



Agenda item:

[No.]

**Procurement Committee**

**On 30<sup>th</sup> September 2008**

Report Title: **Award of Design, Print and Associated Services framework agreement.**

Forward Plan reference number (if applicable): **19**

Report of: **Sharon Kemp, Assistant Chief Executive, Policy, Performance, Partnerships and Communications**

Wards(s) affected: **All**

Report for: **Decision**

**1. Purpose**

1.1 Approval is sought for a Design, Print and Associated Services Framework to be formalised and implemented across the Council. It also seeks agreement for those businesses that have been successful in the tendering process to be awarded a place on the Framework Agreement.

**2. Introduction by Cabinet Member (if necessary)**

2.1 As a Council we aim to achieve value for money in all aspects of our procurement. Moving to a Framework arrangement will enable us to maintain quality while saving money. I commend this report to you.

**3. Recommendations**

3.1 That Members agree to the establishment of a Council Framework Agreement for Design, Print and Associated Services, as allowed under the European Union Directive on public procurement (the Consolidated Directive), as implemented in the UK by the Public Contracts Regulations 2006, and in accordance with the Council Standing Orders.

3.2 It is proposed that the Framework Agreement will be for a term of three years with the option to extend for a further year based on satisfactory performance.

3.3 That Members approve the appointment of the service providers listed in Appendix A to this report to the Framework, on the basis that they submitted the most advantageous tenders that best suit the Councils' requirements.

Report Authorised by: **Sharon Kemp, Assistant Chief Executive, Policy, Performance, Partnerships and Communications**

Signed: \_\_\_\_\_



Contact Officer: **Mike Browne, Head of Communications and Consultation, ext 2901**

#### **4. Chief Financial Officer Comments**

4.1 The Chief Financial Officer has been consulted over the contents of this report and confirms that moving to a framework agreement supports the value for money agenda by driving costs down whilst still providing access to quality and responsive providers. The Communications & Consultations Unit (CCU) has significant pre-agreed savings attached to the implementation of this framework (£200k between 2008/09 – 2010/11) and to ensure these are achieved it is important that all procurement on design, print and publicity is channelled through the CCU.

#### **5. Head of Legal Services Comments**

- 5.1 5.1 The EU Directive on public procurement (the Consolidated Directive) as implemented in the UK by the Public Contracts Regulations 2006 ("the Regulations") allows local authorities to enter into Framework Agreements with contractors.
- 5.2 The Framework Agreement to which this report relates has been advertised in the Official Journal of the European Union and a restricted tender procedure followed, in compliance with the Regulations. The restricted procedure is a procedure whereby a selection from is made from the contractors who respond to an advertisement, using a pre-qualification process, with only those contractors who meet the pre-qualification criteria being invited to tender.
- 5.3 It is proposed that the Framework Agreement to which this report relates will be for a three-year period with the option to extend for a further one-year period,
- 5.4 Under Regulation 19(10) of the Regulations, local authorities can enter into framework agreements for periods which do not exceed 4 years.
- 5.5 Contractors for the Framework Agreement have been selected on the basis of the most economically advantageous tenders submitted, in accordance with Regulation 30 of the Regulations.
- 5.6 This report is recommending award of the Framework Agreement to the selected contractors identified in Appendix A of this report.
- 5.7 The total value of the contracts to be awarded under the proposed Framework Agreement is likely to exceed £500,000 therefore details of the Framework

Agreement have been included in the Council's Forward Plan, in accordance with CSO 11.04.

5.8 As the total estimated value of the contracts to be awarded under the Framework Agreement is likely to exceed £250,000, the proposed award requires the approval of Members pursuant to CSO 11.03 which provides that Procurement Committee must award all contracts valued over £250,000.

5.9 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in Paragraph 3 of this report.

## **6. Head of Procurement Comments**

6.1 This procurement process has been undertaken in conjunction with CPU in line with the Procurement code of Practice

6.2 The recommendation and the centralisation of ordering will allow the Council to achieve Value for Money and continuity of supply through the establishment of the framework agreement.

6.3. Contract monitoring arrangements have been put into place to ensure that the Framework continues to represent Value for Money to the council and that Quality standards are being met

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

This report contains exempt and non-exempt information. Exempt information is contained in Appendix A and is not for publication. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972:

(3) information relating to the financial or business affairs of any particular person (including the authority holding that information)

List of background documents:

- Tender Report dated July 2008
- Invitation to Tender Document dated May 2008
- Tender Reports dated July 2008

## **8. Contract Value**

8.1 The value of the contract is approx £3m per annum – length of contract 3yrs + 1yr possible extension - Total value £12m

## **9. Strategic Implications**

9.1 The introduction of the Design, Print and Associated services framework is linked to achieving of efficiency savings put forward by CCU.

