

Report to Sarah Sturrock, Assistant Chief Executive

April 2022

Procurement of an External Print Management Service

Report by, Alix Macfarlane, Head of Communications & Engagement

Electoral divisions: All

Summary

The Council currently uses an External Print Management service to fulfil a variety of printing requirements from across the organisation. This service is currently provided by Capita under an outsourcing contract, which ends on 30 September 2022.

Having undertaken a review of current and future print requirements, it is proposed that the service commences the procurement of a new External Print Management supplier, with the aim of maintaining current flexibility, quality and value for money, ideally utilising West Sussex suppliers.

Please note that at the request of the Assistant Chief Executive the table at Paragraph 5.1 entitled 'Revenue position following the introduction of a new supplier' has been replaced since this report was published on 25 April 2022 in order to make it clear that the final year costs of the contract set out, pending any extensions, pertain to just part of that year. This edit is in line with the agreed recommendation.

Recommendation

That the Assistant Chief Executive:

1. approves the commencement of procurement of a new External Print Management Service from October 2022 for an initial term of 5 years at a cost not exceeding £1.20m; with
2. option to extend for periods up to a further 2 years, allowing for a maximum contract term of 7 years.

Proposal

1 Background and context

- 1.1 In 2012, the Council entered into a 10-year outsourcing contract with Capita Plc to deliver a range of back-office support functions which is known as the 'Support Services Outsource' (SSO) contract. The outsourcing contract is due to

expire at the end of September 2022. One service within the Capita contract is print management.

- 1.2 Printed assets are produced across all directorates to meet various service needs and to reach audiences without digital access. Printed assets are used for a range of statutory and information sharing purposes, including signage, posters, flyers, printed consultation surveys for residents without online access and translated materials.
- 1.3 The external printing spend across West Sussex County Council has reduced from approximately £450,000 per annum five years ago to approximately £200,000 per annum now. These savings within the print management service budget are the result of a planned 'digital first' approach, designed to drive down print costs and support the Council's sustainability commitments. However, an ongoing requirement remains for printed materials issued for and on behalf of West Sussex County Council.

2 Proposal details

- 2.1 The Council intends to continue to procure a replacement external print management service from October 2022 under the same model, to ensure quality and value for money.
- 2.2 The procurement recommendation is for a new contract with an initial term of 5 years plus options to extend for periods up to a further 2 years, allowing for a maximum contract term of 7 years.
- 2.3 The total estimated cost for a 5-year contract is £1.20m. This assumes that a new supplier works in the same way, i.e., providing a fully managed service, carrying an element of the risk and managing the production, delivery, quality and the suppliers on the Council's behalf.
- 2.4 The Council has assumed a similar level of printing to the last 2 years (averaged at £200,000/year) and a similar annual management fee (currently £40,000/year).
- 2.5 A further decision to award a contract to a new provider will be published in due course, after tender submissions have been evaluated.

3 Other options considered

- 3.1 Officers looked at two primary options:
 - Option 1 - The option to bring the print management service in-house was considered but rejected due to the lack of resource, skills and the cost of purchasing and maintaining the necessary specialist print machinery and software.
 - Option 2 - The option to merge the Council's print requirements with another existing contract that a district, borough or partner has in place was considered but rejected due to commercial complexity, lack of administrative resource and the timescales.

4 Consultation, engagement and advice

- 4.1 The proposed procurement has been reviewed and approved by the graphic design, finance, legal, procurement and IT teams, following the standard design and approval processes for a procurement of this scale and complexity.

5 Finances

5.1 Revenue consequences

The table below shows the budget position following the introduction of a new service from October 2022. There will be one-off expenditure of £20,000 during September 2022 to allow the new supplier to run in parallel with the existing supplier, to ensure a smooth transition.

The core contract costs, including the additional costs in year 1 from parallel running, will be met from the funding available within the wider strategic business case that looks at the future of all the services currently provided through the SSO contract.

Revenue position following the introduction of a new supplier:

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Print costs	100	200	200	200	200	200
Transition costs	20					
Management fee	20	40	40	40	40	40
Annual budget required	140	240	240	240	240	240

Revenue position following the introduction of a new supplier:

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Print costs	100	200	200	200	200	100
Transition costs	20					
Management fee	20	40	40	40	40	20

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Annual budget required	140	240	240	240	240	120

5.2 The effect of the proposal:

(a) **How the cost represents good value**

Under the proposed procurement, the Council will continue to be provided with a best value quote based on the criteria specified for each particular external print job.

(b) **Future savings/efficiencies being delivered**

The graphic design team will continue to drive down the need for printed materials whenever possible and practical. The new procurement will also provide an opportunity for a more flexible contract, which could allow greater savings from reductions in printing (e.g. management fee as a percentage of print costs).

(c) **Human Resources, IT and Assets Impact**

A small amount of additional administration support will be required within the graphics team (part of the Communications & Engagement team) to replace that currently being provided by Capita. This is being scoped. IT support will be needed when the new print ordering software has been identified. This software is likely to be cloud based and require minimal if any support.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Risk of low interest from potential suppliers due to small contract size	Existing industry contacts will be invited to tender, and the tender invitation will be marketed widely
Risk that the Council cannot procure one supplier to manage all of the organisation's print requirements	The tender specification will ensure that bidders are made fully aware of the full breadth of support required
Risk of poor service and print quality from a new supplier	The evaluation of tender submissions will include an assessment of print capability and quality. It

Risk	Mitigating Action (in place or planned)
	will also include a review of testimonials from the prospect's existing clients
Risk of pressure on the budget if demand for print from services is higher than forecast. Some residents may need, or prefer to receive, printed materials, especially the hard to reach.	Communications plans for relevant service areas will be closely monitored and potential risks identified during the annual planning and budget setting process.

7 Policy alignment and compliance

7.1 Legal implications

No legal implications are identified as a result of this proposal.

7.2 Equality duty and human rights assessment

The project aims to ultimately help improve the delivery of public services and has no foreseen equality impact implications. The contractor will be required to adhere to current accessibility requirements.

7.3 Climate Change

Climate Change underpins all other objectives and priorities within Our Council Plan 2021-25. The new contract will enable the Council to ensure that it continues to fulfil print demand in the most climate-friendly way, supporting the drive for the organisation to be carbon neutral by 2030.

7.4 Crime and Disorder

No crime and disorder implications are identified as a result of this proposal.

7.5 Public Health

No direct public health implications are identified as a result of this proposal.

7.6 Social Value

The new contract will provide the Council with the opportunity to have more transparency and control over print suppliers, therefore allowing the Council to prioritise the use of local companies to support the West Sussex economy.

7.7 Our Council Plan 2021-25 Priorities

The recommendation supports Our Council Plan 2021-2025 priorities by:

- making the best use of resources
- supporting a sustainable and prosperous economy

- assisting with the underpinning theme of Tackling Climate Change

The proposal also helps to support the following outcomes:

- Outcome 4 – Value for money
- Outcome 6 - Working in Partnership.

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Appendices

None

Background papers

None