

Title: Hybrid and Transactional Mail Contract Extension

Meeting: Cabinet

Date: 29 July 2024

Classification: Part 1

Policy Context: All Corporate Priorities

Key Decision: Yes

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Executive Councillor: Councillor Collins – Cabinet Member for Finance, Assets and Investments

1. Executive Summary

- 1.1. Southend-on-Sea City Council currently have a contract in place for the provision at a corporate level for all hybrid and transactional mail. The current contract expires on 31st August 2024 but has an option to extend for a further 24 months. To enable the continuation of these services for all Southend-on-Sea City Council Departments, this report is seeking approval to trigger this extension to the contract until 31st August 2026.

2. Recommendations

- 2.1. **To approve the option to extend the Council’s existing Hybrid and Transactional Mail contract by 24 months to 31st August 2026.**

3. Background

- 3.1. The Council awarded a contract to Ricoh Print Services for Transactional print and hybrid mail under the framework KCS Y16018 in 2021. The framework was awarded for a minimum 3-year term until 2024 with a 24-month extension option. This option provides the Council with the opportunity to commit to undertaking further work to reduce expenditure and transform the way the Council operates.
- 3.2. Full analysis of the service provision will be completed, challenging the way the current service is used to drive enhanced efficiencies and cost effectiveness. Currently approximate yearly usage is around 252,000 documents printed and posted offsite. This will include but is not limited to essential and important information such as Council Tax demands, benefit notifications, electoral information and serving of legal documentation.
- 3.3. All service areas will be explored to encourage and enhance delivery through alternative digital channels with the ambition to reduce hard copy print volumes and unit cost per print/postage items.

- 3.4. The ultimate direction of travel will be to promote a digital first model with the secondary option of a cost-effective hybrid mail solution. Limited onsite print services will only be used when neither of these options are viable.

4. Reasons for Decision

- 4.1. There is a need to have printing and mailing services available to the Local Authority.
- 4.2. To extend the current contract under the original terms and conditions, noting that further work will be done to ensure the most cost-effective solution is adopted.
- 4.3. A major market exercise took place in 2021 and it is considered that it would be more cost effective to extend the current contract under the original agreement, than commence a new costly procurement process. We have experienced no issues with the operation of the current contract and this extension will provide the opportunity to explore ways of reducing the volumes and costs of this service further.

5. Other Options

- 5.1. To perform a procurement process to award a new contract with the same terms and conditions. However, this will be both time consuming and costly with no obvious additional benefit.
- 5.2. Discontinue using an offsite hybrid solution. This would be both impractical due to the volumes currently operating within the contract and increase costs to the Local Authority as printing and posting on site was historically more expensive and more time consuming. Offsite arrangements improve efficiency and productivity.

6. Financial Implications

- 6.1. The extension to the contract on existing terms and conditions is already built into the revenue base budget of the Council. Efforts will continue to be made to reduce volumes and encourage alternative digital use of all alternative cheaper communication channels wherever possible. Further financial information is contained within the confidential appendix.

7. Legal Implications

- 7.1. Extension option can be triggered in accordance with the original fully compliant procurement exercise for this contract.

8. Carbon Impact

- 8.1. Whilst no additional carbon impact is expected from the recommended contract extension. During the extended period of the contract the Council is committed to trying to reduce the carbon impact further by reducing future volumes of hard copy print.

9. Equalities

- 9.1. None arising from the recommended contract extension.

10. Consultation

- 10.1. No additional consultation is required.

11. Other Implications

11.1. If approval is not given to extend this contract, then Southend-on-Sea City Council would have to find a corporate alternative for printing and postage by 1st September 2024.

12. Background Papers

12.1. Existing contract documentation.

13. Appendices

13.1. Confidential Financial Implications

Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
S151 Officer	Joe Chesterton	28/06/2024
Monitoring Officer	Susan Zeiss	03/07/2024
Executive Director	Joe Chesterton	28/06/2024
Relevant Cabinet Member	Councillor Collins	28/06/2024