

REPORT TO: RECESS SUB-COMMITTEE - 10TH JULY 2023

REPORT ON: CONTRACT FOR MANAGED PRINT SERVICES

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 205-2023

1. PURPOSE OF REPORT

1.1 The purpose of this report is to provide an update on the development of a sourcing strategy for the competitive procurement exercise for Managed Print Services and to seek approval to commence a compliant procurement process, leading to award of contracts.

2. RECOMMENDATION

2.1 It is recommended that the Sub-Committee:

- Approves the commencing of a procurement exercise in respect of the project described, based on the sourcing strategy, summarised in this report;
- Delegates authority to the Executive Director of Corporate Services to award a contract to the successful bidder, following a tender process carried out in compliance with the Public Contracts (Scotland) Regulations of 2015.

3. FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications associated with this report, other than the estimated cost of the contract to be awarded, the sum of which has already been approved in the relevant budget. From previous experience and market testing carried out, the total cost of the contracts awarded for Dundee City Council is anticipated to be £1,550,000 over 5 years in respect of Dundee City Council. Any material deviation from this sum, resulting from the tender process that is above the amount allowed for contingencies, will require further approval from this Committee, prior to the framework contract being awarded.

3.2 These costs will be contained within the existing Revenue Budget over the period of the contract. Should the outcome of this tender achieve any reduction in existing costs e.g., because of a reduction in volume of devices required, then this will be reported to Committee as part of the budget process in due course.

4. DETAILS OF THE PROJECT BEING COMMISSIONED

4.1 The objective of the contract is to provide a managed service for multi-functional devices to enable printing, scanning and photocopying within the corporate and education ICT network. With the move to hybrid working and increasing digitisation with many of the Council's systems becoming paper free, the demand for printing and copying is reducing. The contract needs to provide detailed management information

on the use of each device and allow for and incentivise an ongoing reduction both in print numbers and the number of devices deployed in the Council's premises.

- 4.2 Managed Print Services is designated as a category A contract by the Scottish Government and therefore supply framework agreements have been put in place by Scottish Procurement for the use of all public sector organisations. This is a very competitive market and there are nine companies available on the supply framework.
- 4.3 The framework agreement allows for community benefits to be built into each contract let within it, with a focus on the following benefits.
- Creating placement / experience opportunities for young people to encourage them into the industry.
 - Vocational activities for schools, such as holding Science, Technology, Engineering and Mathematics workshops in Primary Schools.
 - Engaging directly with schools and colleges to recruit more young people into their workforce, while continuing to create modern apprenticeships.

The Council will explore the potential for further community benefits as part of the tender process. The existing contract ends in December 2023, so the aim is to have a new contract in place that runs concurrently with this arrangement.

5. SOURCING STRATEGY SUMMARY

- 5.1 In order to drive maximum benefits from the contract, the Council as contract lead will conduct a mini competition within the framework agreement. The intention is to do this on a collaborative basis and invite Angus Council, Perth and Kinross Council, Tayside Contracts, Leisure and Culture Dundee, Dundee and Angus College, and live active (Perth). Each of the partners will enter a framework contract.
- 5.2 The Council's aim is to extract benefits from this contract by obtaining modern, energy efficient multi-functional devices at an improved price, while at the same time incentivising the reduction in the use of those same devices to further cut costs and reduce the Council's carbon footprint.

6. RISK ANALYSIS

- 6.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge:

Description of Risk	Actions to be taken to manage Risk
Commercial Risk – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	The Council's specification will contain an accurate list of the devices required and the initial print volumes expected from each. The transition from the current supplier will need to be handled well, to prevent additional costs or duplication during this period.
Technical Risk – This concerns the difficulty in being able to specify the desired	The technical specification is included within the framework agreement, and this has been market

outcome and on the market being unable to deliver to the specification.	tested.
Performance Risk – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.	The contract will contain a number of KPIs governing up-time of devices and service response times.
Contractual Risk – Being able to remedy the 's shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	The contract will put a reliance on contractors, but this is a national arrangement and none of them can afford to fail in this market. Regular contract management will continue throughout the term of the contract.
Legal Risk – Where a procurement is found unsound in law, through the public procurement rules.	Procurement is through an existing and tested framework; the residual risk is in the conduct of the mini competition. This will be closely managed at each stage by the Corporate Procurement Team.

7. CONCLUSION

- 7.1 The renewal of the managed print services contract gives the Council an opportunity to maintain the already good service it receives, with more modern devices and to provide an incentive to reduce the use of paper and print in future and cut costs and emissions in doing so.

8. POLICY IMPLICATIONS

- 8.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate Senior Manager has reviewed and agreed with this assessment.

9. CONSULTATION

- 9.1 The Council Leadership Team were consulted in the preparation of this report.

10 BACKGROUND PAPERS

- 10.1 None.

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

12 JUNE 2023

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