



**London Borough of Hammersmith & Fulham**

**CABINET**

**10 December 2012**

**PRINTING SERVICES: RENEWING A FRAMEWORK AGREEMENT – CONTRACT AWARD**

**Report of the Leader of the Council – Councillor Nicholas Botterill**

**Open Report**

**Classification:** For Decision  
**Key Decision:** Yes

**Wards Affected:** All

**Accountable Executive Director:** Jane West, Executive Director of Finance and Corporate Governance

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## **1. EXECUTIVE SUMMARY**

- 1.1 The procurement to re-award a Framework for Printing Services has reached the point where the Council is now able to formally confirm the inclusion of those contractors who will comprise the new Framework (Lots 1 & 2) following a detailed and comprehensive tender evaluation.
- 1.2 The Framework is designed not only for use by Hammersmith & Fulham but also other London authorities. To date, the LB Hounslow and Wandsworth councils have committed to use the Framework once in place.
- 1.3 This report recommends that the contract is awarded to those contractors set out in the Appendix 2, attached to the exempt report, who submitted the most economically advantageous tender in terms of the approved price/quality evaluation model. It also recommends that officers meet with the successful contractors to agree contract mobilisation.
- 1.4 The recommendation is that the contract will commence on 21 December 2012 and will be for a period of four years.
- 1.5 The establishment of the framework agreement of designated providers is designed to provide a competitive framework in which contractors with a proven quality/service record will systematically be called upon to bid and ultimately carry out the Council's print services. Thereby it will perpetuate an existing arrangement (Framework) which has shown itself to provide enhanced value for money and improved service quality.

## **2. RECOMMENDATIONS**

1. That approval be given to the award of a Framework Agreement for Print Services to the contractors set out in paragraph 4 for a period of four years to commence on 21 December 2012.
2. That, following formal award of the Framework, officers hold mobilisation meetings with successful contractors to ensure smooth implementation.

## **3. EVALUATION OF TENDERS**

- 3.1 Contract advertisements for the establishment of this framework agreement for print services were placed in the EU Official Journal web-site on 27 February 2012. The advert stated the scope of the framework agreement, its length and estimated annual value.

- 3.2 153 expressions of interest were received, out of which 41 actually responded with completed application forms (Pre-Qualification Questionnaires – PQQs).
- 3.3 Following receipt of completed application forms, in July 2012, Members approved a short list of 15 organisations that would be invited to tender for inclusion into the framework agreement for Lots 1 and 2\*. Members also approved a detailed Evaluation Tender Model which is attached as Appendix 1. This required tenders to be evaluated through a staged approach, with those having passed through the earlier stages being evaluated on the basis of a 50/50 Price/Quality Model.
- 3.4 \*As outlined in the CMD report in July 2012 initial assessment of those applying for Lots 1 and 2 showed that these far outweighed those applying for Lots 3 and 4. Only 2 applications were received for Lot 4 and since the aim for Lots 3 and 4 was to have a shortlist of six, in order to facilitate sufficient competition for this category of work (web offset) it was decided to re-run the procurement for Lots 3 and 4 under a separate exercise. A new OJEU notice was therefore issued on 30 April inviting fresh applications for inclusion on a Framework for Lots 3 and 4 only and will be the subject of separate CMD and Cabinet reports.
- 3.5 The remainder of this report only relates to the assessment of applications for Lots 1 and 2.

The Framework agreement is comprised of 2 categories and a total of 15 organisations were invited to tender.

Lot 1 Litho printing – up to 4 colour (sheet fed) to SRA1/B1 sheet size.

Lot 2 Litho printing – up to 2 colour (sheet fed) to SRA3/B3 sheet size.

Two organisations failed to submit tenders by the closing date (8 September 2012).

- 3.6 The 13 organisations which submitted tenders were evaluated in accordance with the agreed Tender Evaluation Model. All tenders were subjected to detailed examination of price and quality.
- 3.7 Each of the organisations were scored on quality against the criteria in the evaluation model. Scores against price and quality were then inserted into the evaluation model and tenderers were ranked in order of their overall scores. The TAP had determined that Lots 1 and Lot 2 should comprise no more than 12 contractors and, if applicable, the 12 contractors achieving the highest overall scores would be recommended. The contractors recommended for inclusion

in Lots 1 and 2 are set in paragraph 4 below. Eight (8) contractors are recommended for Lot 1 and seven (7) contractors are recommended for Lot 2. Detailed scores attained by each tenderer are set out in Appendix 2 attached to the exempt report.

