

Cabinet Member for Economy and Corporate Resources	Ref No: ECR04 19-20
March 2020	Key Decision: Yes
Procurement Print Management Services Contract	Part I
Report by Director of Finance and Support Services	Electoral Division(s): N/A
<p>Summary</p> <p>The purpose of this report is to seek approval to procure a replacement print service using the Crown Commercial Services procurement framework.</p> <p>The current contract with Xerox to provide print services for the County Council's 190 smaller Council sites around the county is due to end in October 2020, this contract includes provision of equipment, maintenance and servicing, provision of consumables and supply of management information about print usage.</p> <p>The County Council spends in the region of £350,000 per annum on Managed Print Services, mostly divided between Xerox and Ricoh as current suppliers. The proposed procurement is to replace the Xerox contract only.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>A Council that Works for the Community</p>	
<p>Financial Impact</p> <p>A budget of £188,000 per year is provided for Xerox contract replacement and is part of the base budget for acquisition of IT related services. It is anticipated that this will be sufficient to procure the proposed solution, with the expected smoothed cost per year being £171,733 per annum over the initial 3 year term.</p>	
<p>Recommendations: That the Cabinet Member:</p> <ol style="list-style-type: none"> 1. Approves the procurement of a contract to supply multifunction devices and desktop printers, plotters and related equipment using the Crown Commercial Framework contract the contract to commence 31 October 2020 for a period of three years with the option to extend for a further two years; and 2. delegates authority to the Director Finance and Resources to award the contract. 	

Proposal

1. Background and Context

- 1.1 West Sussex County Council has print devices at around 190 smaller sites across the county; these include libraries, children and family centres and fire stations. These devices are accessible from the corporate network, the public (PAWS) network and in select locations, both.
- 1.2 The current contract with Xerox to provide print services for smaller Council sites was competitively procured in July 2015 and is due to end in October 2020. The contract includes provision of equipment, maintenance and servicing, provision of consumables and supply of management information about print usage.
- 1.3 The current solution provides a total of 317 printers including 86 multifunction devices ("MFDs" which are combined printer, copier and scanner), 109 Multifunction Printers ("MFPs"), 90 black and white desktop printers, 32 colour printers for public network in Youth Centres and Children and Family Centres and A4 Colour Desktop MFPs for use in libraries, fire stations, highways depots, hospitals and day centres. The new contract will comprise hardware leasing, commissioning and operation of a Managed Print Service.
- 1.4 Over the last few years the Council has reduced the number of printers, scanners and photocopiers in use which has in turn reduced the volume of prints, but there is still potential for further efficiencies to be made. A new contract should enable the Council to continue to provide print services in a cost effective and efficient manner.

2. Proposal Details

- 2.1 It is proposed that a procurement through the Crown Commercial Framework is undertaken, allowing the maximum number of suppliers to submit bids to supply replacement devices and associated services within an OJEU compliant procurement procedure. Officers will select the preferred supplier based on criteria related to best value and compliance with the technical and service quality specifications laid down.
- 2.2 It is proposed that the contract would commence on the 31 October 2020 for a period of three years with the option to extend for a further two years.
- 2.3 The contract will include the option for replacing plotters (i.e. devices that print maps and other graphic content on paper up to A0 size) as and when required. Plotters are only replaced when an existing one fails. The following elements will be secured through the proposed procurement in order to achieve service improvements:
 - I. It is proposed to optimise the printer estate to decrease the cost of hardware lease, consumables (paper, ink, toner) and maintenance. This strategy recommends elimination of printers with low usage.
 - II. Elimination of printers where there is no justification for multiple printers in a single location
 - III. Replacing inefficient and underutilised printers with a lower cost/ specification model
 - IV. Sharing of workgroup printers between optimal number of end users

Factors taken into account

3. Consultation

- 3.1 Consultation has been undertaken via a strategic print review. Parties consulted included Cabinet Member for Economy and Corporate Resources, internal stakeholders, County Council sustainability team, contract suppliers and service users.
- 3.2 During the requirements gathering phase of the procurement key service users will be consulted to ensure that any new equipment supports existing and future operating models.
- 3.3 Subject matter experts in Legal and Financial Services will be consulted to identify the optimum route to procurement, ensuring that opportunities for achieving value for money are maximised.

4. Financial (revenue and capital) and Resource Implications

4.1 *Revenue consequences of proposal*

- 4.1.1 The budget of £188,000 per year is provided for Xerox contract replacement and is part of the base budget for acquisition of IT related services. It is anticipated that this will be sufficient to procure the proposed solution, with the expected cost per year being £171,733 per annum over the initial three years contract term. Should the contract be extended for a further 2 years then there would be a saving of £28,333 as the amortised implementation costs would not be incurred.
- 4.1.2 The cost of the ongoing service is in 2 parts; a fixed cost for the lease of the equipment plus a variable charge relating to print usage. There will also be a requirement for implementation costs that will be amortised over the initial period of the contract:

	2020/21	2021/22	2022/23
	£'000's	£'000's	£'000's
Fixed Costs	81.4	81.4	81.4
Variable Costs	62.0	62.0	81.4
Total Annual Cost	143.4	143.4	143.4
Implementation costs amortised over the initial term of the contract	28.3	28.3	28.3
Total annual Cost	171.7	171.7	171.7

Current Budget	188.0	188.0	188.0
Contingency held for variable cost variations	16.3	16.3	16.3

4.2 Capital consequences

There are no capital consequences of this decision

4.3 *The effect of the proposal*

4.3.1 Progression of this proposal aligns with corporate IT Strategy and provides the opportunity to introduce new functionality to these sites that is currently only available at main Council sites. The main advantages of this strategic approach are to reduce the overall number of devices in use to facilitate an overall reduction in the number of prints as compared to current print volumes, save office space, reduce power costs, reduce wasted paper, to control colour printing and to enable better management information.

