

Report for: Cabinet Member Signing

Item number: To be added by the Committee Section

Title: *DSI Billing Contract Extension (Supply of Secure Print Mail Service – Contract Extension)*

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 extension 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. Recommendations

- 2.1 To approve the extension 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 10.02.1b) for a period of 1 year, from 31 January 2024 to 30 January 2025 in the sum of £400,000 per annum, up to a cumulative contract value of £1.2 million.
- 2.2 To delegate authority, in consultation with the Cabinet Member for Finance and Local Investment, to the Assistant Director, Corporate and Customer Services to approve a further extension of 1 year, from 31 January 2025 to 30 January 2026 for the sum of £400,000, up to a total contract value of £1.6 million.
- 2.3 The first extension will commence on 31 January 2024 and the contract will expire on 30 January 2026, if all options to extend are taken.

3. Reasons for decision

- 3.1 The current contract expired on 31 January 2024.
- 3.2 DSI Billing Services Limited specialise in high-volume mail solutions for Revenues, Benefit and related services, and provide secure printing and postal services for Council Tax, Business Rates and Housing Benefit overpayment bills and recovery notices. They also undertake printing for the Housing Service.
- 3.3 The extension 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.
- 3.4 The procurement aligned with the wider digital strategy and other services can benefit from this service should they choose to do so during the contract period.

4. Alternative options considered

- 4.1 Full tender exercise – this was discounted due to the timescales in implementing this approach and given consideration that procurement through a framework has allowed the Council to take advantage of accumulated pricing based on the framework.
- 4.2 Do nothing – this was not possible as the existing contract expired and the Council has a statutory requirement to issue notices for Revenues and Benefit under the Local Government Finance Act 1992.

5. Background information

- 5.1 Volumes of printing completed in the twelve months:

- Benefits Service – 138,054
- Revenues Service – 329,083
- Housing Service – 144,575

Total: 611,712

- 5.2 Estimated annual costs based on actual costs in the last twelve months:

Price per pack – £0.63

Total cost (Number of packs x price per pack) - £382,320

- 5.3 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.

- 5.4 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.
- 5.5 A compliant procurement exercise has been carried in accordance with the GCloud 12 rules as permitted by CSO 7.01 b) by selecting a contractor from a framework established by a public body.
- 5.6 During the initial procurement process, the successful provider was based on best fit for the Council to provide services to Revenues, Benefits and Homes for Haringey (now the Housing Service).
- 5.7 The cost of the extension remains the same as the first two years of the contract. There are no savings or additional costs.
- 5.8 The funding for this extension is held within the Revenues, Benefits and Housing Service's service budgets.

6. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'?

- 6.1 Within the Your Council priority in the Borough Plan, specifically outcomes 17, "We will be a Council that connects effectively with its residents, businesses and partners", and 18, "We will ensure that residents get the right information and advice first time and find it easy to interact digitally".
- 6.2 The provision of this service supports the Council's ability to provide its statutory functions in respect of Revenues, Benefits and Housing services.

7. Carbon and Climate Change

- 7.1 The volumes of letters currently being posted has a clear impact on carbon emissions. However, there is a statutory duty to send letters where a resident has not registered for e-billing, or e-notifications. Therefore, there is no option to alter delivery moving forwards.
- 7.2 The Council communicates with residents via e-mail or phone where possible, and offers the option of receiving letters electronically, thereby limiting the carbon impact.
- 7.3 A new customer account and e-form suite is being delivered by August 2024 and the Council will be undertaking a e-notification campaign to encourage more residents to change how they receive their notifications. This will impact and reduce the carbon footprint of the Service's postal deliveries and reduce the Council's overall carbon footprint.

8. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

Finance

8.1 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.

This document is to approve the extension 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 10.02.1b) for a period of 1 year, from 31 January 2024 to 30 January 2025 in the sum of £400,000 per annum, up to a cumulative contract value of £1.2 million. Also, to delegate authority, in consultation with the Cabinet Member for Finance and Local Investment, to the Assistant Director, Corporate and Customer Services to approve a further extension of 1 year, from 31 January 2025 to 30 January 2026 for the sum of £400,000, up to a total contract value of £1.6 million.

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

Strategic Procurement

Strategic Procurement were consulted in the preparation of this report. CSO 10.02.1b) permits Cabinet to extend a contract where the value is £500,000 or more. CSO 16.02 permits the Leader to allocate Cabinet decisions whether urgent or not to the Cabinet Member having the relevant portfolio responsibility.

Strategic Procurement support the recommendations in section 3 of the report.

Head of Legal & Governance

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

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.

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.

The Director is seeking (in consultation with Cabinet Member responsible for the relevant portfolio) to extend the current contract to DSI Billing Services Limited for a further two (2) years (on a 1+1) to run from January 2024 to January 2026, as set out within the recommendations, up to a total contract value of £1.6m, to provide a secure print and mail service pursuant to Contract Standing Order 3.01 (d) & (e), based upon the original Cabinet contract award decision taken on 19th October 2021.

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

Equality

The council has a Public Sector Equality Duty (PSED) 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 protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not

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

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

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.

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

9. Use of Appendices

9.1 There are no appendices.