

Central Bedfordshire Council

Executive

3 April 2018

Procurement of a Hybrid Mail Solution

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Advising Officers: Charles Warboys, Director of Resources (charles.warboys@centralbedfordshire.gov.uk) and Stephen Knight, Service & Performance Manager (Revenues & Benefits)

This report relates to a decision that is Key

Purpose of this report:

1. The report sets out options for improved efficiency in the printing and mailing of bulk items, most notably Council Tax bills and Benefit letters.

RECOMMENDATIONS

The Executive is asked to:

1. **approve the procurement of a Hybrid mail solution;**
2. **endorse the approach of initially implementing the solution within the Revenues and Benefits Service with a view to widening it to encompass all Council services at a future date; and**
3. **assign delegated authority to the Director of Resources, in consultation with the Executive Member for Corporate Resources, to award a contract for a Hybrid mail solution following completion of a Crown Commercial Services Framework procurement process.**

Background:

Current Provision

2. Central Bedfordshire Council prints and mails around 660,000 items on an annual basis which are handled through and collected from the post room facilities based at Priory House and Watling House.
3. Of these 660,000 items, the Revenues and Benefits Service generates around 210,000 items, mainly handled through the post room facility based at Watling House.

4. The Revenues and Benefits Service also generates a further 200,000 individual items which are printed and mailed using an external provider. These items relate to bulk printing and postage of the annual Council Tax bills/ Benefit letters and Council Tax recovery documents such as reminder notices.
5. Mail volumes are expected to increase with the planned growth in the number of homes, population and businesses in Central Bedfordshire.
6. The service is looking to reduce administration and costs by implementing an alternative solution which will also support the flexible and offsite working arrangements now in use across the Council. This is part of the continuing digitisation of the service.
7. The average cost per item, to include print and postage costs is calculated as £0.62, with the total annual cost of printing and postage for the 410,000 items being approximately £256,000.
8. Any solution, whilst initially employed within the Revenues and Benefits Service should have the capability to expand to Council-wide provision once the concept is proven.

Hybrid Mail

9. Hybrid mail is mail that is delivered using a combination of electronic and physical delivery. It offers a cost-effective flexible alternative to on-site print and mailing provision.
10. Costs can be substantially reduced when compared to an in-house delivery model, with research showing costs may be reduced by up to 40%.
11. Hybrid mail solutions provide an end-to-end print and mail solution provided by an external supplier and support the Council's drive to more mobile and flexible working arrangements by reducing and in some instances removing the need to have access to an office based print facility.
12. Printing is sent to the provider through a secure IT connection and is subsequently printed, enveloped and mailed at a specified time each day.
13. Hybrid mail solutions provide for multiple items to be grouped together where it is possible to do so, reducing postage costs and the number of items mailed. It is also possible, where there is a clear identifier or reference, to merge multiple items from different service areas into one mailing.

14. A desk top interface is provided which allows monitoring, and where applicable, recall of mail items before printing and mailing.
15. Hybrid mail solutions provide print and mail capability from multiple sites.

Crown Commercial Service (CCS) Framework

16. CCS is an executive agency sponsored by the Cabinet Office.
17. The framework brings together policy, advice and direct buying; providing commercial services to the public sector and saving money for the taxpayer.
18. Framework RM1063 LOT3 provides details of and costings from 20 Hybrid mail suppliers for the provision of the offsite hybrid mail solution.
19. The framework allows either a direct approach to a supplier at the costs stated within the framework documentation, or for a mini-competition amongst the suppliers.

Options for consideration

20. To retain the existing mix of in-house and adhoc external provider processes. This would not enable any further efficiency savings to be made.
21. To procure a supplier within the LOT3 supplier list for Hybrid mail at the costs stated within the framework, noting these will typically be higher than those which can be achieved through a competitive procurement exercise.
22. To conduct a mini-competition amongst the LOT3 supplier list to achieve best value.
23. Whether to bring a Hybrid mail solution in to the Revenues and Benefits Service to prove the concept and then to widen this across the Council, or whether to implement the solution across the organisation from launch.

Reason/s for decision

24. Hybrid mail solutions provide best value for the residents, business and users of Central Bedfordshire Council services.
25. Hybrid mail solutions support the delivery of statutory services and support the Council's approach to flexible and mobile working.

26. Due to the statutory nature of the Revenues and Benefits service it is proposed that the award of the contract be delegated to the Director in consultation with the Executive Member. Total spend on the service only falls within the requirement for a full EU procurement process due to the cumulative cost of the contract over time.

Council Priorities

27. The recommendation of this report supports Central Bedfordshire in delivering value for money as the procurement of a Hybrid mail solution will help secure the most economically advantageous solution for the service.

Corporate Implications:

Procurement Implications

28. The CCS framework provides for a short procurement restricted to suppliers approved with the framework.
29. The Procurement Team have been fully involved in the process.

ICT Implications

30. ICT support will be required to support both the implementation of the chosen Hybrid mail solution and to provide ongoing support and maintenance as required.

Legal Implications

31. The Revenues and Benefits Service is a statutory service. The procurement and implementation approach will ensure that the statutory provision is maintained.
32. Data relating to individuals will be sent to the provider to allow printing and mailing. No personal data will be retained by the provider after the Hybrid mail process has been completed.
33. In delivering this procurement the Council are acting in accordance with EU Procurement Directives and ensure that all procurement activity is conducted in compliance with the Public Contracts Regulations 20105.

Financial and Risk Implications

34. The Council is facing significant financial pressures in the coming years and in light of this it is essential that value for money is a key deliverable of this procurement.

35. The cost of postage and printing in the Revenues and Benefits service based on 2016/17 volumes is circa £256k. Based on soft market testing of Hybrid mail solutions cost savings of 40% could be achievable. Actual savings will be dependent upon use of the solution and as such user training and compliance will be key factors in reducing overall expenditure.

Equalities Implications

36. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. As part of the procurement process, organisations submitting bids will be asked to provide information demonstrating an understanding of equality legislation as it relates to residents and employees.

Conclusion and next Steps

37. The existing manual processes are labour intensive in nature and do not necessarily conform to the flexible and agile working policies being adopted across the council. As such there is additional cost to the Council to support these existing processes.
38. Hybrid mail is a proven concept adopted by many local authorities and provides a cost effective and robust solution. Suppliers use multiple sites so in the event of a site failure there is no impact on service delivery.
39. The use of the CCS Framework minimises the procurement process whilst still allowing fair and open competition to allow the Council to obtain best value.
40. The recommended approach is to seek a supplier via the CCS Framework and progress implementation within the Revenues and Benefits Service as soon as reasonably practicable.
41. Tender documentation will be drafted to ensure sufficient flexibility to allow for the potential roll out of Hybrid mail across the organisation at a later date (subject to an evaluation of the success of Hybrid mail within Revenues & Benefits after an appropriate period of use). Complementary to this evaluation will be a review of the impact on the Council of extending Hybrid mail corporately and such a review will, by its very nature, need to assess the potential impact and efficiencies that may materialise in relation to staff resources.

42. Should the recommendation in this report be agreed, once the procurement process has been completed the Council will award the contract as appropriate. This will allow for the new contract to be operational at the earliest opportunity.

Appendices

None

Background Papers

None

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