

Key Decision Report of the Corporate Director of Environment and Regeneration

Officer (Key) Decision	Date:	Ward(s):
	16.4.19	All

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Appendix 1 to this report is exempt and not for publication
SUBJECT: Contract Award for Public Realm Outgoing Mail Service
1. Synopsis

- 1.1 This report seeks approval of the award of a contract for the provision of a Public Realm mail services. It involves the secure transmission of data, printing, posting and where required, confirmation of posting of items of correspondence. The award of the contract is in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 This contract is for the provision of an outgoing mail service, the vast majority of which will be the sending-out of Statutory Documents arising from the enforcement of Penalty Charge Notices. The contractor will also provide mail services throughout the Public Realm service.

The contractor will provide a secure, fast and accountable system for the printing and posting of mail. Where required, electronic confirmation of printing and posting will be supplied.

2. Recommendation

- 2.1 To agree to appoint Capita as the Public Realm outgoing mail service provider for a two- year period from June 2019 as outlined in this report.

Expected date of Decision - 26 April 2019

3. Background

3.1 A specialist service provider is utilised to manage outgoing mail provision for Public Realm, with the emphasis on work generated by the Parking Service. Outgoing statutory correspondence and other letters will be printed to remote printers, batched and sent out by Royal Mail on the day of receipt. Electronic confirmation of postings will be returned to the Council.

The current contract for this service was extended in February 2017 and Public Realm now needs to secure a new contract for the provision. Previously, multiple providers have been used to deliver the provision but greater economies of scale can now be achieved by using a single service provider.

It had been anticipated to award a separate contract to process incoming mail. The competition was therefore published as two separate lots, one for incoming and one for outgoing. However, the further competition for an incoming mail service attracted no bids when published. Feedback indicated that the relatively small value of this part of the contract was a significant factor in companies not bidding, and the Traffic and Parking Service do anticipate a significant drop in volumes of incoming mail this year (due to technical innovations and channel shift in other contracts) and so will be reviewing options for the small remainder of incoming work.

3.2 Estimated Value

Based on indicative volumes of outgoing mail, the estimated value of this contract is around £650k over its two year period.

3.3 Timetable

The key dates that must be reached are stated below.

Successful and unsuccessful letters despatched to bidders via the London Tenders Portal	After expire of call-in of this decision.
Contract commencement date	By June 2019

3.4 Options appraisal

The status quo would be to allow various teams to use different service providers, both internal and external. This leaves a large portion of outgoing mail un-monitored and with insufficient attention to value for money or efficiency. The Council's own internal post service is not considered a viable option due to the volume of mail and the required deadlines for posting.

3.5 Key Considerations

As a part of the evaluation process contractors were asked to meet extensive criteria relating to

(1) General Requirements which involved the ability to provide a compatible, secure and fast data transfer;

- (2) Requirements specific to outgoing mail, which involved technical aspects of printing, posting and meeting deadlines;
- (3) Social Value Benefits which given the nature of this service placed a high value on environmental considerations; and
- (4) Pricing and Value for Money.

The London living wage does apply to this contract.

Once contracts are awarded, there will be constant monitoring and evaluation on monthly basis to ensure continuous improvement with the contractors.

There are no TUPE, pension or staffing implications for the Council.

3.6 Evaluation

The tender was advertised as a further competition exercise via the Crown Commercial Services Postal Goods and Services Framework (1063).

Expressions of interest were received from two companies and their responses were evaluated by an officer panel. Both companies met the minimum requirements, as evaluated by extensive requirements on a detailed specification document. Suitability assessment requirements were groups into 4 categories as follows:

1. General Requirements which involved the ability to provide a compatible, secure and fast data transfer. This was allocated 25% of the overall scoring;
2. Requirements specific to outgoing mail, which involved technical aspects of printing, posting and meeting deadlines. This was also allocated 25% of the overall scoring;
3. Social Value Benefits which given the nature of this service placed a high value on environmental considerations. This was allocated 10% of the overall scoring: and
4. Pricing and Value for Money which was allocated 40% of the overall score. system their contribution to social value during the lifetime of this contract. A weighting of 10% was allocated to this.

The exempt appendix shows the tender scores. The highest scoring bidder for the contract was Capita Intelligent Communications and it is therefore proposed that they are awarded this contract.

3.7 Business Risks

Any failure to adhere to statutory deadlines in the service of documents will impact on the Council's ability to collect debt and maximise income.

- 3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed

by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board

4. Implications

4.1 Financial implications

The two-year contract will cost around £318k per annum and will be met from existing budgets within the parking service.

4.2 Legal Implications

The Council has power to procure mail services under section 111 of the Local Government Act 1972 which enables the council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The council may enter into contracts for such services under section 1 of the Local Government (Contracts) Act 1997.

Mail services fall under the heading of 'service contracts' for purposes of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of the Regulations to service contracts is currently £181,302,000. The value of the proposed contract is above this threshold. The council's Procurement Rules require contracts over the value of £181,302,000 to be subject to competitive tender. In compliance with the requirements of the Regulations and the council's Procurement Rules the contract has been procured using a framework that has been established by the Crown Commercial Service in compliance with the Regulations.

Bids were evaluated in accordance with the provisions of the framework contract and the highest scoring tenderer was Capita. Therefore the contract may be awarded as recommended in the report. In deciding whether to award the Corporate Director for Environment and Regeneration should be satisfied as to the competence of the supplier to provide the services and that the tender price represents value for money for the Council. In considering the recommendations in this report the Corporate Director for Environment and Regeneration must take into account the information contained in the exempt appendix to the report.

4.3 Environmental Implications

The successful bidder has confirmed their focus on minimising energy use at their sites, reducing business travel, and managing their resource use and waste management.

4.4 Resident Impact Assessment

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

No resident impact assessment was conducted in this instance as there will be no change in any impact and none of the framework providers are based in the borough.

5. Reasons for the decision:

5.1 The award of this contract will continue the Council's outgoing mail provision in a cost-effective and efficient manner.

6. Record of the decision:

6.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Signed by:

Corporate Director of Environment and
Regeneration

Date

Appendix – Exempt appendix showing Contractor scores

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