

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE****13 March 2018**

<b>Subject:</b>	<b>Contract for the production, printing and despatch of Council Tax annual and weekly billing, reminder notices, Benefit statements and associated documents</b>		
<b>Corporate Director(s)/ Director(s):</b>	Laura Pattman, Strategic Director of Finance		
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman, Deputy Leader & Portfolio Holder for Resources and Neighbourhood Regeneration		
<b>Report author and contact details:</b>	Antony Snape, Team Leader, Revenues and Benefits Business Support 0115 876 3890 email: antony.snape@nottinghamcity.gov.uk		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Significant impact on communities living or working in two or more wards in the City	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>Total value of the decision:</b> Up to £1,100,000			
<b>Wards affected:</b> All		<b>Date of consultation with Portfolio Holder(s):</b> Councillor Graham Chapman 21 February 2018	
<b>Relevant Council Plan Key Theme:</b>			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The current contract expires on 31/07/18 and this report requests authority to undertake a procurement exercise to retender for a four-year contract on a 2 year + 1 + 1 year basis.</p> <p>Authority is also requested to delegate the award of the contract to the Strategic Director of Finance.</p>			
<b>Exempt information:</b> None			
<b>Recommendation(s):</b>			
<b>1</b> To approve the undertaking of a full tendering process for the procurement of a new four year contract on a 2 + 1+ 1 basis from 01/08/18			
<b>2</b> To delegate authority to the Strategic Director of Finance to award the contract to the preferred supplier following completion of the tender process.			

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 The current four-year contract, which has operated on a 2 +1+1 basis since 2014, will expire on 31/07/18 and in order to comply with the City Council's contract procedure rules it is necessary to undertake another procurement exercise to test the market and achieve the best outcome for the City Council.
- 1.2 The 2+1+1 year contract arrangement allows the City Council to plan the cost over this period while retaining the flexibility to break after two years if circumstances require this.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The Revenues and Benefits service issues 250,000 Council Tax bills, 40,000 e-bills, 300,000 Benefit Statements and 75,000 Council Tax reminders on an annual basis and a Supplier is required who can accurately print and despatch this volume at both annual billing time and over each week throughout the year and meet our critical deadlines.
- 2.2 Many citizens require bills and benefit statements at the same time. Significant savings and efficiencies are available by matching together all documents in the same run that will be sent to the same person and posting them as a single item. A supplier is required who can manipulate our print data to achieve this.
- 2.3 We promote and undertake e-billing for Council Tax and cost savings of printing, stationery and postage can be achieved by issuing documents in this way. We will seek a Supplier who can offer this service and who can demonstrate the ability to make further developments in electronic document delivery.
- 2.4 We also produce a significant amount of letters and associated documents on a daily basis in the administration of the Revenues and Benefits service and we will explore whether a Supplier can print and despatch these as part of the tender process.
- 2.5 The largest proportion of the cost of this contract will relate to postal charges. The procurement exercise will look for Suppliers who can offer attractive discounted postal rates as significant cost savings can be achieved in this way.

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 To bring the production of bills and statement in-house. This option has been rejected as resources and machinery do not exist to handle these volumes.

## **4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 4.1 The estimated total cost of this contract over the 4 year period (2+1+1), to commence from 1 August 2018, is £1.100m.
- 4.2 This will be funded from Nottingham Revenue & Benefits Ltd in accordance with delivery requirements of the company and Nottingham City Council revenue budgets to provide Business Rates communication.

- 4.3 The estimated split of the £1.100m total is as follows:  
- Production: £0.118m per year, paid annually (£0.472m total)  
- Postage: £0.157m per year, paid monthly (£0.628m total)
- 4.4 Savings over the course of the contract will be made by the efficient use of technology, encouraging self-service and electronic notifications. In addition, the remaining high volumes of printed items will enable NCC to obtain the most beneficial bulk postage rates.

Hayley Mason, Strategic Finance Business Partner, 27 February 2018

**5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

- 5.1 Procurement Comments  
An open tender will be conducted to ensure value for money and compliance with our own financial regulations and public procurement regulations. The report author has already engaged with procurement and there are no significant concerns with the approach proposed by this report.

Rosalie Parkin Procurement Category Manager – Products 14 February 2018

- 5.2 Legal Comments.  
This report raises no significant legal issues.  
Andrew James Team Leader (Contracts and Commercial) 15 February 2018

**6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)**

- 6.1 Not applicable

**7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 Social value will be considered within the tender in line with the Council's procurement strategy.

**8 REGARD TO THE NHS CONSTITUTION**

- 8.1 Not applicable

**9 EQUALITY IMPACT ASSESSMENT (EIA)**

- 9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because the award of this print contract will not have any equalities implications

**10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT  
(NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT  
INFORMATION)**

10.1 None

**11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

11.1 None