

	<p>CHIEF OFFICER IN CONSULATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT</p>
<p>Title</p>	<p>Postage Contract Award</p>
<p>Report of</p>	<p>Chair of the Policy and Resources Committee and the Director of Resources (S151)</p>
<p>Wards</p>	<p>N/A</p>
<p>Status</p>	<p>Public</p>
<p>Enclosures</p>	<p>Appx 1 – Evaluation Score Card</p>
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Summary

In May 2021, a mini competition was led by Royal Borough of Greenwich with suppliers on the RM6017 (Lot 3) Crown Commercial Services framework in association with 27 other London Boroughs including Barnet Council. As a result of the mini competition and an evaluation process Royal Mail were deemed the successful supplier. Barnet Council now proposes to enter into a new contract arrangement with Royal Mail which will be for a period of 3 + 2 years with effect from 14 September 2021.

Decisions

This report seeks approval to award a contract to Royal Mail for the delivery of postal services to the London Borough of Barnet, to commence on 14 September 2021, for 3 years with the option to extend for up to 2 years to 13 September 2026 with a contract value of up to £1.25m.

1. WHY THIS REPORT IS NEEDED

- 1.1 In June 2016, The London Postal collaboration Group made up of 27 London Boroughs met to consolidate their postage spend and commence a mini-competition for postal services via the Crown Commercial Services framework RM1063. The underlying aim was that combining all post volumes would secure better savings for all the councils involved.
- 1.2 The existing contract expires on 14 September 2021, therefore a mini competition has taken place to test the market again. The Council had previously approved and gave authority to enter into a procurement exercise for the new contract via the Annual Procurement Forward Plan 2021/22, line 77. See Appendix 1.
- 1.3 The mini competition was conducted by a sub group, led by Royal Borough of Greenwich who prepared the tender, agreed by the whole group, and advertised via an E-tendering portal on 11 May 2021 via the Crown Commercial Services RM 6017 (lot 3). The closing date for submission moved to the 1st June 2021 due to some clarification questions. The evaluation was then conducted by four London Borough representatives, with a mixture of post and procurement specialists. Royal Mail was the sole supplier to apply from the possible 8 companies invited to tender.
- 1.4 This report is required to agree the contract award to Royal Mail.

2. REASONS FOR RECOMMENDATIONS

- 2.1 With the large number of London Local Authorities collaborating in this further competition, the combined volumes of post would achieve the best possible price for postage across many services that are utilised, this includes letters, large letters, parcels and special deliveries.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 We could have moved away from the London Postal Group and forged our own path via alternative tender routes but this would have reduced the volume of post and clearly

deemed less attractive to prospective bidders and would increase the cost of the postage rates, we currently achieve.

4. POST DECISION IMPLEMENTATION

- 4.1 The contract will run for 3 years plus a 2 year extension option and will need to be signed by both parties.
- 4.2 The mailroom service will continue to achieve the reduced rates for postage with no disruption to the postal service.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Council's Corporate Plan 2019-24 sets out three main outcomes:

- 1) A pleasant well-maintained borough that we protect and invest in
- 2) Our residents live happy healthy independent lives with the most vulnerable protected
- 3) Safe and strong communities where people get along

While the 3 main themes do not directly fit with this contract award, we mostly align to the second point, and what it does do, is to support all the service areas to help them, meet their needs of the Barnet 2024 plan.

The key priorities are

A Fair Deal - Providing value for money for the taxpayer and ensuring we are transparent in how we operate.

Effective and Efficient Council - Managing our finances and contracts robustly.

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

5.2.1 The overall spend in a financial year has dropped considerably over the last few years. With better forms of communication, more correspondence is being sent electronically. However, there is still a need for posting out items to residents. This includes letters, parcels and special deliveries. The approximate spend in a financial year is now estimated at £250,000 per annum. The contract works on a cost per item, based on volume, size and weight. The total cost for the postage is recharged back to the relevant service areas each month, based on usage. The total potential spend over the 3 + 2 year term could be

£1,250,000.

