

<b>Item No.</b>	<b>Classification:</b> Open	Date: 10 January 2022	<b>Meeting Name:</b> Cabinet Member for Finance, Performance and Democracy
<b>Report title:</b>		Gateway 2 - Contract Award Approval Print Management Services	
<b>Ward(s) or groups affected:</b>		None	
<b>From:</b>		Strategic Director of Housing and Modernisation	

## RECOMMENDATION(S)

1. That the Cabinet Member for Finance, Performance and Democracy approves the award of a call-off contract for the provision of print management services, from Lot 2 of the Crown Commercial Services framework RM6170, to Corporate Document Services Ltd. (CDS) for an estimated annual value of £800k for an initial period of three years with an optional one-year extension making a total estimated value over four years of £3.2m, commencing on 28 February 2022.

## BACKGROUND INFORMATION

2. The Gateway 1 report for the procurement strategy for this contract was approved on 29 June 2021. The council has a need for many different kinds of print such as committee and Council agenda, Council Tax notices, cheque payments, Leaseholder bills, arrears letters, statutory notices about works, newsletters, leaflets, poll cards, electoral registration letters, banners, as well as letter-headed paper, business cards, etc. Not all printing firms have the ability to provide all the printing requirements. The previous printing included in this new contract was mainly carried out by three different firms.
3. It was decided to obtain the services of a print management services company which would provide a team of experienced print buyers choosing the most appropriate print firm for the required task at the best price.
4. The procurement strategy was to call-off a contract from Lot 2 of the CCS Print Management Services framework RM6170. The contract period is for three years with the possibility of a one-year extension making a total term of four years, the maximum duration allowed under the CCS framework agreement.
5. Co-ordinated by a representative from the Corporate Facility Management team, representative stakeholders from across the council (Communications, Constitution, Electoral Registration, and Exchequer Services) were involved in drawing up the specifications and assistance was received from the incumbent supplier providing the majority of the print work from their embedded Print Buyer regarding the council's current print

requirements. CFM produced the invitation to tender documents, and amended the CCS documentation ensuring all documents inter-related. A member of the legal team also reviewed the extensive set of documents provided by CCS.

6. All staff involved in putting the contract documents together were very busy over this period and so the original procurement timetable slipped.

### Procurement project plan (Key Decision)

7.

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	01/07/2021
Briefed relevant cabinet member (over £100k)	24/05/2021
Approval of Gateway 1: Procurement Strategy Report	29/06/2021
Invitation to tender	11/11/2021
Closing date for return of tenders	02/12/2021
Completion of evaluation of tenders	13/12/2021
DCRB Review Gateway 2:	20/12/2021
CCRB Review Gateway 2:	06/01/2022
Notification of forthcoming decision – Five clear working days	13/01/2021
Approval of Gateway 2: Contract Award Report	20/01/2022
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	27/01/2022
Contract award	28/01/2022
Add to Contract Register	15/02/2022
TUPE Consultation period (if applicable)	25/02/2022
Contract start	28/02/2022
Publication of award notice on Contracts Finder	24/02/2022
Contract completion date	27/02/2025
Contract completion date – if extension(s) exercised	27/02/2026

## **KEY ISSUES FOR CONSIDERATION**

### **Description of procurement outcomes**

8. The procurement outcome is a type of call-off contract which can facilitate the production of regular printing requirements (i.e. daily, fortnightly, monthly, and annual) specialist printing (e.g. for pension payments, electoral services, etc.) and the many ad hoc requests for leaflets, newsletters, etc. Bringing the work formerly carried out by three companies together will provide benefits including standardisation of approach to printing which may lead to efficiencies through the use of the latest technology, and centralised management.

### **Key/Non-Key decisions**

9. This report deals with a key decision.

### **Policy framework implications**

10. This contract supports the council's Climate Change Strategy and Fairer Future Procurement Framework, which support the Council Plan. The winning bidder has set out their plans with regard to Climate Change, which are set out in paragraph 39-43. As part of their appointment to the CCS panel for framework RM6170 bidders were required to confirm their good employment practices, and modern slavery statements.

### **Tender process**

11. The tender process followed was a mini-competition inviting all six firms on the CCS RM6170 framework to tender:
  - Allied Publicity Services (Manchester) Ltd.
  - Corporate Documents Services Ltd.
  - Cubiquity Ltd.
  - PSL Print Management Ltd.
  - Williams Lea Ltd.
  - Harlow Printing Ltd.
12. Four firms confirmed their interest. One company on the framework explained that they did not have sufficient resources to bid at this time and the other gave no reason. Four bids were received.

