



**Author/Lead Officer of Report: Paula Martin,
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Report for: *James Henderson*

Report to: *Director of Policy Performance and
Communications*

Date of Decision: *July 2018*

Subject: *Re-procurement of Communications and Print
Services*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Leader		
Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Management Committee		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given?		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		

Purpose of Report:

This report seeks authority to re procure a supplier to meet Sheffield City Council's Communications and Print requirements. This service provision is both an operational and commonly recurring requirement. The resultant contract will be used by all Council departments.

We are proposing the use of a fully compliant Dynamic Purchasing System (DPS). The resultant framework contracts will be utilised Council wide.

The DPS will provide an effective route to market for the print, design, advertising, marketing and public relations services required by SCC, and which cannot be delivered in-house. The DPS route is considered to be a more effective approach over a traditional framework agreement as it provides greater flexibility and the ability to respond to changes in supplier markets, this also offers new suppliers the ingoing opportunity to join the

framework at various points in time providing they meet the statutory and quality requirements.

Recommendations:

The Director of Policy, Performance and Communications, in consultation with the Director of Finance and Commercial Services is recommending we conduct a fully EU compliant DPS competition process to cover our ongoing print and communications requirements, the resultant DPS Framework will operate for a four year period ensuring full compliance to PCR regulations and the Council's Standing orders.

Background Papers:

None

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Paul Schofield
	Legal: Sarah Bennett
	Equalities:
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: Eugene Walker
3	Cabinet Member consulted: Cllr Julie Dore
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: Paula Martin
	Job Title: Procurement and Supply Chain Manager, Business and Professional Services.
Date: 31 st May 2018	

1. PROPOSAL

- 1.1 The Council has a significant ongoing requirement for print and other communications products and services. These are used to help to inform the residents of Sheffield about the work of the Council and the services it offers. Where we are unable to undertake this type or volume of print activity in house we need to use external suppliers to undertake this on our behalf.
- 1.2 Following a Business Improvement Plan the Council has recently implemented changes to its operating model for managing the external purchase of print and other communications products, which has resulted in operational savings in the 17/18 period. This new model was dependent on the purchase of a Workflow Management IT Tool for Print and Communications. The Communications service, which is responsible for this activity, subsequently purchased Panacea software mid-2017 and went into mobilisation in December 2017.
- 1.3 As the next phase in this modernisation plan, the service now needs to re-procure the Council's external print (and other communication services) requirements. The Panacea software will enable the use of an EU compliant Dynamic Purchasing System (DPS) to provide an effective route to market for those print, design, advertising, marketing and public relations services required by SCC. A DPS is a fully compliant and transparent procurement process, the services are tendered and suppliers pre-qualify for admission to the Framework, suppliers can pre-qualify at intervals during the Framework contract period so new suppliers can join at any time, the second stage is a competition on price for the Lots on the Framework but Panacea allows for us to compete every job we process through the system ensuring we always obtain the best value for that job. A DPS offers much more flexibility for buyers and suppliers whilst maintaining the need for our purchases to conform to all legal requirements.
- Past experience from Local Authorities already using a DSP framework arrangement through Panacea have reported:
- Haringey, Camden and Bolton all saw a reduction in print expenditure due to time saved with suppliers, and a more competitively priced framework for purchasing.
 - Panacea are forecasting saving of at least 35% on outsourced Print and Communications services which will have a direct benefit for customers.
- 1.4 The DPS route is considered to be a more effective approach over a traditional framework agreement as it provides greater flexibility and the ability to respond to changes in supplier market. The authority's default approach will be to undertake as much activity as possible in house; with the DPS being used when something cannot be produced in house or where there is no available capacity to do so.
- 1.5 The DPS approach will enable the Communications team to manage and monitor procurement activity more closely, provide greater savings opportunities such as volume based discounts and increase the scope for collaborative working with other local authorities. It is also an opportunity to ensure all spend is visible to the Communications Service with detailed estimating, ordering and is reported through the software which will help to ensure that we achieve value for money for the authority.

- 1.6 This process allows us to evaluate and add or deselect suppliers through the DPS, when managed this way there should be no contracted suppliers outside Panacea. Once the process is rolled out to internal and external clients any supplier, under this category, that has previously been used that isn't in a contract under the Framework will be deactivated in Integra.

