printing, scanning and mail services be extended for a further 12 months until November 2011. This is due to information that has recently become available that indicates a resource conflict with the implementation of the benefit review outlined at paragraph 4.2 above.

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. Service costs during the contract extension period will remain fixed at current levels.

7. Other Implications

- 7.1. None

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. There is no requirement to carry out an impact assessment in terms of the proposals contained within this report. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Linda Hardie

Executive Director (Finance and Information Technology Resources)

16 December 2009

Link(s) to Council Objectives

- ◆ Value: Accountable, Effective and Efficient

Previous References

None

List of Background Papers

- ◆ Committee report seeking contract extension 27 October 2009
- ◆ Committee minutes 27 October 2009
- ◆ Contract schedules including service level agreement
- ◆ Service improvement project report

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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