### **Tender evaluation**

13. There are many stakeholders and as a result the evaluation panel differed for each of the evaluation questions. The panel members consisted of internal staff from the Corporate Facility Management team, Communications, Constitution, Scrutiny, Electoral Registration, and

Exchequer Services. Staff from the Social Value Portal evaluated the social value element. The award recommendation is based on the most economically advantageous based on the quality/social value/price evaluation criteria set out in the Gateway 1 report dated 29 June 2021 of 40/10/50 respectively.

14. The quality evaluation was in two parts. The first part was based on four pass/fail questions which all four firms passed. The second part was based on the evaluation of each firm's response to specific areas as set out in the table below.

B1	General Management and Delivery Model Contract performance
B2	Environmental Sustainability
B3	Subcontractors and their role
B4	Mobilisation and performance of ad hoc service requests
C5	Mobilisation and performance of Schedule 20 Specification Appendix 1 from Contract Start Date which relates to Agenda printing
C6	Mobilisation and performance of Schedule 20 Specification Appendices 2 - 4 which relate to Exchequer Services printing
C7	Mobilisation and performance of Schedule 20 Specification Appendix 5 from Contract Start Date which relates to Electoral Services printing

15. The council uses the Social Value (SV) Portal to host each contract's specific social value proposals against their Themes, Outcomes and Measures SV framework. The portal is then used by the winning contractor and the council to monitor compliance with their commitments. Staff from the Social Value Portal scored the submissions on both quality and quantity (50% each) with the Social Value element contributing up to 10% of the overall score. Five mandatory targets were set and two others were to be chosen by the bidder. Only three social value bids were received as one bidder failed to respond to the social value element.
16. The financial evaluation was based on a model for the purposes of the tender. As this is a part call-off contract, part responsive printing and part regular printing, it was not possible to set fixed annual prices and so best representations were used. For example, headed paper, business cards, brochures and newsletters, etc. are called off when required, Leaseholder section 20 notices for major works are printed as required, though may be for one estate or, for a maintenance contract, to every block of flats in the borough owned by the council. Regular printing, also, cannot be established exactly. Whilst the number of the initial leaseholder service

charge demands varies little year on year, the number of follow-up letters to non-payers will vary from month to month.

17. Clarifications of the financial bids were requested as errors in the completion of the worksheets were identified for all bidders. All four bidders were asked to correct and resubmit, however, only three did so. The fourth bidder's original bid was therefore, considered in the evaluation of the results which is shown in the closed version of this report.
18. In carrying out the financial evaluation an error was found in the original Pricing Document summary sheet in that two values had been swapped. The opportunity to correct formatting errors was also taken. The bidders were each sent a copy of the corrected Pricing Document and a copy of their bid to agree the approach. All four firms agreed, however two also submitted further revisions of their financial bids, which the council did not accept.
19. To assist the quality evaluation, guidance was given on matters to be addressed as part of the response to the quality questions in the tender documents. The individual panels then used the guidance to form an opinion on how well the firm addressed the question and complied with the guidance assigning a score and recording their reasons for the score given.
20. Each panel member marked their question(s) individually and sent their response through to the tender panel coordinator who recorded the evaluators' marks and convened meetings of the question's evaluation panel to obtain a consensus mark for each bidder's response, where there was a difference of opinion.
21. The final marks for each question were added together to produce a final quality score. That score was turned into a percentage, added to the social value mark and the financial mark to obtain the final percentage score. Details are given in in the closed version of the report, a summary of which is set out below.

### Summary Table

	<b>Bidder 1 (CDS)</b>	<b>Bidder 2</b>	<b>Bidder 3</b>	<b>Bidder 4</b>
Weighted Quality Score (40%)	24.00%	28.57%	22.86%	22.86%
Social Value score (10%)	5.87%	9.00%	4.56%	0%
Weighted Financial Score (50%)	50.00%	37.81%	47.30%	29.40%
<b>Total Score</b>	<b>79.87%</b>	<b>75.38%</b>	<b>74.72%</b>	<b>52.26%</b>
Rank	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>

### Plans for the transition from the old to the new contract

22. The transition period is key to the successful implementation of the new contract. Outline transition plans were obtained as part of the quality

evaluation. Detailed plans will be worked on as soon as the contract is awarded. Whilst the mobilisation will be led by staff from Corporate Facilities Management (CFM), the main stakeholders will be thoroughly involved to ensure that their print requirements will be met from contract start date.