The benefit realisation associated with the DPS relies on compliant use by clients and the Communications team to ensure each and every piece of work commissioned is priced and serviced in the most competitive manner available. The streamlined system will also reduce resource and administration requirements and deliver savings on back office.

- 1.7 The DPS is likely to streamline procurement for both suppliers and authorities; suppliers do not need to demonstrate suitability and capability every time they wish to compete for a public sector contract, and the award of individual tenders can be considerably quicker than under other procedures.

Public procurement for SME's can sometimes be difficult. Some smaller companies perceive participation in tenders via framework agreements as risky due to no guarantee of a return on the investment. This deprives the Council of a pipeline of suppliers, some of who may be local and may be able to offer high quality, cost effective and innovative services. With a DPS the risks are reduced dramatically. There is an easy entry and exit strategy so suppliers are able to remove themselves from the system if they find that the benefits of participation do not work for them. Through a DPS suppliers (particularly SMEs) are likely to be able to bid for digestible amounts of work, since the DPS still allows us to divide contracts into small, multiple lots.

Suppliers are able to continually update their prices, allowing them to protect their margins and ensuring that their businesses are sustainable but also to respond to short term price fluctuations positive or negative.

- 1.8 The Communications Team will continue to act as a gateway through which other teams can access the Framework.

- 1.9 The resulting framework will run for 48 months and will allow for the ongoing refresh of suppliers and supplier rates ensuring we are always accessing the best value the market has to offer for our internal and potential external clients. The arrangements will also be available for use by our colleagues at Sheffield City Region ensuring the benefits are consistent for both organisations.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 This procurement is for commonly recurring items which are used by almost every person working in any capacity for the authority. This supply impacts most services to some degree and as such needs to be fit for purpose.

The supply chain will be tested via comprehensive method statement requirements which will seek commitment to deliver tangible Social Value, an understanding of where this supply chain is in respect of Ethical Procurement in addition to service delivery, continuous improvement and ongoing value for money.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 There has been no consultation specifically on this proposal.

There has been engagement with current suppliers to allow for mobilisation of Panacea and before launching the DPS process there will be full engagement and support for suppliers through the procurement process.

The opportunity will be advertised via our electronic e tendering portal Yortender which will attract new suppliers to the process, including SME's.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 There is no equality of opportunity implication associated with this proposal. There are unlikely to be any negative or positive implications of this decision for people with any of the protected characteristics set out in the Equality Act 2010.

4.2 Financial and Commercial Implications

4.2.1 There are no financial implications arising directly from this decision but this procurement is expected to generate savings as explained below.

4.2.2 Budgets are set and agreed annually to cover this. Savings across the suite of Print and Communication's requirements are forecast on overall costs with back office savings and savings based on a more streamlined process.

Any potential savings as a result of this exercise will be discussed with the Finance Business partner for Resources with a view to how best account for the savings.

4.3 Legal Implications

4.3.1 Having access to a comprehensive Print and Communications Framework in a flexible and efficient manner will enable Council officers to provide statutory and other essential services to the citizens of Sheffield. Consequently, the need to procure this set of requirements is incidental to the Council's statutory functions and the Council does have a specific power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions (s111(1) Local Government Act 1972).

The Procurement Process will be fully compliant with our Legal duties under PCR 2015 regulations and the Council's Standing Orders.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 As this is identified and regular recurring third party spend, outside the scope and capability of the in house provision and at a financial level that triggers a procurement under PCR 2015 regulations and the Standing Orders of the Council there is limited opportunity to consider options other than the route to market.

On the basis of benefit realisation via mandated use of the software to manage this service provision and the ability of the system to support a fully compliant EU recognised procurement process with many additional and ongoing benefits this route provides the least cost, most flexible option considered as part of the BIP in this service area. This process will allow us to bespoke our requirements and offer our customers the level of service they have not had fully in the past and will stimulate interest in a much wider supply base.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The recommended approach will ensure that we have a PCR compliant approach to the procurement of these services.

The proposal to use a Dynamic Purchasing Solution will have a series of benefits both for the Council and for suppliers.