

**Report for:** Cabinet Member Signing

**Title:** **DSI Billing Contract Renewal (Supply of Secure Print and Mail Service – Contract Award)**

**Report authorised by:** Andy Briggs, Assistant Director – Corporate & Customer Services

**Lead Officer:** David Graaff – Head of Service Delivery  
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**Ward(s) affected:** All

**Report for Key/  
Non-Key Decision:** Key-decision

## **1. Describe the issue under consideration**

- 1.1 To approve the award of contract to DSI Billing Services Limited up to the contract value of £1.6m to provide a secure print and mail service pursuant to Contract Standing Order 3.01 b)
- 1.2 The Contract was procured via the CCS G-Cloud 12 framework in accordance with CSO 7.01 b) as it is a compliant public sector body framework.

## **2. Cabinet Member Introduction**

- 2.1 DSI Billing Services Limited will provide all secure printing and postal services for statutory Council Tax, Business Rates and Housing Benefit overpayment notifications (bills) and recovery notices. The contract will also include secure printing and postal services for Homes for Haringey.
- 2.2 The contract has been procured under the Crown Commercial Service G-Cloud 12 Framework Agreement via a desktop evaluation undertaken by Strategic Procurement.

## **3 Recommendations**

- 3.1 To approve the award of a contract for secure printing and postal services for Revenues, Benefits and Housing related statutory services to DSI Billing Services Limited as permitted under Contract Standing Order 9.07.1 (d) for a period of 2 years in the sum of £400,000per annum with an option to extend for a further 2 periods of up to 12 months each for the sum of £400,000 per annum, up to a total contract value of £1.6 million.
- 3.2 The contract will commence 31<sup>st</sup> January 2022 and expire 30<sup>th</sup> January 2026 if all options to extend are taken.

## **4 Reasons for decision**

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- 4.1 The Current contract expires on 30<sup>th</sup> January 2022.
- 4.2 DSI Billing Services Limited specialises in the high-volume hybrid mail solutions for Revenues and Benefits and related services, providing secure printing and postal services for Council Tax, Business Rates and Housing Benefit overpayment bills and recovery notices. They also undertake printing for Homes for Haringey.
- 4.3 The award of this contract will result in a fixed unit cost for production which will spare the authority index-linked price increases and maintains economies of scale even where volumes of outbound correspondence continue to fall. The only variable element of unit cost is the postage which is determined by Royal Mail. The unit cost of the service under the new contract does not vary from the current unit cost.
- 4.4 The procurement aligns with the wider digital strategy and other services can benefit from this service should they choose to do so during the contract period.

## 5 Alternative options considered

- 5.1 Full tender exercise – this was discounted as procurement through a framework allowed the Council to take advantage of accumulated pricing based on the framework.
- 5.2 Do nothing – this was not possible as the existing contract expires, and the council has a statutory requirement to issue notices for Revenues and Benefits under Local Government Finance Act 1992.

## 6 Background information

- 6.1 Volumes of printing completed in the twelve months to 31<sup>st</sup> August 2021:

<b>Packs sent from September 20 to August 21</b>	
Revenues Billing	279,821
Revenues Recovery	115,071
Benefits	81,386
Housing	81,597
Govmail	114,357
<b>Total</b>	<b>672,232</b>

- 6.2 Estimated annual costs based on actual costs in the twelve months to 31<sup>st</sup> August 2021:

<b>Actual Annual Cost</b>	<b>Year to August 21</b>
Production	£120,883
Postage	£267,850
<b>Total</b>	<b>£388,733</b>

- 6.3 DSI Billing Services provide critical document printing, mailing, and digital communication services to local authorities and public sector organisations. DSI appreciates the value, compliance, and statutory requirements of the documents that they design, print and mail. DSI have extensive knowledge specific to Revenues, Benefits, Housing and Electoral document production.
- 6.4 This procurement aligns with the Digital Strategy for the overall Print and Mail services for the council as it allows flexibility for other services to use the hybrid mail offer, whilst protecting the current users from unit price increases should volumes fall.
- 6.5 A compliant procurement exercise has been carried in accordance with the G-Cloud 12 rules as permitted by CSO 7.01 b) by selecting a contractor from a framework established by a public body.
- 6.6 The Successful provider was based on best fit for the council to provide services to Council Tax, Revenues and Benefits and Homes for Haringey.
- 6.7 The cost of the contract for the next period of up to four years will remain the same as currently. There are no savings or additional costs.
- 6.8 The funding for this contract is held within the Revenues and Benefits and Homes for Haringey service budgets.

## **7 Contribution to strategic outcomes**

- 7.1 Within the Your Council priority in the Borough plan, specifically Outcomes 19 “We will be a Council that connects effectively with its residents, businesses and partners. Outcome 20 “We will ensure that residents get the right information and advice first time and find it easy to interact digitally.
- 7.2 The provision of this service supports the Council's ability to provide its statutory function in respect of Revenues and Benefits and Housing services.

## **8 Statutory Officers comments**

### **8.1 Strategic Procurement**

8.1.1 CSO 3.01 b) permits Cabinet to approve the award of a contracts valued at £500,000 or more. Under CSO 16.02 in-between meetings of the Cabinet the Leader may allocate any decision ordinarily taken by Cabinet to a Cabinet Member with the relevant portfolio responsibility.

8.1.2 A procurement compliant with the rules of the CCS GCLoud 12 framework was undertaken as permitted by CSO 7.01b) which permits the selection of a contractor from a public sector framework.

8.1.3 Strategic Procurement support the award of this contract

### **8.2 Finance Comments**

8.2.1 The annual cost of this contract for hybrid print/mail services based on current volumes is circa £400,000 (£1.6m over the maximum four-year contract period).

The contract holds the unit price for production (i.e. excluding postage) at its current level fixed for the duration of the contract. This will both protect the Council from inflation and enable it to take the full financial benefit from reduced volumes as greater numbers of customers move to receiving online notifications.

8.2.2 Funding for this contract award is contained within existing Revenues and Benefits and Homes for Haringey service budgets.

### **8.3 Legal**

8.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.

8.3.2 The services are above the level (currently £189,330.00) where a procurement is required under the Public Contracts Regulations 2015 (the Regulations). The service has utilised the Crown Commercial Services G Cloud 12 Framework Agreement (the Framework Agreement) to identify a contractor. Use of Framework Agreements is a procurement route which is compliant with Regulation 33 of the Regulations.

8.3.3 The Council's Strategic Procurement Team has confirmed that the procurement is compliant with the Regulations and in accordance with the call off procedure set out in the Framework Agreement.

8.3.4 Ordinarily a contract award of over £500,000 would need to be taken by Cabinet. Under CSO 16.02 in-between meetings of the Cabinet the Leader may allocate any decision ordinarily taken by Cabinet to a Cabinet Member with the relevant portfolio responsibility.

8.3.5 On the basis that the Council's Procurement Team has approved the procurement, the Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member from approving the recommendations.

### **8.4 Equality**

8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

8.4.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

8.4.3 The proposed decision is to approve the award of contract to DSI Billing Services Limited up to the contract value of £1.6m to provide a secure print and mail service pursuant to contract standing order 9.01.2.

8.4.4 There are no known equalities impacts expected to arise from this decision

## **9. Use of Appendices**

9.1 There are no Appendices

## **10. Local Government (Access to Information) Act 1985**

Not applicable