23. An internal communications plan will be developed to ensure that there is a smooth transition as the new contract will involve an operational change to the previous way of working. The new contract is more technology based.
24. An exit plan is being agreed with the main incumbent supplier.
25. The recommended tenderer will be asked for proof of their qualifications, relevant memberships, accreditations and insurances quoted in the bid, however, it should be noted that these will have already been provided to CCS as part of the process of being appointed to the RM 6170 panel.

### **Plans for monitoring and management of the contract**

26. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The Report Author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.
27. Detailed procedures for the monitoring and management of the contract are included within the call-off contract which will be led by a contract manager from CFM with the involvement of representatives from the main council stakeholders.
28. The key performance indicators (KPI) were set out in the tender documents and are attached at Appendix 1.
29. Contract monitoring meetings will be held monthly along with an annual strategic review. A social value report will be provided for these meetings by the Social Value Portal team.
30. CDS is required to submit the results of their monitoring of the KPI within five days of the end of the month. This will include service failures. The KPI and procedures to prevent further service failures (if any) will form the basis of the monthly monitoring meeting. After the first three months of operation of the contract, there will be a financial cost of failure applied to the following month's invoice.
31. Monthly invoices will be submitted to CFM for completed work and storage costs of documents pre-printed and held until required. CFM will pay the invoice and recharge the ordering business units. This will also allow spend against the contract to be monitored to ensure spend is within the estimated value.
32. User satisfaction will be monitored by means of a form available to staff on The Source.

33. CFM will prepare the annual performance review report in line with Contract Standing Orders (CSO).

**Identified risks for the new contract**

34. The table below identifies risks associated with the new contract and controls to mitigate the risks.

<b>Risk No.</b>	<b>Risk Identified</b>	<b>Risk Level</b>	<b>Mitigation</b>
R1	Failure to implement the contract by the required date	Med	Detailed plans are being drawn up to ensure a smooth transition with project staff assigned to facilitate the process. In the event that the contract does not start on the planned date, alternative printing facilities will be utilised for one-off purchases.
R2	CDS ceases trading or goes into administration/ liquidation.	Low	A credit check has been carried out the result of which is Safe. If CDS ceases trading or goes into administration/liquidation during the course of the contract, the council has the ability to return to the CCS framework and carry out a direct award (subject to completing the necessary governance process) to appoint the firm that came second from this tender.
R3	Contractor has inadequate resources and management arrangements to mobilise and deliver the contract	Low	Contractors were required to set out how they would implement and deliver the contract as part of the quality evaluation. CFM is planning for the implementation and will monitor implementation performance.
R4	Brexit effects	Low	The print industry has already been affected by Brexit as paper and ink is imported and this is likely to continue. CDS is required to provide a Business Continuity plan within ten days of contract commencement
R5	Covid or other pandemic	Low	Planning for Covid is now a requirement under H&S Executive Guidance. CDS' Business Continuity plans are required to address the current or another pandemic.
R6	Risk of challenge to the procurement outcome	Low	Advice has been sought from external legal advisors who have indicated

			satisfaction with the evaluation process.
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## **Community, equalities (including socio-economic) and health impacts**

### **Community impact statement**

35. Whilst this service is not directly provided to the community the outputs benefit the community either as a whole or specific parts of Southwark's community e.g. leaseholders.

### **Equalities (including socio-economic) impact statement**

36. There is provision within the contract for documents to be produced in other languages, large print, or braille.

### **Health impact statement**

37. The health of Southwark's community will not be adversely impacted by this contract.

### **Climate change implications**

38. Bidders were asked to address the council's climate change strategy and use of single use plastic specifically. CDS certified to ISO14001. As part of the Bailie Group they have pledged to cut their carbon emissions in half by 2030 and to be Carbon Neutral by 2050. They intend to do this as set out in the closed version of this report.
39. CDS has used Planet Mark to assess their carbon emissions baseline and has been certified for Year 1 and will monitor their carbon footprint in future with Planet Mark support. They have set 5% as their target reduction for 2022.
40. Under their social value commitment as part of the contract, CDS will report annually on their decarbonisation progress to the Council.
41. Within their offices they have replaced bottled water and disposable coffee cups, replaced all lighting with LED lighting managed with PIR sensors, replaced blown windows with new sealed units, replaced gas boilers with air source heat pumps, set up secure bicycle storage to encourage commuting by bike and removed car parking spaces to provide external decking to promote staff well-being.
42. They undertake regular environmental reviews across every area of business aimed at continuously reducing emissions as set out in detail in the closed version of this report.

### **Social Value considerations**

43. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social,



economic and environmental benefits that may improve the well-being of the local area can be secured. The social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.

