

**ACTION TAKEN BY CABINET MEMBER (EXECUTIVE FUNCTION)**


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<b>Subject</b>	<b>Mail room and postage arrangements</b>
<b>Cabinet Member</b>	Deputy Leader of the Council / Cabinet Member for Resources and Performance
<b>Date of Decision</b>	16 April 2014
<b>Date of decision comes into effect</b>	16 April 2014

<b>Summary</b>	Agreement is required to utilise the Government Procurement Service (GPS) framework and sign a contract for a period of two years with Royal Mail for the delivery of postage items. Royal Mail is the current supplier. There will be no change to the operations with an annual saving of circa. £109,000, subject to a successful transition of Franking machine spend to Printed Postage Impressions (PPI).
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<b>Officer Contributors</b>	Simon Hime – Document Centre and Mail Room Manager
<b>Status (public or exempt)</b>	Public
<b>Wards affected</b>	None
<b>Enclosures</b>	Appendix showing the timelines for the tender
<b>Reason for exemption from call-in (if appropriate)</b>	Not applicable
<b>Key decision</b>	No
<b>Contact for further information:</b>	Simon Hime (simon.hime@barnet.gov.uk)

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## **1. RELEVANT PREVIOUS DECISIONS**

1.1 None

## **2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

2.1 The award of this contract is based on getting best value for money. The services are being awarded with no change to service levels or operations and at a better negotiated rate.

## **3. RISK MANAGEMENT ISSUES**

3.1 There is no change to the existing supplier base, only a change in pricing. Therefore, I do not foresee any major issues to arise from this.

## **4. EQUALITIES AND DIVERSITY ISSUES**

4.1 The Equality Act 2010 requires the Council and all other organisations exercising public functions on its behalf to have due regard to the need to a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; b) advance equality of opportunity between those with a protected characteristic and those without; c) promote good relations between those with a protected characteristic and those without. The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation

4.2 The supplier, Royal Mail, has been approved as a supplier of postal services by the Government Procurement Service (GPS), a Public Procurement Consortia set up by Central Government to provide framework contracts and guidance for Public Contracting Authorities. Part of the selection and evaluation process involved equality and diversity in service delivery. Royal mail met the GPS's criteria and was appointed to the framework.

4.3 The proposal to contract with Royal Mail does not give rise to any concerns around equalities and diversity issues.

## **5. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

5.1 A procurement exercise was undertaken and led by Camden council on behalf of 14 London boroughs using the GPS 782 framework.

- 5.2 The outcome of the procurement exercise was a recommendation to award to Royal Mail, who are also the current incumbent at Barnet.
- 5.3 The total spend on first and second class postage is c. £747,000. As part of this procurement exercise, Barnet will see the cost reductions shown below which will result in c. £109k of annual savings subject to a successful transition of 70% of Franking machine spend to PPIs.

Mail	Baseline cost per mail	New cost per mail
1st class (100g)	£0.47	£0.335
2nd class (100g)	£0.33	£0.235

- 5.4 Barnet will see no change to the postage operations. The operations will continue to run in the same way as before.

## 6. LEGAL ISSUES

- 6.1 The procurement process complies with public procurement rules and the council's Contract Procedure Rules.
- 6.2 The contract has been approved by HB Public Law

## 7. CONSTITUTIONAL POWERS

- 7.1 Council Constitution, Contract Procedure Rules, Appendix 1, table A: Authorisation and Acceptance Thresholds details that a Cabinet Member has Delegated Powers to award contracts of value above £500,000. The contract is to be awarded to Royal Mail (subject to approval) for a period of two years. The total spend over two years will be in excess of £500,000.

