

Report to Cabinet

22 June 2022

Subject:	Award of Corporate Hybrid Print and Mail Contract
Cabinet Member:	Councillor Bob Piper - Cabinet Member for Finance and Resources
Director:	Neil Cox – Director of Business Strategy and Change
Key Decision:	Yes
Contact Officer:	Sue Knowles sue_knowles@sandwell.gov.uk maria_amos@sandwell.gov.uk

1 Recommendations

- 1.1 That the Director of Business Strategy and Change and the Director of Finance - Section 151 Officer, in consultation with Cabinet Member for Finance and Resources, be authorised to award a contract for corporate Hybrid Print and Mail Services, via the ESPO Framework Agreement RM6017-19 Postal Goods, Services and Solutions for a 5 year period commencing on 1 September 2022 with an option to extend for up to a further 2 years.
- 1.2 That the Director Law and Governance – Monitoring Officer be authorised to execute any documentation necessary to enable the action referred to in 1.1 above.



2 Reasons for Recommendations

- 2.1 This report is seeking approval to award a contract for corporate Hybrid Print and Mail Services following a compliant procurement process.
- 2.2 During the pandemic, the need to call into an office to print and dispatch documents was a barrier to smart/home working. The procurement of a Hybrid Print and Mail Service would remove this barrier as all documentation that needs to be mailed is printed and dispatched by an off-site provider.
- 2.3 Hybrid Print and Mail services have been used by the Revenues and Benefits Service for over 15 years. All letters that need to be sent to residents, such as letters requesting information, Council Tax Notices and Benefit Decision Notices, are printed and dispatched off-site.
- 2.4 Election Services also use Hybrid Print and Mail services for printing and dispatch of elector registration documents.
- 2.5 As well as printing and mailing normal ad-hoc Microsoft Word generated letters, Hybrid Print and Mail providers supply bulk printing and rule-based printing services. These are currently used to produce Council Tax Bills and Benefit Decision Notices where the Council has designed how it wants the documents to look and what information from the system generated print file it wants included in the document. Rule based printing can also be used to add and extract text and add inserts/leaflets to the letter pack.
- 2.6 Implementation of a Hybrid Print and Mail solution will deliver a number of benefits to the Council:
- Fully supports and enables the Council's Workplace Vision Programme and Smart Working Policy
 - Reduces storage requirements (paper, envelopes etc)
 - Achieves contractual savings (Multi-Functional Devices, Central Print, peripherals)
 - Achieves financial savings through reduced mail charges as providers prepare the mail to a high standard which removes









several of the preparation stages normally carried out by Royal Mail

- Improves document quality and consistency – control letterheads, stationery and attachments and achieve high quality and consistent production of documents
- Can control and restrict the use of expensive print and mail options such as colour printing and first-class mail
- Production of detailed management information about what we print which can be used to identify opportunities for on-line notifications, reducing postage costs further

2.7 The estimated cashable savings that will be achieved upon successful implementation of Hybrid Print and Mail are over £220,000 per annum. Savings will increase further as we use the intelligence about what we print to identify opportunities for online/digital notifications.

3 How does this deliver objectives of the Corporate Plan?

	Best start in life for children and young people	<p>All service areas that currently print and mail documents will benefit from the introduction of Hybrid Print and Mail Services. As well as Royal Mail cost savings, additional benefits will also be achieved, such as enabling smart working, reduction in the number of Multi-Functional Devices, and only printing what we need rather than stock piling of stationery.</p> <p>In addition, completion of this project will align to the Corporate Plan principle of One Council One Team <i>‘we will create a modern workplace and give staff technological tools that encourage creativity, collaboration and</i></p>
	People live well and age well	
	Strong resilient communities	
	Quality homes in thriving neighbourhoods	
	A strong and inclusive economy	
	A connected and accessible Sandwell	



		<i>transformation</i> '. And it also fully supports the Council's Digital Strategy and paperless working agenda.
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4 Context and Key Issues