### **Economic considerations**

44. This is a call-off contract with business units within the council ordering print either on an ongoing basis, or for ad hoc requirements. As such the annual value of the contract will fluctuate.
45. Five mandated social value requirements were set out in the tender and bidders were free to select two more. CDS committed to providing the following mandatory requirements:

<b>SV REF</b>	<b>Measure</b>	<b>Commitment</b>
NT10	No. of weeks of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2, 3 or 4	52 weeks
NT41	Percentage of staff on contract that are paid at least the relevant Real Living wage as specified by Living Wage foundation	100%
FM29	Total amount (£) spent in local supply chain through the contract	£468k
FM60	Savings in CO2 emissions on contract achieved through de-carbonisation (i.e. a reduction of the carbon intensity of processes and operations, specify how these are to be achieved)	0.03 tCO2e
FM89	Single-use plastic packaging eliminated through reusable packaging solutions or schemes (e.g. Loop or equivalent) on the contract	12kg
CDS selected the two additional elements set out below.		
NT1a	No. of local direct employees (FTE) which are TUPE transfers retained on contract for one year or the whole duration of the contract, whichever is shorter (re-tendered contracts only - to be used at Measurement)	1
NT39	Mental Health campaigns for staff on the contract to create community of acceptance, remove stigma around mental health	£1,022

46. These commitments will be monitored through the Social Value Portal.

### **Social considerations**

47. The council is an officially accredited Living Wage Employer and is committed to ensuring that, where appropriate, our contractors and

subcontractors pay staff at a minimum rate equivalent to the London Living Wage (LLW)/Real UK Living Wage. The Gateway 1 report dated 29 June 2021 confirmed, for the reasons stated in that report, payment of LLW/Real UK Living Wage was an appropriate and best value requirement for this contract. Accordingly provision was made within the contract that the LLW or Real UK Living Wage will be paid to CDS' staff. By agreeing to the contract terms and conditions CDS binds themselves to comply. Payment of LLW/Real UK Living Wage was one of the mandated social value requirements and will be monitored via the Social Value Portal and as part of the contract review process.

### **Environmental/Sustainability considerations**

48. Please also refer to paragraphs 38 to 42 above.
49. CDS evidenced a track history of working with clients to deliver sustainability improvements to the contract including better use of technology.
50. When selecting sub-contractors CDS considers the environmental credentials of products/services of the potential supplier and delivery method during supplier assessment reviews. They have also recently added some additional questions into their procurement compliance checklist to encourage sustainable practices covering:
  - Reporting of carbon footprint and environmental impacts
  - Environmental standards and greenhouse gas reporting requirements (e.g. Planet Mark, Rainforest Alliance Certification, Carbon Trust Standard, ISO14001, etc.)
  - Identifying impacts that are monitored and managed with sustainability programmes (e.g. waste, energy use, water, travel, etc.)
  - Initiatives and actions to reduce carbon and environmental impacts.
51. For in-house production, any waste is recycled and wherever possible they are eliminating Single Use Plastic packaging in favour of reusable packaging solutions. CDS are zero to waste landfill waste management certified.
52. CDS are also engaging with their supply chain to encourage them to remove Single Use Plastic from their operations.

### **Market considerations**

53. CDS was registered at Companies House in 1994. It is a business support company providing print management, printing, data processing, etc. services nationally. It also has a vetted supply chain to supplement its own print facilities. This allows it to meet peaks and troughs in demand and to use small and medium sized (SME) companies to fulfil the council's widely varying demands for print.
54. The company has 274 staff and is based in Leeds with offices in London EC1, and Aylesbury, Bucks. It is part of Bailie Group Ltd.

55. Two sub-contractors have been proposed by CDS to provide regularly required work as part of the print management service: Hobs Repro, and Financial Data Management PLC, an SME. Both firms have operational facilities within central London. Other SME on CDS' vetted supply base of some 150 suppliers will be provided with opportunities depending on the needs of the council's business units.

### **Staffing implications**

56. The tender documentation included TUPE information provided by the main incumbent supplier regarding their member of staff. CDS has indicated that they will follow the required legislation and seek to employ this person.
57. There are no pension implications for the council arising from this award.

### **Financial implications**

58. A model was drawn up to enable pricing to be compared across the bidders. Specific prices have been obtained for ongoing print requirements and for regularly ordered documents such as letter headed paper, business cards, etc. Indicative prices have been obtained for ad hoc print requirements, which will be mini-tendered when an order is placed.
59. The nature of the contract is such that there is no set overall price. An estimated value of £3.2 million is based on past spend. Using an average number of annual printing runs, the council will pay the same or less than it does currently. However with the move to further digitisation the amount of print required is likely to decrease over the contract duration.
60. Invoices with a statement specifying the print activity will be provided monthly to CFM. CFM will recharge the costs as budgets for print are held within the business units across the council. The management fee will be apportioned over the business units according to the cost of the work they order.