9.2 In 06/07 CCU spent £886k on print contractors and of that over £50k with three print contractors £100k with one print contractors and over £200k with two print contractors currently on the Printers Approved list. Based on this it is anticipated that with a rebate scheme in place to provide a return to the Council proportionate to the level of spend with a print contractor, in 2007 approximately **17k\*** of tangible savings could have been achieved.

\*Calculated in increments of:

- 1.5% up to £50k spend
- 2% for £50k to £150k spend
- 2.5% for over £150k spend

9.3 These figures are based on CCU spend only. If combined with the overall Council spend on print this approach would have realised savings in the region of £25k to £50k.

This is based on the premise that all Council print is commissioned through CCU.

9.4 Further reports on Council wide spend has shown that more work is being commissioned through CCU, but still not all.

9.5 The design and print framework will not only help the council towards achieving these cashable savings, but will ensure all work produced is of the highest standard and reflects the council's key objectives and values adding to the council's overall reputation.

9.6 The framework will give the Council the versatility to approach designers and printers on the framework that are better placed to address the changing needs and challenges of the council, hence reducing costs.

9.7 In addition the commissioning of all design and print work through CCU to contractors on the Framework will give the council better buying power with the outcome of receiving better prices.

## **10. Financial Implications**

10.1 The budget for the design and print framework is within CCU's budget.

10.2 There is no additional financial implication for the Council's budgets.

10.3 Additional comments are contained in paragraph 4 of the report.

## **11. Legal Implications**

11.1 These are contained in paragraph 5 of the report.

## **12. Equalities Implications**

12.1 Haringey Council is an equal opportunities employer and service provider. Haringey Council is opposed to any form of discrimination on the grounds of;

- Race, colour, ethnic or national origin
- Being male, or female, married or unmarried
- Disability
- Age
- Sexual orientation
- Religious and political beliefs

12.2 All suppliers have been evaluated in line with the Council's Equalities Policy.

12.3 Haringey has a diverse population. All marketing material produced for the council reflects this.

## **Background**

### **13. Business Case & Benefits**

13.1 Last summer (2007) CEMB approved Communications & Consultations Unit (CCU) recommendations to enforce the council's policy of centralised design, print and publicity procurement.

Following the introduction of a protocol for co-operation between service areas' communications staff and communications and consultation unit, and backing from the Leader and Deputy Leader, non specialised communications staff employed by business units are now more proactive in relation to putting their work through CCU, but not enough to make a real difference to the way we buy design and print, and not enough to realise the savings.

A SAP report supplied to CCU from Procurement indicated that over £1m has been spent by the Council on design and print, which was not commissioned through CCU.

If this level of print being purchased by the Council from different print sources was centralised, therefore increasing our print buying power, it is fair to say that aggregated print buying could save 10-15% on a significant amount of the Council's overall print spend.

It must be noted that these figures are based on estimates and can only be actualised when we can see the big picture i.e. services informing us of their planned marketing and coming through CCU.

13.2 By putting in place a design and print framework the Council can build capacity, skills and strength in this area.

13.3 The design and print framework will provide a value for money solution by achieving best prices from aggregate buying and the retrospective rebate scheme.

13.4 Clear quality standards will be in place ensuring that all design and print is to the very highest standard therefore enhancing the reputation of the council.

#### **14. Details of Framework and services to be procured**

14.1 A mini-competition, or call off will be undertaken to select companies to undertake work on a project by project basis dependent on their capability and the category they are in. It is anticipated that this framework will be responsive to accommodate the impromptu and often immediate nature of the council's marketing activities. Taking this into consideration, It is unlikely that the projects will be of such a value (individually) that they will need to be referred back to Procurement Committee.

14.2 Each call-off from the framework will be awarded based on the specification of the work, the quality and the company's ability to deliver and other commercial considerations not covered in the framework bid but in accordance with the same award criteria.

#### **The Services provided**

14.3 Design and print as follows:

##### **Print**

- Digital Print
- General print up to SRA3/B3
- General print up to SRA2/B2
- General Print up to SRA1/B1
- Web Offset Printing
- Specialist and Promotional print

##### **Design**

- General design work
- 'High end' design work
- Typesetting work
- Creation of specialist artwork
- Branding work
- Web design work

The framework will be in place for three years with the possibility to extend one year.

14.4 The framework will be monitored on an ongoing basis to ensure that we achieve Value for Money. This will be done through annual bench marking of quotations received, quality of work produced and on-site visits. This will be carried out by the Design and Print team within the Communications and Consultation Unit. This information will also be used to ensure the internal design and print service remains competitive and continues to provide a value for money service.

### 15. The Procurement process

15.1 The design and print framework procurement followed the standard Council OJEU procurement process, designed to obtain best value in its contracting arrangements.

An advert was placed in the Haringey Advertiser on Friday (5 October).

