


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">6 JUNE 2016</p>	
<p style="text-align: center;">ICT TRANSITION PHASE 6 - PRINT SERVICES CONTRACT AWARD</p>	
<p style="text-align: center;">Report of the Cabinet Member for Finance – Councillor Max Schmid</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Nigel Palace, Chief Executive</p>	
<p>Report Author: Jackie Hudson, Transition Director, shared ICT services</p>	<p>Contact Details: Tel: 020 8753 2946 Email: jackie.hudson@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. H&F Bridge Partnership (HFBP), a joint venture company owned by Agilisys and LBHF, currently provides all ICT services to LBHF. The HFBP service contract expires on 31 October 2016, at which time all HFBP services must have moved to other suppliers or to the Shared ICT Services function or they will cease.
- 1.2. Included within the HFBP service contract is the first line support and management of a Print Service. This is provided through HFBP by Xerox who have Multi-Function Devices (MFD's) installed in the LBHF estate. Xerox support their own equipment plus a small number of other suppliers' printers.
- 1.3. Before the end of the HFBP service contract, on 31 October 2016, the Xerox agreement will have to transfer or novate from HFBP to LBHF till the end of its life on 31st August 2017.
- 1.4. During 2015, the three councils, LBHF, the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC) participated in a procurement exercise to identify and select a suitable alternative supplier to

provide print services via a framework contract. This Print and Document Management Services framework agreement was awarded to Ricoh.

- 1.5. As LBHF were named on the framework, it can call-off from that contract. Calling off from an existing framework both saves time and money in procurement and also gives productivity benefits to staff who only have to deal with one method of printing.
- 1.6. This paper therefore seeks approval for LBHF to call-off from the Print Services framework agreement.
- 1.7. This paper details the current annual costs, the savings and the transition effort and cost required to transfer the LBHF print services from Xerox to Ricoh.

2. RECOMMENDATIONS

2.1. That Cabinet grants approval:

- for the London Borough of Hammersmith and Fulham to call-off, with immediate effect, from the Print and Document Management Services framework awarded by Westminster City Council to Ricoh UK Limited, such call off contract to be for a period of 5 years with the option of two one-year extensions.
- for option 3, as the most cost effective option, to be implemented, whereby the Shared ICT Services function would manage the transfer of print services from Xerox to Ricoh.

2.2. That Cabinet notes:

- that the council will also call-off from this contract for equipment and services to Hammerprint to continue provision of their industrial-strength print service.

3. REASONS FOR DECISION

- 3.1. The council plans to adopt the Print and Document Management Services framework to maintain the current high quality of service delivery and to reduce ongoing costs.
- 3.2. By having in place the agreement to call-off from the Print and Document Management Services framework, LBHF will have the option to install the new Ricoh devices into the refurbished Hammersmith Town Hall. The Ricoh printers offer additional benefits to LBHF, through a reduction in energy consumption and carbon dioxide (CO₂) emissions, as well as potentially increased productivity through having only one method of printing.

4. INTRODUCTION AND BACKGROUND

- 4.1. The ICT strategy set out a plan for convergence and sharing ICT services to improve services while reducing cost. The three councils currently use three

different suppliers for the delivery of print services with a sub-optimal user experience as a result, particularly for the majority of staff who move between buildings. The council therefore wishes to take the opportunity to converge to deliver a better experience for end users.

- 4.2. In order to maintain the high quality of print service, the councils selected a supplier who uses the same software as the council has in place today. This therefore ensures that, in future, the user experience will be the same, regardless of the location of the user, at least across the LBHF and WCC estate.
- 4.3. For the year from September 2014 to August 2015, LBHF printed over 16 million pages (excluding those handled by Hammerprint) via the 157 rented Xerox MFD's. This is down from an initial high of 21 million pages from over 200 Xerox machines at the outset.
- 4.4. The three councils had let a framework agreement to Ricoh previously. LBHF have now investigated the options, potential benefits and estimated savings that could be achieved by a call-off from that Print and Document Management Services framework.
- 4.5. By transferring the print service from Xerox to Ricoh, LBHF will have an approved exit and transition approach in advance of the end of the HFBP service contract.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. The proposal is for LBHF to call-off from the Print and Document Management Services framework awarded to Ricoh. The question is how best to achieve the benefits and savings the council requires.
- 5.2. The current agreement in place between HFBP and Xerox takes the form of a Master Service Agreement and an incorporated Statement of Works (SOW).
- 5.3. Three possible options were identified for estimates to be modelled by using different dates on which LBHF could give termination notice to Xerox.
- 5.4. The following three options have been considered and evaluated by the council to determine which will provide the greatest financial benefit ie savings.
 - Option 1 – HFBP to terminate the Xerox agreement before the end of the HFBP service contract on 31 October 2016 and then call-off from the Print and Document Management Services framework awarded to Ricoh. LBHF would commission HFBP to manage the transfer of print services from Xerox to Ricoh.
 - Option 2 – HFBP to novate the Xerox agreements to LBHF at the end of the service contract on 31 October 2016. LBHF terminate the Xerox agreement before the end of the Xerox minimum term, modelled on a completion date of April 1st 2017. The Shared ICT Services function would manage the transfer of print services from Xerox to Ricoh.

