



DRAFT PORTFOLIO HOLDER DECISION NOTICE

PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE

TOPIC – MFD PROCUREMENT

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Head of Legal Services (Interim), the Chief Executive and the Strategic Director: Resources are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Democratic Services Officer by 5.00pm on 11TH OCTOBER 2018

Contact Officers: Stuart Marks, Business Development Manager,
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Case Officers: Keith Spake, IT Business Support Manager, Tel: 01264 368927,
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Democratic Services Officer: Matthew Watson, mwatson@winchester.gov.uk

SUMMARY

Approval is sought for the use of a procurement framework to enable the replacement of the Council's existing Multi-Function Device fleet.

Background

A Multi-Function Device (MFD) combines printing, scanning and copying facilities into a single device. Winchester City Council (WCC) currently operates a fleet of 30 Ricoh MFD's. These were originally procured in 2013 with a planned lifespan of 5 years. All the devices are now over 5 years old with a number of them becoming increasingly unreliable.

There is an approved provision of £78,000 in this years IMT Capital budget to replace the existing fleet.

Test Valley Borough Council (TVBC) also has a fleet of Ricoh MFD's; these are primarily deployed under a leasing contract with Ricoh which has now expired.

As part of a shared IMT service we are afforded the opportunity to enter into joint procurement with TVBC to maximize the economies of scale due to a larger value procurement. It is proposed under the terms of the IT Shared Service agreement, to conduct a joint procurement exercise using the CBC (Central Buying Consortium) Framework which is fronted by Hampshire County Council (HCC)

It is proposed that TVBC is the lead authority in respect of the procurement; however the proposed tender process will result in separate and individual contracts with the new supplier for each Council.

It is proposed that the new support contract period will be for five years, with an option to extend by a further two years, subject to performance and cost considerations.

Tenders will be evaluated using a method known as MEAT (Most Economically Advantageous Tender). Tenders will be evaluated based on non-price as well as price factors. These will be weighted to reflect relative importance and scored accordingly.

Given the specific circumstances of the MFD fleet it is proposed to adopt 60%/40% to relate to 60% quality and 40% price. This is in contrast to the Councils normal metric of 40% quality and 60% price. The rationale being that quality of service and performance of the MFDs is imperative along with a number of specific billing requirements which will enable IMT to apportion costs to each Service as appropriate. It should be noted that in respect of pricing, we will be comparing costs over the full 5 years of the agreement.

PROPOSED DECISION

1. That the use of the CBC MFD Framework (ref: HSY17035) be approved for the purposes of Contracts Procedure Rule 2.4 b) (i).
2. That the Head of IMT be authorised to conduct a tender exercise and award the contract to the winning tender based on a 60/40 ratio in respect of quality/price.

REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

The existing MFD fleet is now aging and is due to be replaced; as such the Council needs to find a new MFD fleet provider. To ensure best value, it is proposed to team

with Test Valley to undertake a joint procurement exercise via the CBC Framework (ref: HSY17035).

As part of the IT Shared Service agreement, there are recognised operational advantages in IMT administering the MFD fleet using the same service provider across both Councils'.

RESOURCE IMPLICATIONS:

A requirement of the tender exercise is for the new service provider to provide resources to assist with the deployment of new devices and for training of staff where appropriate. Existing resources within IMT will support this activity.

There is an agreed capital provision of £78,000 in this years IMT budget specifically to cover the replacement of the MFD fleet.

From a revenue perspective, the total spend last year (18/19) was £46,285. We are currently anticipating a small reduction in revenue costs as the new click rates on offer are likely to be cheaper than many of the fixed rate click rates we are currently paying on the existing hardware.

As this is a replacement of an existing service, funding is already in place and planned within each service revenue budget on an ongoing basis in respect of support and maintenance charges covered by printing click charges.

It is currently assumed that there will be no disposal value realised in respect of the current fleet.

DATA PROTECTION IMPACT ASSESSMENT (If none, state "None required")

None Required

CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION

The Portfolio Holders for both Finance and Professional Services have been consulted and are in agreement with the proposal.

The proposal has been ratified by the IT Shared Service board and has been circulated amongst senior council officers.

FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE

N/A

DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED

None

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

N/A

Approved by: (signature)

Date of Decision

Councillor Guy Ashton – Portfolio Holder for FINANCE

Councillor Stephen Godfrey – Portfolio Holder for PROFESSIONAL SERVICES

APPENDICES:

None