


<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>9 OCTOBER 2017</p>	
<p>TENDER FOR THE PROVISION OF LITHOGRAPHIC PRINTING SERVICES</p>	
<p>Report of the Deputy Leader – Councillor Sue Fennimore</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Sarah Thomas, Director of Delivery & Value</p>	
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1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to set up a new Hammersmith and Fulham framework agreement for lithographic printing services (“the Framework”).
- 1.2. The work, commissioned from external printing firms, covers large-run and complex print jobs across all departments that cannot be produced in-house.
- 1.3. The estimated total value of proposed call-off contract(s) that may be procured under the Framework is £400,000 per year over four years, giving a total value of £1.6million. However, this figure depends on fluctuating demand.
- 1.4. The Framework will be managed by HammerPrint, under the Strategic Head of Communications and Communities, where expert print staff ensure:
 - the Framework delivers the best price for each call-off contract entered.
 - print specifications provide the best possible value to taxpayers
 - services are supported to deliver print savings (the equivalent spend in 2016/17 was £533,000)
 - corporate presentation standards are met.

2. RECOMMENDATIONS

- 2.1. To approve the procurement strategy and business case set out in this report.
- 2.2. To approve the set-up of a multi-supplier Framework for a period of four years to start in November 2017 for a notional value of £1.6 million and seek tenders for two lots with a maximum of five providers on each lot. The two lots being:
 - Lot 1 - Lithographic four colour printing
 - Lot 2 - Lithographic two colour printing
- 2.3. That the award criteria for admission to each of the framework agreements will be based on 50% quality and 50% price. That a maximum number of 9 organisations will be eligible for admission to each lot of the framework agreement.

3. REASONS FOR DECISION

- 3.1. To comply with the Public Contract Regulations 2015 (as amended) (the “Regulations”) relating to exposing services to regular competitive processes.
- 3.2. Ensures that the Council has access to the most competitive prices when buying printed products. In addition to choosing the five most competitive bidders for each lot. A mini competition will be conducted each time a piece of work is required and a call-off contract will be entered with the chosen supplier. This will ensure that the council gets the most economically advantageous tender for each printing job.

4. BACKGROUND

- 4.1. This is one of five routes the council uses to produce printed materials:
 - Litho and digital print framework – value £400,000 per year
 - Variable data print contract – value £600,000 per year
 - Internal digital printing in HammerPrint – value £225,000 per year
 - Local printing on service-based MFDs
 - Parking print contract.
- 4.2. The services were last tendered in 2012 on a London-wide basis. This framework agreement expired in December 2016.

5. PROPOSAL AND ISSUES

- 5.1. The Framework is arranged into two categories or lots:
 - Lot 1 - Lithographic four colour printing
 - Lot 2 - Lithographic two colour printing
- 5.2. Whilst the Council cannot specifically state that the aim is to appoint local providers, the requirements set out in the specifications for each of the two lots will require providers to deliver printed material within short periods of time that will favour those geographically nearer to central Hammersmith. Irrespective of the location of the print facilities the development of a local H&F framework agreement will also offer the opportunity for appointed providers to engage with other local suppliers (as part of the supply chain) to meet rapid turnaround requirements for some work.

- 5.3. An open procedure will be used to determine the providers offering the best value for money and the award will be forwarded to the Cabinet Member for approval.
- 5.4. All firms will be appointed on a 'no commitment' basis – i.e. the council will not offer minimum volumes of work. However, it is anticipated that all council printing will be procured via a mini- competition under the Framework.
- 5.5. For the purposes of establishing likely pricing levels, tenderers are required to price the example jobs specified in the pricing schedule and to maintain competitive prices.
- 5.6. The supplier will participate in performance monitoring and periodic review as arranged by the Council under the call-off contract.