- 3.8 The Tender Appraisal Panel, consider that this selection of contractors will provide ample capacity to provide for the current and future requirements of the Council and the councils who have committed to using the Framework. Moreover it will also provide for the likely rate of attrition over the 4 year period of the Agreement.

#### **4. RECOMMENDED CONTRACTORS**

- 4.1 These are set out in the separate exempt report.

#### **5. KEY BENEFITS OF THE FRAMEWORK AGREEMENT**

- 5.1 The Framework will provide the Council with a competitive, reliable pool of contractors for its printing requirements with the Central Print Unit acting as a corporate gateway to produce best value and best quality printing services for print users. The Council's print unit will ensure the efficient management and close monitoring of this work, and ensure universal adherence to corporate identity guidelines.
- 5.2 The competitiveness of contractors will be maintained through a systematic means of 'further-competition'. In this way, each job commissioned will generally be subject to a prior quotation from suitable contractors before an order is placed.
- 5.3 Although the specific objective is to meet our own print needs, the resultant Framework agreement will be made available for use by the London Borough of Hounslow and Wandsworth Council together with other local authorities in London.

#### **6. RISK MANAGEMENT**

- 6.1. The Councils' Competition Board were appraised of the procurement options at its February 2012 meeting. Communications remains a H&F sovereign service and as such documentation which is branded H&F should be managed through this contract where printing is required and in line with H&F Corporately agreed procedures. A risk remains that with Tri and Bi Borough working some lack of clarity on the use of the printing contract amongst officers purely at a local level may occur. Established protocols exist in the publication 'Corporate Identity Guidelines' in mitigation of this risk and users of the Printing

service are required to contact the Communications Team of the host Council in the first instance.

## **7. EQUALITY IMPLICATIONS**

- 7.1 The Council's ability to produce communications materials in accessible formats (Braille, tape, video) is unaffected by this framework. The Equalities Impact Assessment for this report is that there are no major impacts arising from this decision.

## **8. FINANCIAL AND RESOURCE IMPLICATIONS**

- 8.1 The framework agreement has delivered considerable savings to departments in its first four years, it is anticipated that these savings will continue going forward.

## **9. LEGAL IMPLICATIONS**

- 9.1.1 The proposed award of the Framework would be in the compliance of the Council's Contract Standing Orders and the Public Procurement Regulations.
- 9.2 The Director of Law endorses the recommendation in this report.

## **10. PROCUREMENT IMPLICATIONS**

- 10.1 The Procurement & IT Strategy team has actively supported this procurement exercise and has ensured that the Public Contract regulations 2006 and the Council's Contract Standing Orders have been complied with.
- 10.2 The Director for Procurement and IT Strategy is represented on the Tender Appraisal Panel and supports the recommendations for the reasons set out in the report.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	All background papers, including: Contract advert; Contract specifications; Tender evaluation models; Letter and tendering instructions to short-listed organisations. Tender submissions (exempt) Written Clarifications (exempt) Notes of TAP meetings (exempt)	Peter Kiberd Print Manager  020 8753 2235	Communications Services, Hammersmith Town Hall, King Street, W6 9JU
<b>CONTACT OFFICER:</b>		<b>NAME: Peter Kiberd EXT. 2235</b>	

## **Appendix 1**

The Council will recommend for inclusion onto the Framework those tenderers who submit the most economically advantageous Tender(s) based on a combination of price and quality. This section is provided in the interests of transparency and fair competition and sets out and explains how that evaluation will be carried out.

Each Tender for each Lot must achieve a minimum level of acceptability as defined by the following compliance standards:

Compliance Hurdle	Rationale
Compliant and bona fide Tender	Each Tender shall be checked to ensure that there is no material breach of ITT conditions; that the Tender is complete; that there is no collusion or corruption or anti-competitive behaviour; and that all required information is provided.
Legal Acceptability	Each Tender shall be checked to ensure that there is no legal impediment to the Council entering a contract with the successful Tenderer in the Council's form.
Complete Tender	Each Tender shall be assessed as to whether the Tenderer has confirmed that it is able to provide the Services as detailed within the Specification.

The Council reserves the right to reject without further discussion any Tender which does not meet the above compliance standards.

## **Scoring**

**PRICE 50%**

### **Lot 1 and/or Lot 2**

The pricing matrices for Lots 1 and/or 2 (completed by tenderers with tendered prices for a typical range of jobs) will be evaluated by calculating the aggregated costs across all jobs for each Lot.