147 Expressions of interest were received and 120 PQQs were submitted and evaluated.

Eighty five companies were invited to tender and ITT's were despatched on May 27th 2008. Fifty nine responses were received by the closing date of July 7<sup>th</sup> 2008

An evaluation panel made up of representatives from the Communications and Consultation Unit evaluated the bids

The evaluation consisted of the following elements:

Selection criteria	Weight
Price	30
Ability to meet required deadlines	25
Logistical considerations	20
Ability to meet the requirements of all categories applied for	10
Plant and equipment owned compatible with all categories applied for	10
Quality of proposal submitted	5

1	2	3	4	5
Below expectations	Approaching expectations	Meets most expectations	Meets all expectations	Exceeds most expectations

Out of a total of 500 marks 60% was required for a Design Agency to pass and 80% for

a Printing firm. This was mainly due to differences in Pricing and Logistical considerations.

15.5 The companies scored as follows and those highlighted in green have passed.

### **Printing firms**

	Price	Deadlines	Logistics	Requirements	Equipment	Proposal	Total
PA	60	100	100	50	50	20	380
PB	150	125	80	50	50	15	470
PC	105	125	80	30	30	25	395
PD	120	125	100	50	50	20	465
PE	120	125	80	50	50	25	450
PF	30	125	100	50	50	15	370
PG	150	125	100	50	50	10	485
PH	120	75	20	50	50	20	335
PI	150	125	100	50	50	15	490
PJ	60	75	20	50	50	15	270
PK	90	100	70	40	50	20	370
PL	120	100	80	50	50	20	420
PM	60	100	80	40	50	20	350
PN	150	125	100	50	50	20	495
PO	90	125	100	50	50	20	435
PP	150	125	100	50	50	15	490
PQ	60	100	60	40	40	10	310
PR	60	125	60	50	50	25	370
PS	120	125	80	50	50	20	445
PT	135	100	50	50	50	25	410
PU	30	100	80	30	40	15	295
PV	60	100	50	50	50	20	330
PW	60	125	40	50	50	20	345
PX	120	125	80	50	50	10	435
PY	150	125	80	50	50	15	470
PZ	60	100	100	30	30	15	335



## Designers

	Price	Deadlines	Logistics	Requirements	Equipment	Proposal	Total
DA	120	125	80	50	50	25	450
DB	90	100	80	40	40	25	375
DC	90	50	80	30	20	5	275
DD	60	125	80	30	30	25	350
DE	60	75	60	40	40	10	285
DF	60	75	80	30	30	10	285
DG	60	100	80	50	40	25	355
DH	90	125	60	40	40	20	375
DI	60	100	80	40	40	20	340
DJ	120	100	80	40	40	20	400
DK	60	75	80	40	40	20	315
DL	90	100	80	40	40	15	365
DM	90	100	80	40	40	20	370
DN	90	100	60	40	30	10	330
DO	60	75	60	40	40	20	295
DP	90	50	60	30	30	10	270
DQ	30	100	80	40	40	20	310
DR	60	100	60	40	40	20	320
DS	90	100	80	40	40	20	370
DT	60	100	60	40	40	15	315
DU	90	100	80	40	40	20	370
DV	90	100	80	40	40	15	365
DW	90	125	60	30	40	20	365
DX	60	100	60	40	40	20	320
DY	90	100	80	40	40	20	370
DZ	90	100	60	40	40	20	350
DA1	60	75	60	40	40	10	285
DB1	90	50	40	30	30	10	250
DC1	60	50	80	30	30	10	260
DD1	60	75	80	40	40	10	305
DE1	30	50	80	40	40	10	250
DF1	120	75	60	40	40	10	345
DG1	90	100	80	40	40	15	365

15.6 Resulting from the procurement process, the framework will seek the approval for proposed companies identified in Appendix A of this report.

## 16. Rebate scheme

16.1 The rebate scheme is only applicable to printing firms on the framework and will be at the levels as indicated by these printing firms in the ITT.

16.2 During the tender process it was clearly indicated that a rebate scheme would be in operation and companies were asked to indicate how much rebate they were willing

to offer.

The Rebate scheme will operate as follows:

	Up to £50k (%)	£50k to £150k (%)	Over £150k (%)
PB	2.5	3	3.5
PD	2.5	2.75	3.25
PE	2.5	5	7.5
PG	1.25	2	2.75
PI	1.25	2	2.75
PL	1	2	3
PN	1.5	2.25	2.75
PO	0	0	2.5
PP	2.5	3.5	4
PS	1.5	2	3
PT	1.5	2	3.5
PX	1.5	10	20
PY	2	2.25	2.5

## 17. Conclusion

17.1 This procurement had a large response and therefore has proved to be challenging. This framework is a key part of the strategy to realise offered and agreed savings, and with all work commissioned through the Communications and Consultation Unit in line with the Category Management process will ensure that the council not only has better buying power when procuring these services, but achieves a return on investment, whilst also managing the quality and capability of these suppliers.

## 18. Use of Appendices / Tables / Photographs

Appendix A (i) – Evaluation Data (exempt information)