

Finance and Resources Committee

10.00am, Tuesday, 2 February 2016

Extension to Scottish Procurement Postal Services Framework

Item number	8.2
Report number	
Executive/routine	
Wards	All

Executive Summary

In March 2012, Finance and Resources Committee approved the use of the Scottish Procurement's framework agreement for ad hoc and hybrid mail from 1 April 2012 to 28 February 2016.

Approval is sought to extend the use of this contract until September 2016 in order for Scottish Procurement to complete the tendering exercise for the new contract, which is scheduled to start in July 2016, and to seek the necessary approvals.

Links

Coalition pledges	P30 - Continue to maintain a sound financial position including long-term financial planning.
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives.
Single Outcome Agreement	

Framework for supply of postal services: extension

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves the contract extension of Whistl under the Scottish Procurement Framework for postal services until September 2016 for an estimated amount of £430,000. Scottish Procurement have extended the current framework to allow the procurement process to be completed.

2. Background

- 2.1 As reported in March 2012, the national strategy for the procurement of postal services was developed by Scottish Procurement in collaboration with key stakeholders across the Scottish public sector and representatives from industry suppliers.
- 2.2 The national framework for the Scottish public sector provides a sole supplier (Whistl) for the provision of postal services for both ad-hoc and hybrid mail.
- 2.3 The postal service consists of the collection of physical mail from the Council, delivery to the addressee and a separate hybrid mail service. The hybrid service is a desk to door service covering, but not limited to, encrypted off-site mail production of ad-hoc printing/mail generation. Documents will be printed, folded, enclosed and posted.
- 2.4 On 20 March 2012, the Council agreed the recommendation to adopt Lot 1 which covers the postal service from 1 April 2012 to 28 February 2016
- 2.5 Scottish Procurement is re-tendering the national framework for postal services with a planned start date of July 2016. A further report to committee will seek the adoption of the new framework when it is available.

3. Main report

- 3.1 As reported in March 2012, the national strategy for the procurement of postal services was developed by Scottish Procurement in collaboration with key stakeholders across the Scottish public sector and representatives from industry suppliers. This engagement was supported by regional workshops conducted in May 2011 and user intelligence groups (UIGs) provided an opportunity to learn and liaise with other partners and share best practice.

- 3.2 It was agreed that the optimal approach to market to meet the requirements of end user organisations would be to undertake a comprehensive tender exercise for postal services, in compliance with EU public procurement.
- 3.3 The current national framework is due to expire on 28 February 2016. However, Scottish Procurement will not have a new postal services framework agreement in place by this date and have extended the contract to 31 July 2016. Approval is therefore sought to extend the use of Lot 1 until such time that the new framework agreement is in place (expected in June/July 2016) and the necessary Committee approvals sought.

4. Measures of success

- 4.1 The Council will:
- 4.1.1 achieve value for money and meets the needs of service users
 - 4.1.2 see a reduction in non-contracted spend, and
 - 4.1.3 have regular KPI reporting in existing framework.

5. Financial impact

- 5.1 The estimated costs of the extension until September 2016 is £430,000 which is based on the Councils consumption volumes over the four year term. It also indicated that savings would be generated when benchmarked against other providers.
- 5.2 There are no procurement costs to the Council associated with extending the use of the framework.

6. Risk, policy, compliance and governance impact

- 6.1 Compliance with Contract Standing Orders by ensuring services not at detriment while the collaborative framework is being re-tendered.

7. Equalities impact

- 7.1 The equality and rights impact assessment has identified no impact on the Council's specific public sector equality duties.

8. Sustainability impact

- 8.1 There are no adverse environmental impacts arising from the outcome of this report. The use of hybrid mail and planned mail has a positive and auditable impact on carbon emissions.

9. Consultation and engagement

- 9.1 Scottish Procurement engaged with eligible public sector bodies through the UIG process to ensure relevance. This process is also underway for the new Framework to be in place in 2016.

10. Background reading/external references

- 10.1 Details of the framework agreement can be found on the Scottish Government's [procurement directory](#).

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Links

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