


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>4 JULY 2016</b></p>	
<p style="text-align: center;"><b>FRAMEWORK CALL-OFF FOR RENTAL OF HAMMERPRINT DIGITAL COPIERS</b></p>	
<p style="text-align: center;"><b>Report of the Cabinet Member for Finance – Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: YES</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Director:</b> Kim Dero, Director of Delivery and Value</p>	
<p><b>Report Author:</b> Louise Raisey, Strategic Head of Communications</p>	<p><b>Contact Details:</b>  Tel: 020 8753 2012  Email:  louise.raisey@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to call off from an existing print and document management framework for the rent and maintenance of digital reprographic machines for HammerPrint, saving £60,149 a year.

## 2. RECOMMENDATIONS

- 2.1. That Cabinet grant approval:
- a) For the London Borough of Hammersmith & Fulham (“LBHF”) to call-off, with effect from 1 October 2016, from the Print and Document Management Services framework awarded by Westminster City Council to Rioch UK Limited, for four high-volume copiers for Hammerprint, such call off contract to be for a period of three years.
  - b) For (i) the Minimum Period Rental Agreement and (ii) the Services and Software Licence between H&F Bridge Partnership Limited (“HFBP”) and Xerox (UK) Limited (“Xerox”) each dated 27 November 2013 (together the “Xerox Agreement”) to be novated from HFBP to LBHF with effect from 31 October 2016;

- c) For LBHF to instruct HFBP to give notice to Xerox to terminate the Xerox Agreement at the end of its minimum 3 year term, being 31 November 2016.

### **3. REASONS FOR DECISION**

- 3.1. H&F Bridge Partnership currently provides all ICT services to H&F Council. The current contract was awarded by HFBP on the council's behalf. The HFBP contract terminates on 31 October 2016, at which time all HFBP services must have moved to other suppliers or they will cease. The lease of the Hammerprint copiers from Xerox is included in the current HFBP contract.
- 3.2. As part of the wider post-HFBP transition arrangements, outline approval for H&F Council to call off a range of services from the WCC print and document management framework was given by Cabinet in a separate report on 6 June.
- 3.3. This report specifically seeks to call off rental and maintenance of four high-volume copiers for Hammerprint. The term of the overall call-off arrangement is five years, with the option of two one-year extensions.

### **4. PROPOSAL AND ISSUES**

- 4.1. The majority of the council's print work is provided by external suppliers under contracts managed by Hammerprint. Retaining some limited in-house print capacity provides the council with ready access to confidential and last-minute bulk copying services, particularly for complex work that has, in the past, proved difficult to source from the private market.
- 4.2. HammerPrint's high quality copiers are more cost-effective and run at four times the speed of multi-functional devices (MFDs) installed in local sites around the council. Hammerprint machines are designed to run all jobs over 250 copies.

### **5. OPTIONS AND ANALYSIS OF OPTIONS**

- 5.1. With the termination of the HFBP contract, continuation of the current lease arrangement with Xerox is not possible.
- 5.2. During 2015, LBHF, RBKC and WCC participated in a procurement exercise to select an alternative supplier to provide a range of print services, including the Hammerprint copiers, via a framework contract.
- 5.3. This print and documentation management service contract was awarded to Ricoh. LBHF were named on the framework and can call off from it, saving both time and money in procurement. This paper therefore seeks approval to call off from the framework.

## **6. CONSULTATION**

- 6.1. None required.

## **7. EQUALITY IMPLICATIONS**

- 7.1. None.

## **8. LEGAL IMPLICATIONS**

### **Calling off the Rioch Print Framework**

- 8.1. The Council was named in the OJEU notice setting up the framework and it 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 call off contract being for five years with an option of two 1-year extensions.

### **Novation and continuation of existing Xerox Agreement**

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

## **9. FINANCIAL IMPLICATIONS**

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

## **10. IMPLICATIONS FOR BUSINESS**

- 10.1. The previous papers on the ICT procurement strategy and approach have dealt with the social value aspects of ICT procurement.
- 10.2. *Implications verified by: Antonia Hollingsworth, Principal Business Investment Officer, Economic Development Learning and Skills. 020 8753 1698.*

## **11. RISK IMPLICATIONS**

- 11.1. If the implementation of this project were to slip beyond 31 November 2016, the current service would cease with the associated risk that service requirements would not be met. To mitigate this risk it is proposed to install the new machines a month before the end of the current contract, with close monitoring of the project plan. This project will be resourced by Hammerprint staff, with support from HFBP as required.
- 11.2. *Implications verified by: Michael Sloniowski, Shared Services Risk Manager 020 8753 2587.*

## **12. PROCUREMENT IMPLICATIONS**

- 12.1. Westminster City Council sent for publication a Contract Notice in the Official Journal of the European Union (OJEU) on 28 March 2014 (appearing on 2 April under reference 2014/S 065-111125) for a framework agreement relating to Print and Document Management Services for 19 other London councils.
- 12.2. Being named in the Contract Notice permits the Council to call off from the framework agreements and is compliant with current legislative requirements.
- 12.3. The report notes the commercial savings from calling off from the framework to be in the region of £60,000 p.a. Consequently, the Interim Head of Procurement supports the recommendation contained in the report.
- 12.4. Implications verified by: Alan Parry, Interim Head of Procurement (Job-share) - telephone 020 8753 2581.

## **13. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1	None		