5.2.2 We have been operating a call off from a collaborative framework contract for many years and following each new competition, Royal Mail have been successful, this has made significant savings over this time. Due to this, there will be limited savings to be made from the new contract, although we will maintain the high levels of discount we currently receive and remains a value for money contract. To achieve additional value, we must meet the exacting standards of post, that we present to Royal Mail. The Mailroom, in conjunction with Royal Mail will continue to encourage Service Areas to present their post in better condition, choosing the correct size of envelope, improving the quality of their address data and now barcoded items, which in turn will achieve higher rates of discount.

5.2.3 This contract is offering the best rates for postage. We receive regular monthly monitoring reports by Royal Mail on the quality of the post and suggestions for improvement. and one to one meetings with our Customer Service Manager. For the term of the contract the London Postal Group will hold quarterly review meetings and workshops with Royal Mail, share best practice with other London Boroughs and be supplied with a Monthly Management Information report.

5.3 **Legal and Constitutional References**

5.3.1 The contract is being awarded following a mini-competition where suppliers were invited to competitively tender for this opportunity and an evaluation was undertaken of all bids received. Legal notes the processes undertaken by officers in participating in this tender process; officers must satisfy themselves that the RM6017 (Lot 3) Crown Commercial Services Framework Agreement was tendered in accordance with the Public Contracts Regulations 2015 and lists the Council as one of the authority that could access this Framework Agreement. Officers must satisfy themselves that they have adhered to the process set out in the Framework Agreement in selecting Royal Mail as the service provider.

5.3.2 This procurement is included within the approved 2021/2022 Annual Procurement Forward Plan. Article 10 Table B of the Council's Constitution (Decision Making) states that, for procurements of £500,000 or above, the Procurement Forward Plan is sufficient authority for commencement of the procurement. This procurement activity was authorised to proceed by the Policy and Resources Committee on 6th January 2020 and in accordance with Article 10 Table B prior to the 2021 updates to the Contract Procedure Rules.

5.3.3 Article 10 Table B of the Council's Constitution provides that this an Officer Delegated Power Report, is sufficient for acceptance of a contract award valued at £500,000 or above.

5.4 **Insight**

5.4.1 Not applicable in the context of this report

5.5 **Social Value**

5.5.1 10% of the evaluation score was based on the social value. outcomes offered as additional benefits over and above the core requirements, providing tangible benefits for residents from contracting authorities.

5.6 **Risk Management**

5.6.1 The decision not to enter into this arrangement will expose the Council to higher market rates for postage, lose the economies of scale by collaborating with many London Boroughs, which would have a significant impact on existing Council budgets due to higher postage rates than we are currently accessing.

5.6.2 As there is no change to the existing supplier so the continuity of service can be maintained without disruption.

5.7 **Equalities and Diversity**

5.7.1 The Council must demonstrate that it has procured contracts and services on a fair, just and equitable basis evidencing best practice and value for money. The procurement exercise carried out has satisfied corporate procurement requirements.

The 2010 Equality Act outlines the provisions of the Public Sector Equality duty which requires public authorities to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The protected characteristics are age; disability; race; gender reassignment; pregnancy and maternity; religion or belief; sex; and sexual orientation. Marriage and civil partnership is also a protected characteristic with regard to eliminating discrimination.

5.7.2 The company, Royal Mail has been approved as a supplier of postal services by the Crown Commercial Services (CCS), 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 CCS criteria and appointed onto the framework.

