

	<b>CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT</b>
<b>Title</b>	<b>Award of distribution services contract</b>
<b>Report of</b>	Interim Assistant Chief Executive, in consultation with Councillor Richard Cornelius, Chairman of the Policy and Resources Committee
<b>Wards</b>	N/A
<b>Status</b>	Public
<b>Enclosures</b>	No
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## Summary

The report seeks approval to award a contract to Greatbatch Ltd, trading as Letterbox Distribution.com, for the provision of distribution services.

## Decisions

- 1. Authorisation to award the distribution services contract to Greatbatch Limited, trading as Letterbox Distribution.com, in consultation with the Chairman of Policy and Resources Committee. The contract will be for three years, with the option to extend for a further period or periods of up to two years subject to budget constraints and performance.**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 A distribution service is required to distribute the free council magazine 'Barnet First' to the households of Barnet. It is also used for other authority correspondence as required for ad hoc distribution of publications that relate to various service areas.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 A satisfactory bid was received from Greatbatch Limited which was supplemented by a visit to their premises and a demonstration of their delivery tracking system that resulted in a technical/quality score of 36.4% from the maximum available of 50%.
- 2.2 Prices per 1,000 copies are considered acceptable and compare favourably with the current prices. The small increase quoted can be attributed to the increase to the Living Wage paid to drivers and delivery staff, and general increases in the costs of running a business of this type, which is heavily reliant on delivery vehicles with increasing costs for fuel, vehicle maintenance etc.
- 2.3 As this was the only bid received, it scored 50% for price. Although at a basic level, this contract will not deliver any savings, the tender document also requested pricing for the inclusion of inserts when Barnet First is delivered, and this may provide an opportunity for the council to generate income on an ongoing basis.
- 2.4 There is also the opportunity for the council to participate in a 'share scheme' (ie. share distribution slots with other companies). This scheme is managed by Greatbatch Limited and if adopted by the council has the potential to reduce the cost of the distribution of the magazine, by offering distribution slots to other organisations. The scheme will be explored in more detail post contract award.
- 2.5 The bid is therefore considered acceptable from both a technical/quality perspective and a financial one, and considered will deliver value for money for the council.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Soft market testing was carried out to ascertain whether other options would be viable, before a decision was taken to proceed with the tender.

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 As only one bid was received, under Contract Procedure Rule 6.2 where a competition has been undertaken and only a single bid has been received the Commercial Director can approve the award of a contract, subject to an appropriate review being undertaken and an audit trail being available for inspection. The Commercial Director has approved the award of the contract.
- 4.2 Following award of contract, the council will proceed with mobilising the contract immediately with Greatbatch Limited.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.1.1 This decision supports the delivery of the Corporate Plan 2015-2020 as distribution services will play a key role in supporting and communicating effectively the delivery of the plan over the next three years.

##### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.3 **Finance:** The anticipated value of the services is estimated at between £75,000 to £100,000 per annum with a total approximate value in the range of £225,000 to £300,000 for the initial three-year contract period. No guarantee or commitment was given to the bidders as to the initial and future value of any work arising from this contract, and there is no minimum guaranteed spend.

- 5.3.1 For the reasons set out in section 2, above, it is considered that this contract will deliver value for money for the council.

- 5.3.2 **Procurement:** The council adopted the Open Tender procedure as the procurement process for this requirement. The invitation to tender (ITT) was published on 17 April 2018 and the bid return date was set for 12noon on 18 May 2018. No clarification questions were received and from a total of 15 expressions of interest, Greatbatch Limited trading as Letterbox Distribution.com was the only bid received for this requirement. The bid was evaluated by the tender evaluation team supported by CSG Procurement in accordance with the Tender Evaluation Methodology issued within the ITT, which was allocated with the weighting of technical/quality at 50% and price at 50%. The outcome of the evaluation is set out in section 2.

##### **5.4 Social Value**

The requirements on the council under the Public Services (Social Value) Act 2012 have been considered through the procurement process, and all bidders were asked to submit a response on how they would meet these requirements.

The provider already supports two local charities through providing more than £100,000 of free distribution every year, and has committed to investigating other opportunities to deliver social value through the life of the contract.

## **5.5 Legal and Constitutional References**

5.5.1 Under the council's Contract Procedure Rules, acceptance of contracts must be in accordance with Article 10, Table B of the Constitution, and in all cases is subject to budget provision, a compliant procurement process, and confirmation of acceptable financial status of the contractor. For contracts of this value, acceptance is by a full Delegated Powers Report by a Chief Officer in consultation with a Theme Committee Chairman. The Policy and Resources Committee chairman has been consulted.

## **5.6 Risk Management**

5.6.1 Legal and Procurement advice has been sought to minimise any risk associated with this contract.

## **5.7 Equalities and Diversity**

5.6.1 Barnet is proud of the rich diversity of our residents and a key objective of this contract is to ensure that this is reflected in the work provided by Greatbatch Limited. The services provided will enable the council to celebrate borough diversity through ensuring that all our residents are able to be kept informed about the latest news and events taking place across the borough.

## **5.8 Corporate Parenting**

5.7.1 Not applicable for this contract.

## **5.9 Consultation and Engagement**

5.9.1 Not applicable for this contract.

## **5.8 Insight**

5.8.1 Not applicable for this contract.

## **6. BACKGROUND PAPERS**

6.1 None.

**Interim Assistant Chief Executive**

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**Date 5 July 2018**

Chief Officer:

Decision maker having taken into account the views of the Chairman Policy and  
Resources Committee