



Officer Decision Report

Author/Lead Officer of Report: Jason Peck –
Contract Manager

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Report to: Tom Smith –Director – Operational Services

Date of Decision: 24/04/2024

Subject: Operational Services – Commissioning – Mail
Services

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 2462				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Purpose of Report:

To seek approval to commission a service with an external provider for the collection and delivery of mail and parcels for the Council.

Recommendations:

It is recommended that the Director of Operational Services:

- Approves the commissioning of a service with an external provider to collect and deliver mail and parcels for the Council over a 4-year period with an estimated value of £3,700,000, as set out in this report.

Background Papers: Not used.

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: <i>Holly Nichol</i>
		Legal: <i>Gemma Beecroft</i>
		Equalities & Consultation: <i>Louise Nunn</i>
		Climate: <i>N/A</i>
<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	SLB member who approved submission:	<i>Ajman Ali</i>
3	Relevant Policy Committee	<i>Strategy and Resources</i>
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 SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Jason Peck</i>	Job Title: <i>Contract Manager</i>
	Date: <i>24/04/2024</i>	

1. BACKGROUND

- 1.1 The availability of an efficient mail and parcel delivery service is an essential requirement for the Council in undertaking its day-to-day activities.
- 1.2 Despite the increasing reliance on electronic methods of communication in the workplace there is still a significant and essential requirement for the Council to have access to a 'physical' mail delivery service. Many communications such as parking notices and electoral information require information to be sent in a physical format.
- 1.3 There is also a general business need for the Council to correspond with other organisations and individuals in a physical format via the delivery of mail for various reasons including large letters, pre-paid return mail, mail campaigns and communications, parcels, and other larger items e.g., IT kit. All of which are collected from the Council's central mailroom in the Moorfoot Building for onward delivery within the UK and international destinations.

Current Position

- 1.4 The incumbent supplier of mail delivery services to the Council is Royal Mail. Outgoing mail from around the various Council sites is collected by our in-house mail team and collated at the mail room in the Moorfoot Building. All mail is passed through the mail room's franking machine ensuring letters have the require postage charge paid. Royal Mail attend Morfoot daily (Monday to Friday) to collect mail, take it to their sorting office for processing and then deliver onto the required addressees.
- 1.5 The Council receive a monthly invoice from Royal Mail for the cost of the mail, this is calculated from data produced from the franking machine. The Council does not have a formal contractual agreement in place with Royal Mail and our mail costs are subject to increase in line with Royal Mail's national pricing policy.
- 1.6 The Council sends far fewer parcels than standard mail and they are processed on an individual basis and delivered using a combination of our own mail team (for local deliveries) and a few third-party providers. The Facilities Management (FM) team are responsible for this service and engage with external courier services for those items travelling longer distances.

Proposal

- 1.7 It is proposed that the Council engage a single external service provider to provide mail and courier services to achieve better value for

money and allow for a more efficient and effective management of mail items. It is proposed that the new contract arrangements will include services for the:

- Collection, sorting, and delivery of mail communication to addresses across the UK and international destinations.
- Collection and delivery services for letters, large letters, pre-paid return mail, and parcels within the UK, Europe, non – Europe destinations and Rest of the World destinations.
- A full track and trace solution for all mail items and parcels.
- An on-demand courier service.