5.8 **Corporate Parenting**

5.8.1 N/A

5.9 Consultation and Engagement

5.9.1 There was no specific or formal consultation process related to the tender process for this contract.

6. BACKGROUND PAPERS

6.1 Annual Procurement Forward Plan 2021/22 (line 77)

[Agenda for Policy and Resources Committee on Tuesday 8th December, 2020, 6.00 pm \(modern.gov.co.uk\)](#)

6.2 Appendix 1 - Evaluation Report Score Card

7. DECISION TAKER'S STATEMENT

7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision-making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations. The decision is compliant with the principles of decision making in Article 10 of the constitution.*

**Chairman of the Policy & Resources Committee
Has been consulted**

Signed: Councillor Daniel Thomas

Date: 22nd August 2021

Chief Officer: Director of Resources (Section 151 Officer)
Decision makers having taken into account the views of the Chairman

Signed: Anisa Darr

Date: 17th August 2021

EVALUATION SCORE SHEET

PROJECT: SPS2164 – Pan London Postal Re-Let

BIDDER NAME: Royal Mail

EVALUATORS:

Name	London Borough	Position
Ross Whalley	Royal Borough of Greenwich	Head of Design & Commercial
Sue King	Royal Borough of Greenwich	Print and Postal Services Business Development
Andrew Clark	Royal Borough of Greenwich	Senior Strategic Procurement Business Partner
Daniel Ossei-Nyinaku	London Borough of Ealing	Post, Print & Document Solutions Manager
Carlton Wood	Royal Borough of Kensington & Chelsea	Print, Mail & Scanning Team Operations Manager
Stephanie Jones	London Borough of Camden	Business Support Team Leader

QUALITY/TECHNICAL QUESTIONS MARKING SHEET

EVALUATION SCORE SHEET

Question Number	Question Detail	Weighting 55%(below scoring is out of 100% of the 55%)	Marks (0-4)	Comments: Give full rationale to justify Score noting Particular strengths and weaknesses in the bidder's response
Part A Quality				
A1	Provision of Goods and/or Services: demonstrate a good understanding of the Goods and/or Services required to meet the Contracting Body requirements.	15%	3	Good response suggesting the specification will be satisfactorily met in all relevant respects.

EVALUATION SCORE SHEET

A2	Methodology: e.g. a clear demonstration of how the Goods and/or Services will be fulfilled and delivered.	25%	4	Excellent response suggesting the specification will be satisfactorily met in all relevant respects with added value
A3	Social Value: outcomes offered as additional benefits over and above the core requirements, providing tangible benefits for residents from contracting authorities	10%	3	Good response suggesting the specification will be satisfactorily met in all relevant respects.
A4	How has the Service Provider detailed their implementation plan proposed for delivering the required Goods and/or Services (including lead times) to meet the Contracting Body requirements along with a clear demonstration of the technical	10%	3	Good response suggesting the specification will be satisfactorily met in all relevant respects.

EVALUATION SCORE SHEET

	assistance that will be provided during implementation?			
A5	After sales service – demonstrate a robust after sales support structure is in place.	10%	4	Excellent response suggesting the specification will be satisfactorily met in all relevant respects with added value
A6	Security: demonstrate that all the security requirements of the Contracting Body can be met.	10%	4	Excellent response suggesting the specification will be satisfactorily met in all relevant respects with added value
A7	Environmental characteristics: what support can be offered to help the Contracting Body achieve any environmental considerations	5%	3	Good response suggesting the specification will be satisfactorily met in all relevant respects.
A8	Service Levels and Key Performance Indicators (KPIs): demonstrate a clear	15%	2	Weak response suggesting there may be shortcomings of a less serious nature in the relevant aspect of service.

EVALUATION SCORE SHEET

	commitment to meeting the SLA's and KPI's.			
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Lot 3	Royal Mail (%)
Quality	45.65
Cost	45.00
Total	90.65

Scoring rationale:

Evaluation score			Question Criteria
4	=	100%	Excellent response suggesting the specification will be satisfactorily met in all relevant respects with added value.
3	=	75%	Good response suggesting the specification will be satisfactorily met in all relevant respects.
2	=	50%	Weak response suggesting there may be shortcomings of a less serious nature in the relevant aspect of service.
1	=	25%	Poor or unsatisfactory response showing limited evidence of ability to meet requirement – omissions/weakness in key areas.
0	=	0%	No response or totally inadequate. None of the evaluation points have been covered within the response.