

WIRRAL COUNCIL

CABINET

12 JANUARY 2012

SUBJECT	PHOTOCOPIERS AND MFD CONTRACT
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR STEVE FOULKES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks Cabinet approval to award a contract for the supply, installation and maintenance of photocopiers and multi-functional devices. This follows a full tender process conducted in accordance with European Union regulations. It is recommended that the contract be awarded to the highest scoring tender that provides the most economic advantage to the Council.
- 1.2 Tender details are provided in the appendix to this paper which is not for publication by virtue of paragraph(s) 3 of part 1 of Schedule 12A of the Local Government Act 1972.
- 1.3 This contract is integral to the Council print strategy and is a project within the Change Programme.

2.0 RECOMMENDATIONS

- 2.1 That Cabinet awards the contract for the supply, installation and maintenance of multi-functional devices, photocopiers and desk top printers to the highest scoring tender.
- 2.2 That Cabinet endorses the further rationalisation of printing devices in accordance with the Council print strategy.

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 The current contract for Photocopiers and Multi-Functional devices expired on 30 November 2011.
- 3.2 The results of the evaluation of tenders are set out in the appendix which is not for publication as it contains commercially sensitive information.

- 3.3 Expenditure on printing and photocopying is £1.5m over a three year period. This is split between Council Departments £0.757m, and Schools £0.807m. The tender indicates a total saving of 20% on current costs, representing £0.31m over three years. These savings will be realised upon the replacement of current devices. This could be expedited if temporary additional capacity in IT Services is accessed. This would incur a one-off cost of £8,500 funded from the early realisation of the savings.
- 3.4 Based on an analysis of current equipment and usage the highest scoring tender provides an opportunity for savings against Council budgets of 9% and for schools of 30%. The projected savings potential is therefore £68,000 for Council budgets and £242,000 for schools over three years.
- 3.5 Benchmarking with other Councils indicates further rationalisation of devices and the removal of more desk top printers could increase the savings potential. These savings are built in to the Council print strategy which aims to deliver savings of £0.25m per year for two years.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 In accordance with the Contract Procedure Rules, Financial Procedure Rules and European Procurement Rules a full tendering process has been undertaken. Initially sixty six expressions of interest were received indicating a highly competitive market. Twenty completed questionnaires were received at the next stage, which resulted in tender documents being sent to seven qualifying suppliers. Five completed tenders were subsequently received. During the evaluation process two suppliers opted out of the process.
- 4.2 The tender evaluation panel, comprising officers from IT Services and Procurement, applied a cost/quality model to the remaining three tenders. This was based on 70% price and 30% quality to determine the most economically advantageous tender as set out in the exempt appendix.

5.0 RELEVANT RISKS

- 5.1 The award of this contract adheres to European Union legislation and the Council procurement strategy. This process reduces the likelihood of a poor decision being made.
- 5.2 The contract will be managed by IT Services to ensure the Council obtains, and can evidence, value for money.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 Existing purchasing frameworks were examined such as Buying Solutions and Eastern Shires Purchasing Organisation. However it was felt in such a competitive market a full open tender would offer the best opportunity for savings. This decision also ensured that all suppliers were given a fair and equal opportunity.

7.0 CONSULTATION

- 7.1 Procurement and IT Services were involved at each stage of the options appraisal, tender process and evaluation.
- 7.2 Schools have the option to be part of this contract.
- 7.3 Members of the Merseyside Procurement Partnership were invited to collaborate and a collaborative clause has been included in this contract for other Councils within the Partnership to participate in the contract.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 There are no implications.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 **Financial.** Current expenditure is approximately £521,000 per year. This contract provides an opportunity for savings amounting to £310,000 over three years. Full compliance will limit and control expenditure and ensure that value for money is optimised. The contract also supports further savings from the continued rationalisation of printing devices which is part of the Council print strategy. These further savings are already built into the budget. The savings that can be applied to Council Departments amounts to £68,000 over three years, and the savings potential for schools if they take advantage of the contract is £242,000 over three years
- 9.2 **IT Services.** Ongoing IT support will be required to implement the changes and monitor the performance of the contract. The ITS Distributed Systems Team is currently fully committed on other priority developments which could delay the implementation. Temporary additional capacity in IT Services costing £8,500 will bring forward the delivery of the savings.
- 9.3 **Staffing.** Staffing resources from IT Services and the Change Team may be required to assist with the further rationalisation of printing devices.
- 9.4 **Assets.** The contract requires the devices to be of sufficient quality to protect the Council assets in which they are installed.

10.0 LEGAL IMPLICATIONS

- 10.1 The letting of this contract has adhered to public procurement procedures, contract and financial procedures rules, and European Union legislation.

11.0 EQUALITIES IMPLICATIONS

11.1 There are no implications

11.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? No

12.0 CARBON REDUCTION IMPLICATIONS

12.1 The installed devices are required to operate at the lowest possible power consumption levels commensurate with their use and carry the 'Energy Star' accreditation or equivalent rating for its energy efficiency. They will have automatic 'power down' or 'sleep' modes when not in use for any extended period. Their ozone emissions will comply with nationally or internationally recognised environmental quality standards evidenced by the supplier and accepted by the Council as an appropriate standard.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are no implications

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	