The Pricing score submitted by a Tenderer will be scored on the basis of the total aggregated costs for each Lot in accordance with the following calculation:-

Lowest Total aggregated costs will be awarded 100 points.

All calculations will be undertaken to two decimal places.

<b>Tenderer</b>	<b>Total Aggregated Costs for Lot 1</b>	<b>Points awarded (Y)</b>	<b>Weighted Price score</b>
A	£250,000	98.00	<b>49.00</b>
B	£271,000	91.88	<b>45.94</b>
C	£245,000	100.00	<b>50.00</b>
D	£370,000	66.22	<b>33.11</b>
F	£249,000	98.39	<b>49.19</b>

Each of the remaining Tenders will be awarded a Price overall score on a pro-rata basis in accordance with the following calculation:-

Tenderer's Total Aggregated Costs x 100 divided by Lowest Aggregated Costs (for Lot 1)  
= Y points

Similar calculations will be undertaken for Lot 2.

<b>Tenderer</b>	<b>Total Aggregated Costs for Lot 2</b>	<b>Points awarded (Y)</b>	<b>Weighted Price score</b>
A	£425,000	69.41	<b>34.71</b>
C	£315,000	93.65	<b>48.83</b>
G	£410,000	71.95	<b>35.98</b>
H	£305,000	96.72	<b>48.36</b>
J	£295,000	100.00	<b>50.00</b>

**Any Tenderer who does not achieve 35 points overall on Price will be rejected.**



## **QUALITY 50%**

Each Tender for each Lot will be scored initially by individual members of the evaluation team against each of the evaluation areas set out below. The information will not be shared at this stage. To ensure the relative importance of the evaluation criteria are correctly reflected in the overall scores a weighting system will be applied as set out below.

Each response to the evaluation criteria will be marked out of a total possible score of 5. The methodology for calculating the scores is as set out in the individual criteria below. Scoring will be based on the general principles and descriptions shown below.

### *Scoring out of 5*

- 0 = unacceptable. No information provided or does not meet the Council's requirements.
- 1 = some evidence provided but poor in quality or insufficient detail to show requirements are met.
- 2 = evidence provided but does not show basic requirements are met (unsatisfactory).
- 3 = evidence provided and meets requirements.
- 4 = evidence provided and shows all requirements would easily be met with added value.
- 5 = evidence provided and shows all requirements would be met excellently with extensive added value offered.

The scores will then be shared and moderated through the Council's Tender Appraisal Panel. **Any Tenderer who does not achieve 30 points overall on Quality or at least 2 points against each criterion (prior to weighting) will be rejected.**

Finally, the evaluation team will consider the final total weighted scores for Quality and the scores for Price to arrive at the most economically advantageous Tender(s).

## LOTS 1 & 2

<b>Evaluation Criteria – Quality</b>	<b>Weighting</b>	<b>Max raw score</b>	<b>Max weighted score</b>
Assessment of the likely quality of products and service;	5	5	25
Organisational and management experience and capabilities, and resources to be employed in the Contract;	2	5	10
Commitment to a collaborative relationship;	2	5	10
Sustainability considerations	1	5	5
<b>Maximum total weighted score for Quality = 50 points</b>			<b>50</b>

The Tender scoring the highest points for Quality for Lot 1 and/or Lot 2 will be awarded 50 . Each of the remaining Tenders for each Lot will be awarded a mark on a pro rata basis in accordance with the following calculation:-

Tenderer's score x 50 divided by highest score = Z%

All calculations will be undertaken to two decimal places. For example based on a notional highest points score of 45 points an illustrative example is shown below.

### Lot 1 – Quality scores

<b>Tenderer</b>	<b>Points awarded for Quality</b>	<b>Weighted Score awarded</b>
A	45	50%
B	42	46.7%
C	40	44.4%
D	38	42.2%

The scores for Quality and Price attained by each Tenderer will then be added to assess a total evaluated score for each Lot 1 and Lot 2. A simple illustrative example follows.

### Lot 1 – Total scores

Tenderer	Weighted Quality Score	Weighted Price Score	Total Weighted score
A	50	49.00	<b>99.00</b>
B	46.7	45.94	<b>92.64</b>
C	44.4	50.00	<b>94.40</b>
D	42.2	33.11	<b>75.31</b>

	<b>Rejected – not achieved Price threshold (35)</b>
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