## 8. BACKGROUND INFORMATION

- 8.1 A collaboration called the London Postal Group came together, made up from 14 London Boroughs, to consolidate their postage spend and commence a mini-competition for postal services via the GPS 782 framework. The underlying thesis was that combining all post volumes would secure good savings for all the councils.
- 8.2 Following standard procedure of producing and advertising an ITQ which was posted on 23 March 2013, issuing tender documents, evaluating responses and then awarding, the contract was awarded to Royal Mail. The timelines are shown below in the Appendix for reference purposes. The original timelines were delayed and therefore, the contract is still pending signature.

**9. LIST OF BACKGROUND PAPERS**

9.1 None.

**10. DECISION OF THE CABINET MEMBER(S)**

**I authorise the following action**

10.1 To use the Government Procurement Service (GPS) framework and sign a contract for a period of two years with Royal Mail for the delivery of postage items.

**Signed**                      Councillor Daniel Thomas  
Deputy Leader of the Council / Cabinet  
Member for Resources and Performance

**Date**                              16 April 2014  
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## Appendix A: Original Procurement Activity Timetable v1

<b>Procurement:</b>	GPS: London Boroughs ITQ
<b>Stakeholder(s):</b>	Government Procurement Service (GPS) & London Boroughs

Key Milestones/Documentation/Stages	Start Date	End Date
<b>Specification / selection &amp; criteria / cost model / T&amp;C's of contract/ Emptoris:</b>		
<ul style="list-style-type: none"> <li>Draft requirements and specification: comments and feedback by COP (4pm) Friday 15th.</li> </ul>	13.02.13	15.02.13
<ul style="list-style-type: none"> <li>List of committed authorities and completed mail profiles</li> </ul>	13.02.13	15.02.13
<ul style="list-style-type: none"> <li>Issue draft version to sub group for QA</li> </ul>	19.02.13	19.02.13
<ul style="list-style-type: none"> <li>Comments received from sub-group</li> </ul>	19.02.13	22.02.13
<ul style="list-style-type: none"> <li>Review comments from sub-group</li> </ul>	25.02.13	25.02.13
<ul style="list-style-type: none"> <li>Issue final version to London Boroughs Postal board for review</li> </ul>	18.03.13	18.03.13
<ul style="list-style-type: none"> <li>London Boroughs Postal board to agree and approved the final version.</li> </ul>	19.03.13	19.03.13
<b>Built ITQ questions into e-sourcing system:</b>	19.03.13	
<b>ITQ issued to suppliers (opening up of the event):</b>	20.03.13 (WED)	
<b>Tendering period: (27 calendar days)</b>	20.03.13	15.04.13
<b>Suppliers response required by 2pm on Tuesday 9th April 2013</b>	(WED)	(MON)
<b>Tender presentation: implementation plan</b>	18.04.13 (THUR)	
<b>Deadline for clarification questions:</b>	09.04.13 (TUE)	
<b>Tenders Returned:</b>	15.04.13 (MON)	
<b>Compliance check of returns via e-sourcing system</b>	16.04.13 (TUE)	17.04.13 (WED)
<b>Tender Evaluation: (10 working days)</b>	19.04.13 (FRI)	30.04.13 (TUE)
<b>Moderation/consensus (telecom 24th/25th with Evaluators)</b>	01.05.13 (WED)	02.05.13 (THUR)
<b>London Boroughs approval of outcome of ITQ</b>	03.05.13 (FRI)	
<b>Issue award &amp; unsuccessful letters to supplier</b>	06.05.13 (MON)	
<b>Suggested Alcatel Period (10 calendar days) closes midnight</b>	07.05.13 (TUE)	16.05.13 (THU)
<b>ITQ award / agreement signing</b>	Pending	
<b>Commencement of agreement and implementation</b>	Pending	

### Proposed meeting dates:

- **27.02.13:** Meeting with the London Boroughs Postal board to agree and approved the final version.
- **18.04.13:** LB or reps from sub group to attend the tender presentation: implementation plan
- **01.05.13 or 02.05.13:** Telecom with evaluators moderation/consensus
- **07.05.13-16.05.13:** Possible meeting with the LB's during Alcatel if required?