### **Investment implications**

61. No investment is required.

### **Legal implications**

62. Please see the concurrent from the Director of Law and Governance.

### **Consultation**

63. External consultation was not considered necessary for this contract which supports staff in their work.

### **Other implications or issues**

64. None

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (H&M 21/130)**

65. This report seeks approval from the Cabinet Member for Finance, Performance and Democracy to the award of a call-off contract for the provision of print management services from the Crown Commercial Services framework RM6170 to Corporate Document Services Ltd. (CDS) for an estimated annual value of £800k. The contract will run for an initial period of three years, with an option to extend for one-further year. The total estimated contract value over four years from 28 February 2022 is £3.2m.
66. The financial implications are addressed in the main body of the report where it is noted that budgetary provision remains the responsibility of client departments / services. The report acknowledges that a move towards more digitalisation provides an opportunity to reduce the amount of print services required.

### **Head of Procurement**

67. This reports seeks approval from the Cabinet Member for Finance, Performance and Democracy approves the award print management services to Corporate Document Services Ltd. (CDS) for an estimated annual value of £800k for an initial period of three years with an optional one-year extension making a total estimated value of £3.2m, commencing on 28 February 2022.
68. The Cabinet Member for Finance, Performance and Democracy notes that the procurement was a call-off contract for the provision of print management services, from Lot 2 of the Crown Commercial Services framework RM6170 this is allowable under the Public Contract Regulations 2015 and the council's contract standing orders.
69. The Cabinet Member for Finance, Performance and Democracy also notes that the procurement exercise is detailed in paragraphs 13 to 21, transition from existing contractor to CDS is detailed in paragraphs 22 to 25, monitoring and management of the new contract is detailed in paragraphs 26 to 33, risks are detailed in paragraph 34, the impact on equalities, health and climate change are detailed in paragraphs 36 to 42, social value commitments are detailed in paragraph 45 and confirmation of the payment of the LLW is detailed in paragraph 47.

### **Director of Law and Governance**

70. The Director of Law and Governance notes the contents of this report which seeks the approval of the Cabinet Member for Finance, Performance and Democracy to the award of a call-off contract for the provision of print management services from Lot 2 of the Crown Commercial Services

framework RM6170, to Corporate Document Services Limited (CDS) contract for an estimated annual value of £800,000 for an initial period of three years commencing on 28 February 2022 with an option to extend the contract by a further one year making a total estimated contract value over four years of £3.2 million.

71. Contract Standing Orders 5.1 provides that any procurement involving the use of a third party's framework agreement is subject to usual Gateway 2 procedures and this report seeks the appropriate approval.
72. Paragraphs 13 to 22 outline the tender evaluation process.
73. Paragraphs 26 to 33 of this report outline the plans for monitoring and management of the contract.
74. Paragraphs 35 to 37 outline the Community, equalities (including socio-economic) and health impacts and paragraph 38 to 42 sets out the climate change implications.
75. The council's Contract Standing Orders 2.3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the council. Paragraph 60 of this report confirms how the proposed contract will be funded.

## BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Report Gateway 1 dated 29/06/21 Print Management Services – Open version	Corporate Facilities Management, Housing and Modernisation 2 <sup>nd</sup> floor, Hub 4, Southwark Council, 160 Tooley Street, London, SE1 2QH	Stuart Robinson-Marshall 0207 525 0703
<a href="https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=7372">https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=7372</a>		
Suite of Documents produced by Crown Commercial Services to support procurement under Framework Agreement RM6170	Crown Commercial Services, info@crownccommercial.gov.uk	0345 410 2222
<a href="https://www.crownccommercial.gov.uk/agreements/RM6170">https://www.crownccommercial.gov.uk/agreements/RM6170</a>		

## APPENDICES

No	Title
Appendix 1	Key Performance Indicators

## AUDIT TRAIL

<b>Lead Officer</b>	Paul Symington, Head of Corporate Facilities Management	
<b>Report Author</b>	Linda Campling, CFM Corporate Procurement Manager (Interim)	
<b>Version</b>	Final	
<b>Dated</b>	10 January 2022	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
<b>Cabinet</b>	N/A	N/A
<b>Date final report sent to Constitutional Team</b>		10 January 2022