

**REPORT TO: POLICY AND RESOURCES COMMITTEE - 28<sup>th</sup> AUGUST 2000**

**REPORT ON: PROVISION OF PHOTOCOPYING SERVICES - 1 OCTOBER 2000 TO 30 SEPTEMBER 2005**

**REPORT BY: DIRECTOR OF EDUCATION**

**REPORT NO: 556-2000**

## **1.0 PURPOSE OF REPORT**

1.1 To report to Council, acting as the Co-ordinating Authority, recommendations arising from tenders submitted for the provision of photocopying services to Dundee City Council, Angus Council, Perth and Kinross Council and other participating local organisations.

## **2.0 RECOMMENDATIONS**

2.1 Based on the economically most advantageous in respect of price, service and assistance, technical merit and functional characteristics, the tender submitted by Xerox (UK) Ltd for the provision of photocopying services to Dundee City Council and other participating Authorities and organisations, for a five year period to 30 September 2005, be accepted at an inclusive unit price of .0077 pence per copy, to take effect from 1 October 2000.

The estimated overall value of the contract based on 80,000,000 copies per annum is £3,080,000.

2.2 The Director of Education on behalf of Dundee City Council has the delegated power to adopt a monitoring role through the use of the Education Contracts Officer to be known as the "Co-ordination Manager" for contract purposes to ensure the efficient operation of the contract and therefore maximise the benefit to the Council and participating members.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 At current copy volumes, the bid price of .0077 per copy will result in a saving of £23,200.00 per annum to Dundee City Council.

## **4.0 LOCAL AGENDA 21 IMPLICATIONS**

4.1 Operation of Equipment - none

4.2 Equipment - Xerox (UK) Ltd dismantle all returned machines and reprocess them into components for use in re-manufactured and manufactured products.

4.3 Copier Paper - Xerox (UK) Ltd have stated that all copiers are capable of processing recycled paper, up to and including 100% recycled content, subject to good quality paper.

4.4 Toner Cartridge - Xerox (UK) Ltd will liaise with the Co-ordination Manager to establish an uplift and disposal procedure for all toner cartridges for future recycling.

## **5.0 EQUAL OPPORTUNITIES IMPLICATIONS**

5.1 None.

**6.0 BACKGROUND**

6.1 At a meeting of the Policy and Resources Committee, held on 17 January 2000 (Article II refers), approval was given for the Council to participate in a composite photocopying contract with Angus Council, Perth and Kinross Council, Police, Fire Brigade, Colleges, etc., with provision to be made for the inclusion of voluntary bodies. Dundee City Council to be the 'Co-ordinating Authority' in any negotiations.

6.2 The current contract is scheduled to finish on 30 September 2000 and following pre-tender meetings with Dundee City Council, Angus Council and Perth and Kinross Council in respect of tender documentation, it was agreed that tenders would be advertised in the OJEC, national and local press. Contractors were invited to submit tenders by Monday, 27 March 2000.

6.3 Out of eleven requests for tender documents, four bids were received, from:-

- Xerox (UK) Ltd
- NRG Group Ltd
- IKON Office Solutions Plc
- Hewlett Packard Ltd
- (See Appendix 1)

6.4 During post tender negotiations with Xerox (UK) Ltd on the bid for four years fixed price with the option of a further one year, the working group negotiated the optional year at a reduced fixed price for analogue systems to give a contract period of five years at a fixed price of .0077 pence per copy, which was considered to be in the best interests of the participating members.

**7.0 CONSULTATION**

7.1 The Chief Executive, Director of Finance and Director of Support Services have been consulted on the terms of this report.

**8.0 BACKGROUND PAPERS**

8.1 List of participating members may be viewed at the Dryburgh Education Resource Centre, Napier Drive, Dundee.

8.2 Contractors' published accounts - the Director of Finance has viewed the Company Accounts and has deemed them to be satisfactory.

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Director of Education

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Date

**APPENDIX 1**

**PHOTOCOPIER CONTRACT – EDU/00/336 – 1 OCTOBER 2000 – 30 SEPTEMBER 2004**

**DUNDEE CITY COUNCIL, ANGUS COUNCIL & PERTH & KINROSS COUNCIL**

Tenders were received from 4 companies in respect of the above and this is an outline of their bids and the costs to Dundee City Council based on 29 million copies per annum. The current cost per annum is £246,500 based on a copy cost of £00.0085 for analogue copiers.

<b>FIRM – IKON</b>	<b>Bid Cost Per Copy £</b>	<b>Cost Per Annum £</b>	<b>Annual Saving +/- £</b>
Analogue	00.0099	287,100	+40,600
<b>FIRM – NRG</b>			
Analogue	00.0092	266,800	+20,300
Digital	00.0110		
Digital Net	00.0145		
<b>FIRM – HEWLETT PACKARD</b>			
Digital	Fixed monthly £265,536 – no cost per copy bid was given		
<b>FIRM – XEROX (UK) LTD</b>			
Analogue	00.0079	229,100	-17,400
Digital	00.0099		
Digital Net	00.0120		

On the basis of the above it was agreed to recommend that the contract be offered to Xerox (UK) Ltd on the basis of the economically most advantageous in respect of price, service and assistance, technical merit and functional characteristics.

It was further agreed to request Xerox (UK) Ltd submit a quote on the basis of a five year contract in the event that Dundee City Council, as lead Authority may wish to exercise this option clause at the start of the contract.

A further quote was submitted and following post tender discussions with Xerox (UK) Ltd with regard to confirmation of points raised in their submission, it is recommended that the contract be awarded to Xerox (UK) Ltd for a five year period, 1 October, 2000 – 30 September, 2005 based on the new quote of £00.0077p for analogue.

The bid cost for digital and digital networked will not change at this time as a result of extending the contract for a fifth year.

**FURTHER QUOTE FROM XEROX (UK) LTD**

<b>FIRM – XEROX (UK) LTD</b>	<b>Bid Cost Per Copy £</b>	<b>Cost Per Annum £</b>	<b>Annual Savings +/- £</b>
Analogue	00.0077	223,300	-23,200