Provisional timetable

October 2017	Approval to set up Framework Agreement
October 2017	Publish OJEU and Contracts Finder Notice and publish the Selection Questionnaire (SQ) and tender documents in accordance with the Open Procedure.
During November 2017	Evaluate both the SQ and tenderers proposals Identify successful bidders prior to drawing up CMD for contract award.
December 2017	Framework Agreement Awarded, and Contract Award Notices are Published in OJEU and Contracts Finder.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. The Crown Commercial Services (CCS) offer an alternative procurement route print framework RM3785- managed print & digital solutions, Lot 1- Fully-managed end-to-end print and digital solutions. The CCS framework offers one supplier on this lot. Officers' evaluation of this alternative option concluded that it offered a less competitive route than developing an H&F framework, as outlined above, and should therefore not be pursued.
- 6.2. The adoption of a framework agreement that specifically applies to Hammersmith & Fulham is more likely to attract firms located in, or in the neighbourhood of, the borough.
- 6.2. H&F Council could also join the print service offered by the current shared facilities management service contract. RBKC currently draw down this element of the wider facilities management service, but H&F (and WCC) do not. Officers' evaluation of this option is that it is not transparent about the pricing of individual jobs so cannot demonstrate it offers a better-value solution and should therefore not be pursued.

7. EQUALITY IMPLICATIONS

- 7.1. Officers do not consider there are any equalities implications to this contract award.

8. LEGAL IMPLICATIONS

- 8.1. The Framework must be set up in compliance with regulations 27 (open procedure), 33 (Framework Agreements) and 46 (Division of Contracts into lots) of the Public Contract Regulations (“the Regulations”). The term of the Framework cannot exceed four years. Any call-off contract under the Framework may not entail substantial modifications to the terms laid down in the Framework.
- 8.2. Compliance with regulation 46 must be considered, in that, the council must confirm in the Contract Notice whether tender(s) may be submitted for one, for several or all the lots. In addition, whether there is a maximum limit on the number of lots that may be awarded to one tenderer. The procurement documents must indicate the objective and non-discriminatory criteria or rules it intend to apply for determining which lots will be awarded where the application of the award criteria would result in one tenderer being awarded more lots than the maximum number. Where one or more lot may be awarded to the same tenderer, the council may award contracts combining several or all lots but this must be specified in the Contract Notice that it reserves the right to do so and indicate the lots or group of lots that may be combined
- 8.3. Implications completed by: Sharon Cudjoe, solicitor – 020 7361 2993

9. FINANCIAL IMPLICATIONS

- 9.1. Expenditure for printing services is managed by departments. This includes ensuring there is adequate budget provision.
- 9.2. Printing costs are recharged to departments via the current recharging mechanism with a small uplift for administration.
- 9.3. Any savings made from renewing the council’s framework agreement would be passed on to the departments.
- 9.4. Implications completed by: Danielle Wragg, Finance Business Partner, 020 8753 4287.

10. IMPLICATIONS FOR BUSINESS

- 10.1. The Council will seek social value in the form of skills and employment opportunities for residents, local SME supply chain opportunities and any other corporate social responsibility activities as part of the framework establishing process.
- 10.2. Implications completed by Albena Karameros, Economic Development, 020 7938 853.

11. COMMERCIAL IMPLICATIONS

- 11.1. The Corporate Procurement Team (CPT) has provided support to Strategic Head of Communications and Communities in relation to this project and proposed tendering exercise. Tendering will be undertaken in compliance with the Regulations and the Council's Contracts Standing Orders.
- 11.2. The Council's Contracts Standing Orders require directors and heads of service to develop a procurement strategy for the Cabinet to consider prior to going out to the market. Given that the Council intends to run an open procurement process for the creation of 2 multi provider framework agreements (with no restrictions), the CPT is happy that the principles to develop a procurement strategy are contained in the body of the report.
- 11.3. Implications completed by Alan Parry, Procurement Consultant. Telephone 020 8753 2581.

12.0 RISK MANAGEMENT

- 12.1 The service is an important part of the Council's resilience arrangements where immediate printing may be required in a very short timescale, for example notices used during crisis management. As such this contributes positively to the management of continuity and resilience risk, number 6 on the Corporate Risk Register
- 12.2 Implications completed by: Michael Sloniowski, Principal Consultant, Risk Management, 020 8753 2587

13.0 BACKGROUND PAPERS USED IN PREPARING THIS REPORT

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