4.3.2 'Follow Me' Printing will be utilised. This is a secure office printing solution which will allow users to print to a print queue and release their print job from any enabled output device using proximity card readers. Follow Me printing solutions will help to provide greater levels of data security that ensure compliance with the GDPR and will help to grant greater levels of flexibility and control over the printing process. Moreover, there is also the potential for a decrease in waste created by unnecessary or unintentional printing.

4.4 *Future transformation, savings/efficiencies being delivered*

4.4.1 The Council intends to consolidate a number of the devices across several sites within the County. The focus is on obtaining the best value for the proposed spend, whilst ensuring that there are enough print devices in all County Council locations. The project will aim to optimise the printer estate to decrease the cost in leasing of hardware, consumables and maintenance. The saving will be reinvested in providing secure print functionality through deploying the 'Follow-me' print solution.

4.5 *Human Resources, IT and Assets Impact*

4.5.1 The following groups will be involved in the project delivery. The involvement can be provided for within existing budgets:

- West Sussex County Council subject matter experts in Finance, Legal and Procurement
- Key service users including Libraries, Fire Services, FindItOut Centres, Children and Family Centres, Day Centres etc.

- Key project resources including IT Service Operations Manager, IT Service Performance Officer, Business Systems Architect and Business Solutions Officer
- A Project Manager will be engaged on a temporary basis via the Council's temporary workforce provider 'Manpower'
- Capita local account technical resources

4.5.2 Progression of this proposal will help to deliver the following outcomes:

- a. Refreshed estate of multi-function devices with sophisticated reporting abilities
- b. Simple cost-per-page utility pricing structure for usage
- c. Proactive print device monitoring and management
- d. Enhanced functionality including 'FollowMe Printing', Optical Character Recognition (OCR), Scan to SharePoint and multi-network printing
- e. Less print and lower carbon footprint

5. Legal Implications

- 5.1. The Council is a Contracting Authority as defined in the Public Contract Regulations 2015 ("PCR") and as such is governed by those regulations.
- 5.2. The value of the proposed contract is above the relevant EU Thresholds as referred to in the PCR of £189.330 for Supply, Services and Design Contracts. As such the Council will competitively tender these services in accordance with the procedures set out in PCR
- 5.3. In compliance with regulation 9.1(b) of the Council Standing Orders on Procurement and Contract, the Council's proposed procurement route is to use an existing framework agreement procured by the Crown Commercial Service in compliance with PCR.
- 5.4. The Council's Commercial Legal team will ensure that the terms and conditions of contract comply with the Council's minimum standards.
- 5.5. The Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") are unlikely to apply to these services either on the commencement of the contract or on its expiry as no dedicated resource is required to support these services.

6. Risk Implications and Mitigations

- 6.1. A full risk review will be carried out as part of the project delivery. Risks will be identified and managed in accordance with the Council's agreed risk

management process.

Risk	Mitigating Action (in place or planned)
If leased equipment is not replaced there is a subsequent and significant risk arising that equipment will be removed in October 2020 without an alternate provision being available, this, in turn, will put delivery of services that rely on the use of print equipment at risk.	Procure a new printer service using Crown Commercial Services procurement framework to supply copiers/printers, plotters and related equipment. The contract to commence by 31 October 2020
Possible supply disruption delays preferred procurement: This could have implications for the supply of equipment and resource issues may arise. This could be both from the new supplier and the existing IT service provider.	Extend the existing contract with Xerox beyond its contract end date.

7. Other Options Considered (and reasons for not proposing)

- 7.1 Option 1: Do nothing – this option was rejected on the basis that there would be no print or MFD contracts in place as the current contract with Xerox for the provision of equipment, maintenance and servicing of equipment, provision of consumables and management information will cease at the end of October 2020.
- 7.2 Option 2: Continuing with the existing number of print devices has been considered. However, the provision of 317 printers through current contract is deemed excessive. This option was rejected as the Council would not be able to optimise corporate efficiencies and potential cost savings that a print estate consolidation would provide. Therefore, as such, there is no viable option to continue with the existing printer estate.

8. Equality and Human Rights Assessment.

- 8.1 An Equality Impact Report is not required for this decision as it is a report dealing with internal matters only.

9. Social Value and Sustainability Assessment

- 9.1 The provision of up to date printer solutions in libraries, Find It Out Centres, Children and Family Centres will further promote opportunities for digital inclusion.

10. Crime and Disorder Reduction Assessment

- 10.1 There are no identifiable Crime and Disorder Act implications.

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Appendices

None

Background papers

None