

To: POLICY & RESOURCES ( FINANCE AND CUSTOMER SERVICES) SUB-COMMITTEE		Subject: CONTRACT FOR APPROVAL-  OFFICE EQUIPMENT WITH PRINT MANAGEMENT SOFTWARE 2017 - 2023
From: HEAD OF REVENUE AND E-GOVERNMENT SOLUTIONS		
Date: 20 <sup>th</sup> February 2017	Ref: BC/MB	

**1. Purpose of the Report**

1.1 The purpose of this report is to seek Committee approval to award a contract for Office Equipment with Print Management Software, otherwise known as a 'Managed Print Service' (MPS).

**2. Background**

- 2.1 On the 14<sup>th</sup> September 2016, Committee approved the Council to tender for a replacement multifunctional device (MFD) contract.
- 2.2 The proposed contract will enable the Council to implement a print policy which focuses on reducing print volumes, improving the council's data protection policy and increasing document efficiencies and to renew its aging portfolio of MFD's.
- 2.3 The proposed contract also includes a 20% MFD flexibility offering which will enable the council to 'right size' the number of MFD's throughout the term of the contract.
- 2.4 The duration of the initial period of the proposed contract is five years with an option to extend for a further year, the proposed contract will commence on 1<sup>st</sup> April 2017.

**3. Procurement Process**

- 3.1 In December 2016, a mini competition was conducted against Lot 1- "Full Catalogue Offering of MFD & Services (including MPS) of the Scottish Procurement Framework - 'Office Equipment'.
- 3.2 Based on the criteria and scoring methodology set out in the procurement documents, a full evaluation of the offers received was completed, Appendix 1 confirms the scoring achieved by each bidder. Further detail of the procurement process is provided in Appendix 2.
- 3.3 After completing the evaluation in accordance with the criteria and weightings published in the procurement documents, the most economically advantageous tender from the Councils point of view was submitted by Canon UK Ltd.

**4. Financial Implications and Other Considerations**

**4.1 Implementation**

The migration to the new contract will be managed as the existing leasing contracts for the equipment terminate. The table below details the profile of the number of MFDs migrating in each financial year.

<b>Renewal year</b>	<b>Number of devices</b>	<b>Percentage of devices</b>
17/18	419	71%
18/19	70	12%
19/20	74	13%
20/21	29	4%
<b>Total</b>	<b>592</b>	<b>100%</b>

#### 4.2 Financial

4.2.1 In accordance with the agreed approach to measuring and recording procurement savings, the proposed contract provides a saving of circa 38% when compared with the current contract rates and related spend. The savings opportunity will be recorded in the Procurement Opportunity Register and reported as a Procurement thematic saving. It is important to note that the total saving will accrue in phases over the five year initial contract period as the equipment is migrated in phases to the new contract arrangement as set out at para 4.1 of the report.

4.2.2 The financial resources to fund this contract are contained within the revenue budgets of all Service areas.

#### 4.3 Community Benefits

4.3.1 Bidders were asked to detail community benefits initiatives they would commit to deliver during the lifetime of the contract. These commitments will be agreed and implemented during mobilisation and reported through ongoing contract management returns. The recommended bidder has committed to providing the following benefits;

- Work with young people in selected schools to deliver a programme benefiting young people through work experience and training, to include;
  - confidence workshops;
  - engaging with employees programme;
  - self-awareness; and
  - CV and interview techniques.

#### 4.4 Fair Work Practices including the Living Wage

4.4.1 The recommended bidder has confirmed that they will pay the living wage to all employees (except volunteers, apprentices, trainees and interns) within the contract period. The Council includes the monitoring of Fair Work Practices and Living Wage within its contract and supplier management programme.

#### 4.5 Contract Mobilisation and Management

4.5.1 The recommended bidder will be required to attend a mobilisation meeting to outline the operation of the contract, roles and responsibilities, performance measures, management information requirements and community benefits commitments.

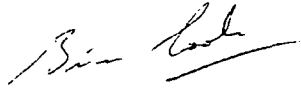
4.5.2 In accordance with the Councils agreed contract and supplier management programme, this contract has been classified as a level 1 arrangement in terms of both risk and spend, requiring monthly contract progress meetings and 6 monthly performance reviews.

### 5. **Recommendations**

5.1 It is recommended that Committee:

- approve that the MPS contract is awarded to Canon UK Ltd; and

- note the use of Print Management Software to help deliver a secure, more cost effective print environment throughout the Council.

A handwritten signature in black ink, appearing to read "Brian Cook", with a horizontal line underneath.

**Head of Revenues and e-Government Solutions**

*Members seeking further information on the contents of this report are asked to contact Brian Cook, on tel. 01698 403929*

## Appendix 1

### Evaluation Outcome

Supplier	Weighted Price Score	Weighted Quality Score	Final Mini Comp Score	Rank
Canon UK Ltd	60%	34.03%	94.03%	1
Capital Solutions	54.37%	36.35%	90.72%	2
Xerox	56.15%	34.10%	90.25%	3
Konica	57.78%	32.46%	90.24%	4
Ricoh	42.62%	32.63%	75.25%	5

## Appendix 2

### Summary of Procurement and Tender Evaluation Processes

Contract	Office Equipment with Print Management Software
Period adopted by NLC	Initial period of five years plus option to extend for a further year.
Estimated total contract value	Circa £7.8 million
Procurement Procedure	Mini competition from Scottish Government collaborative framework
Number of providers on Lot 1 of the framework agreement	6
Number of providers invited to participate in the mini competition	6
Number of tenders received	5
Number of recommended providers	1
Basis of contract award	Most Economically Advantageous Price:60% Quality:40%
Evaluation team	Internal – technical representatives