- 4.1 Through extensive due diligence across 250 council teams, it has been established that on average, the Council handles over 1.2m (Inbound and Outbound) pieces of paper associated with communicating with our customers. A huge proportion of the outbound letters are still sent by employees using local printers (MFDs) and manually enveloping hundreds of letters.
- 4.2 Currently service areas conduct individual procurements as and when required for their bulk printing requirements. Implementation of a corporate Hybrid Print and Mail service would remove the need for these time-consuming procurements.
- 4.2 The Revenues and Benefits Service has used Hybrid Print and Mail Services for over 15 years. Their current contract comes to an end on 31st December 2022 and the intention is to procure a Hybrid Print and Mail Service which all service areas across the Council can utilise.
- 4.3 The new contract will be awarded from 1 September 2022 which will allow sufficient time for Revenues and Benefits to transition to a new service before the end of their current contract should there be a change in provider.
- 4.4 In June 2021 a market warming exercise was conducted through the Council's e-tendering portal, In-Tend, to gauge interest in providing a hybrid mail solution to Sandwell. This exercise confirmed that there are several providers who would meet our specification of requirements and be interested in bidding for this work.



- 4.3 The contract will be procured via the ESPO Framework Agreement RM6017-19 Postal Goods, Services and Solutions for a period of 5 years from 01 September 2022 to 31 August 2027 with an option to extend for up to 2 years.
- 4.4 Hybrid Print and Mail providers operate a pay as you go charging regime therefore you only pay for what you send to the provider for printing and dispatch. As service areas' budgets already include budget for Royal Mail charges, no additional budget will be required, in fact service areas will achieve savings as the Council will benefit from discounted Royal Mail charges.
- 4.5 Separate one-off charges apply for designing rule-based printing and for creating templates for any bulk printing.
- 4.6 Based on print and mail volumes gathered during the scoping/discovery phase and current Royal Mail charges we have estimated the maximum annual cost of the contract at £950,000 making a total of £4,750,000 for the 5-year period or a total of £6,650,000 if the 2-year extension is invoked. As providers operate a 'pay as you go' pricing structure, the Council/SCT will only be charged for what is actually printed and dispatched by the provider. Annual increases in Royal Mail postage costs will be passed onto us by the provider and may affect the overall cost of the contract.
- 4.7 Implementation of the solution will be phased, with Revenues and Benefits taking priority as they already use Hybrid Print and Mail and we must ensure continuity of service. The successful provider will work with the Council to implement Hybrid Print and Mail across all service areas.
- 4.8 The Council currently provides some printing services to Sandwell Children's Trust (SCT). These services will migrate to the Hybrid print and Mail service following implementation of the contract. The estimated contract cost detailed in 4.6 above includes an annual amount of £120,000 for Sandwell Children's Trust (SCT) printing and dispatch requirements.



5 Alternative Options

- 5.1 The Council could continue with the current printing arrangements where most of the printing and dispatch is done from Council Offices. This option would not realise any of the benefits outlined in 2.5 above. We would also incur additional expense in the future as machinery in the Central Print Unit would need to be replaced.

6 Implications

Resources:	<p>The total cost of this contract is estimated to be in the region of £950,000 per year. This includes an estimated amount of £120,000 per year for Sandwell Children's Trust's printing requirements. Service areas' budget already includes an amount to cover the cost of printing and postage. As service areas move over to the Hybrid Print and Mail service they will benefit from discounted mail charges and achieve savings.</p> <p>The Council currently has officers whose duties include printing and dispatch and as implementation of the project progresses we will work with the service areas and HR to fully determine implications. However, initial indications are that all officers involved are responsible for other duties as well as printing and dispatch and these duties will continue post implementation.</p>
Legal and Governance:	<p>The Council's Contract and Procurement Procedures and Public Contract Procedure Rules (PCR) 2015 will be adhered to. Legal Services will be involved in the preparation of the Contract Documentation prior to the award.</p>



Risk:	The corporate risk management strategy has been complied with to identify and assess the risks associated with the recommendations being sought. This has concluded that there are no significant risks that require reporting. Further measures will be put in place to ensure that the risks identified during the procurement process are considered and mitigated to levels within the council's appetite for risk.
Equality:	No implications
Health and Wellbeing:	Introduction of Hybrid Print and Mail will increase opportunities for home-working as the need to be in a Council Office to print and mail documents is removed.
Social Value	Social Value will be considered during the procurement process

7. Appendices

None

8. Background Papers

None.