- Option 3 – HFBP to novate the Xerox agreement to LBHF at the end of the service contract on 31 October 2016. LBHF terminate the Xerox agreement to align with the end of the minimum term. The Shared ICT Services function would manage the transfer of print services from Xerox to Ricoh.

5.5. The three options are summarised in the exempt report on the exempt Cabinet agenda.

6. CONSULTATION

6.1. The process of informal consultation with the affected staff has started with the CIO and Transition Director attending several HFBP meetings to date. Formal consultation will take place nearer the time of transfer as part of the TUPE process.

7. EQUALITY IMPLICATIONS

7.1. The council has carried out an Equalities Impact Assessment (EIA) already ahead of this paper and is doing a further more detailed one as part of the wider programme of work to transition HFBP services to new providers or to the Shared ICT Services function.

7.2. From a service provision perspective there are no direct equalities implications for the purposes of this report. In so far as any of the individuals who transfer to BT or to LBHF from HFBP have protected characteristics under the Equalities Act 2010 then reasonable adjustments will be made in compliance with the Public Sector Equality Duty.

7.3. Implications verified: Ed Garcez, CIO, telephone: 020 8753 2900

8. LEGAL IMPLICATIONS

Calling off the Ricoh Print Framework

8.1. The Council was named in the OJEU notice setting up the framework is therefore in compliance with EU procurement rules for it to call off services under the framework.

8.2. The Framework agreement is for a 4 year term with the call-off contract being for five years with an option for two 1-year extensions.

Novation and continuation of existing Xerox Contract

8.3. As set out in the exempt report on the exempt Cabinet agenda.

8.4. Implications verified/completed by: Cath Tempest; Senior Solicitor (Contracts); Tel: 020 8753 2774.

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1. As set out in the exempt report on the exempt Cabinet agenda.

10. IMPLICATIONS FOR BUSINESS

- 10.1. Previous papers on the ICT procurement strategy and approach have dealt with the social value aspects of ICT procurement. This paper is at the final stage the transition and deals with the staff transfer aspects.
- 10.2. Verified by Antonia Hollingsworth, Principal Business Investment Officer, Economic Development Learning & Skills, Planning & Growth. Telephone 020 8753 1698

11. RISK MANAGEMENT

- 11.1. The Ricoh printers offer additional benefits to LBHF, through a reduction in energy consumption and carbon dioxide (CO₂) emissions as well as potentially increased productivity through having one method of printing. The stated benefits contribute positively to the management of natural environmental risks. Savings from the change of supplier contribute positively to the management of finance risk as noted in the council's Shared Services Risk Register, risk number 1. Market testing of the existing service against the framework contract is noted and contributes to the delivery of services at highest possible quality and at best possible cost to the local taxpayer.
- 11.2. Implications verified by: Michael Sloniowski, Shared Services Risk Manager, telephone 020 8753 2587.

12. COMMERCIAL & PROCUREMENT IMPLICATIONS

- 12.1. Westminster City Council on 2 April 2014 placed a Contract Notice 2014/S 065-111125 in the Official Journal of the European Union (OJEU) for a framework agreement for "Print and Document Management Services" on behalf of itself and 19 other London councils (including LBHF).
- 12.2. The Contract Award Notice 2015/S 247-450201 (CAN) was published on 22 December 2015 following the award on 13 July 2015.
- 12.3. The Interim Head of Procurement (Job-share) agrees with the recommendations to call off from the Westminster City Council framework agreement and the approach to use option 3 set out Section 9.
- 12.4. Implications verified/completed by: Alan Parry, Interim Head of Procurement (Job-share). Tel: 020 8753 2581.

13. IT STRATEGY IMPLICATIONS

- 13.1. The report is aligned with the current shared services ICT strategy and vision of converging software and infrastructure, whilst enabling better collaboration and

productivity amongst staff. It is a key enabler to a range of council initiatives, including the realisation of savings in excess of £4.7m from 2017/18.

13.2. Verified by: Ed Garcez, CIO, 020 8753 2900

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
	None		

LIST OF APPENDICES:

APPENDIX 1 – Assumptions for each option (As set out in the exempt report on the exempt Cabinet agenda).