- 1.8 Aggregating the Council's various mail requirements into one package and engaging a single service provider for these services via a competitive tendering process should realise a financial benefit. The use of a single service provider will also help streamline internal processes and simplify procedures by utilising a single provider for all mail and parcel deliveries.
- 1.9 With the proposed closure of the Moorfoot building the Council's mailroom function will be relocated to an alternative site in the city. The new location of the mailroom is yet to be confirmed. The proposed specification documents for the contract tender will ensure the relocation of the mailroom is noted and prospective service providers are aware of this change and continuity of service will be maintained through the re-location.
- 1.10 The specification will also propose options for a self-service parcel collection and delivery option. Under the self-service option authorised members of Council staff will be able to arrange for the collection of parcels directly from offices/sites around the city directly by the appointed service provider. This will be an alternative to the current system whereby all parcels are sent via the Councils central mail room. This will help streamline the current parcel collection and delivery process.
- 1.11 The contract tender documentation including the specification, method statement questions and key performance indicators will be developed in consultation with colleagues in Facilities Management, Commercial and Financial Services.
- 1.12 The contract will be managed by the Council's Facilities Management team. Contractor performance will be managed via regular minuted contractor meetings and evaluated against a set of agreed key performance indicators to ensure the Council is receiving the agreed and required level of service from the successful contractor.
- 1.13 The contract will be procured and awarded in line with the Public Contracts Regulations 2015 and the Council's Contracts Standing Orders

Commission

- 1.14 It is therefore proposed that the Council commission a 4-year contract, with an estimated value of £3,700,000 for the supply of mail delivery and courier services to the Council.

2. HOW DOES THIS DECISION CONTRIBUTE?

Thriving neighbourhoods and communities

2.1

The provision of an efficient mail service will ensure the Council has access to this essential means of communication and that residents and businesses receive information from the Council in an efficient and timely manner.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 No external consultation is required / has taken place as the proposed procurement is for the provision of goods for internal Council departments, to support the service in the delivery of its day-to-day services.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 Overall, there are no significant differential, positive or negative, equality impacts from this proposal.

4.2 Financial and Commercial Implications

- 4.2.1 The proposed contract spend is within existing budgets and will commit the Council to a spending figure of up-to £3,700,000. This forecast spend figure is based on historical spend data with an allowance for annual inflation of 5% over the life of the proposed contract. The spend is to be monitored within existing budgets. There is no central budget for mail services, the council recovers this cost through recharges across the organisation.

4.2.2 The forecast contract spend figure proposed in this report is based on historical spend data, but it is envisaged that by entering into a contract via a competitive tender process the Council will realise a saving against its current spend and will help mitigate against future price increases through the term of the contract, ultimately aiming to reduce costs council wide. Any potential savings will not be known until the tender process is complete.

Contract	Term	Value
Mail	4 years	£3,700,000

4.3 Legal Implications

4.3.1 This report seeks approval to commission a 4-year contract, with an estimated contract value of up to £3,700,000, for the supply of mail delivery and courier services to the Council.

4.3.2 As a local authority, the Council has a variety of powers and duties set out in legislation. The proposal to commission the supply of mail delivery and courier services will support the Council in meeting those duties efficiently.

4.3.3 The Council is able to commission the proposed contract by virtue of section 1 of the Localism Act 2011, which provides the Council with a 'general power of competence' enabling it to do anything that an individual can do as long as the proposed action is not specifically prohibited.

4.3.4 The proposed contract for the supply of mail delivery and courier services to the Council is considered to be a 'commonly recurring item' under the Council's constitution and therefore is a decision which can be made under the general delegations by an Officer.

4.3.5 The Council will need to ensure the proposed contract award complies with the Council's Contract Standing Orders, and all applicable legislation and regulations including but not limited to the Public Contracts Regulation, UK GDPR, the Data Protection Act 2018 and the Equality Act 2010

4.4 Climate Implications

4.4.1 A Climate Impact Assessment has been completed for this procurement. Primary consideration on this contract will be the environmental impact of vehicles used in transporting mail.

4.5 Other Implications

None.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Do nothing – This option has been excluded as there is a requirement for mail and parcel services and we have a legal duty to procure a contract for its supply.

5.2 Self-Deliver - this is not an option; the Council has neither the capacity nor appetite to deliver its own mail.

5.3 Further extend existing contract – this is not an option as we do not currently have a contract.

6. REASONS FOR RECOMMENDATIONS

6.1 Preferred option – to commission the appropriate contract as detailed in this report. This will help enable the Council to continue to provide this key service and will ensure the Council is operating in accordance with the Public Contract Regulations 2015 and achieving best value in its procurement of the services.