

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3718

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Department:

Strategy and Resources

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Subject:

IT printers

Total Value:

£106,000 (Type: Capital and Revenue)

Decision Being Taken:

1. To award a contract, by variation under the current framework, or issue of a new contract under the framework, to the supplier for continued use and support of IT printers for a further 3 years.
2. To dispense with the requirements of Contract Procedure Rule 5.1.1 in accordance with Financial Regulation 3.29.
3. To delegate authority to the Head of IT to enter into a contract with the existing provider (Ricoh) for a further 3 years rental of IT printers.

Reasons for the Decision(s)

The Council currently operates a Print Service from its IT Service. The Print Service uses high capacity digital printers to provide colour and mono printing services to various Council services and partners. In addition to printing the Service also provides some print finishing, e.g. binding, and high volume scanning services. The experience of colleagues providing the service also means that they can provide advice to customers regarding print production to manage costs, etc.

The current Print Service uses printers supplied by Ricoh which were acquired on a four year contract which ends in January 2020. The printers have proved to be robust, comfortably handling the demands of the Council, and the quality of support services has meant that there has been no significant break in the Print Service provided to the Council. As the current contract for the printers is nearing its end the use of the printers has been reviewed with Ricoh whose opinion is that the printers are at approximately half their expected working life.

The current contract for supply of the Ricoh printers does not have any scope within it for extension, however the products supplied are fit for purpose and have significant operational life remaining. It is considered preferable to 'sweat' the existing printing assets than to replace them, as this would be wasteful of resources and disruptive to service provision. Following negotiations with Ricoh the Council has agreed a secondary contract for continued use of the current printers at a discount of 50% over a 3 year period on the basis of ordering before the end of November 2019. This can be obtained by either a variation to the existing contract or issue of a new contract under the framework.

The in-house provision enables Council services and partners access to a secure and local printing service where spend on printing is kept within the Council. The service is locally controlled and so able to be responsive to 'same day' demands from Councillors and senior officers where print is required urgently for events and functions. The Print Service is self funding recovering charges from services that use it. The proposal will reduce the cost of plant associated with the provision of the Print Service and so the overall cost of the IT Service.

The total value of this decision represents two elements over a period of 3 years. These are the cost of printer rental, approximately £46,000, and the variable cost of printing, estimated to be £60,000, over 3 years. The estimated value of the variable cost is based upon current printing volumes and represents 'consumable' elements of supplier services, printing, ink, paper, and the like. The value may vary if the volume of printing varies from current levels.

Other Options Considered:

1 Do nothing. With the continued requirement for a bulk in-house printing service and the end of the existing contract, with no means of extension available, this was not considered feasible.

2 Tender for replacement printers. Changing printers will incur a cost of change in addition to then rental of new printers. As the currently installed printers are considered fit for purpose and still have a significant period of useful life in them this was not considered a suitable approach.

3 Decommission the printing service. Decommissioning the current print service would remove a service used by the Council and partners that generates income for the IT Service and receives positive feedback from its customers. It would remove a service that other services currently make use of and would lead them to make expenditure outside of the Council. This was not considered a suitable approach.

Background Papers:

None.

Published Works:	None.
Affected Wards:	Citywide
Colleague / Councillor Interests:	None.
Dispensation from Financial Regulations:	Yes
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	There are no Crime and Disorder implications.
Equality:	EIA not required. Reasons: The proposals made within the delegated decision are to continue an existing service and so there is no change that might affect disadvantaged communities.
Social Value Considerations:	Social Value Considerations do not apply because of the value of this decision.
Any implications affecting IT:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	29/11/2019
Advice Sought:	Legal, Finance, Procurement, IT
Legal Advice:	This report raises no significant legal concerns. Additional services, namely, support and maintenance of printers, may be procured through the framework at any time during the period of the framework. A modification to the call of contract is permissible under regulation 72(1)(b) Public Contract Regulations 2015 for the additional services which cost less than 50% of the value of the original call off. Advice provided by Sarah O'Bradaigh (senior solicitor) on 29/10/2019.

Finance Advice:

This decision seeks approval to award a variation or new contract to the existing provider of the printers within the IT print room for a further 3 year period. The current contract ends in January 2020 however the printers are still deemed fit for purpose and extending the life of the current assets will represent greater value for money than tendering for new equipment as a 50% discount can be achieved against current costs.

The cost of the decision is expected to be in the region of £0.106m, split £0.046m fixed (rental) and £0.060m variable (ink, paper etc) however this is subject to change due to the variable nature to some of the costs. The budget for this effectively sits in individual Directorates that use the IT print room as all jobs are recharged out to recover the costs of the contract. Because of this, the IT Service need to ensure no financial pressure occurs as a result of this decision if uptake in the service reduces and if any budgets in Directorates are reduced. (i.e. IT will need to absorb the fixed cost element).

Dispensation with the requirements of Contract Procedure Rule 5.1.1 in accordance with Financial Regulation 3.29 is required to award the contract to the current provider.

Advice provided by Philip Gretton (Finance Analyst) on 05/11/2019.

IT Advice:

IT Services supports the DDMF as it represents savings in the form of a 50% discount over 3 years on the current contract. Additionally, the printers have been assessed and deemed to still have useful life for the contract to be extended. By extending the current contract and not replacing the printers, the other saving to the Council is related to the cost of a competitive tender and the migration work. The Council is also protected in the event of the printers failing during the extension period because Ricoh will fix or replace the faulty printer. Advice provided by Simba Chirara (Voice and Data Infrastructure Manager) on 22/10/2019.

Procurement Advice:

Procurement supports the decision to be taken as the printers have been deemed to have more life in them and that the extension will provide a 50% saving against current costs.

A dispensation with the requirements of Contract Procedure Rule 5.1.1 in accordance with Financial Regulation 3.29 is required to proceed with this arrangement. Advice provided by Paul Ritchie (Lead Procurement Officer) on 24/10/2019.

Signatures

David Trimble (Portfolio Holder for Leisure, Culture and IT)

SIGNED and Dated: 21/11/2019

Candida Brudenell (Corporate Director for Strategy and Resources)

SIGNED and Dated: 08/11/2019

Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations

SIGNED and Dated: 06/11/2019

Chief Finance Officer's Comments: