
To: Procurement Sub Committee

On: 30 November 2016

Report by:

**Joint Report
by
The Chief Executive & Director of Finance & Resources**

Heading:

**Contract Authorisation Report – Postal Services
RC/FW/RM1063/17/C**

1. Summary

1.1 The purpose of this report is seek approval from the Procurement Sub-Committee to enter into a contract for Postal Services to be made by direct award under Lot 1 of the Crown Commercial Service (CCS) Framework Agreement for Postal Goods & Services RM1063.

1.2 Lot 1 of the Crown Commercial Services (CCS) Framework Contract RM1063 Postal Goods & Services:

LOT 1: COLLECTION AND DELIVERY

covers the collection and delivery of physical mail items of up to 2kg. Services under Lot 1 include but are not limited to: bulk mail; standard mailings; sorted and unsorted mail; unaddressed mail; secured mail and undelivered mail.

- 1.3 A contract strategy option appraisal for Postal Services was signed in November 2016 by the Strategic Commercial & Procurement Manager and the Head of Finance.
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2. Recommendations

- 2.1 It is recommended that the Procurement Sub Committee;
 - 2.1.1 Authorise the Head of Corporate Governance to make the award of the Call off Contract for Postal Services under Lot 1 of the Crown Commercial Services (CCS) Framework Contract RM1063 Postal Goods and Services
 - 2.1.2 Note that the Call Off contract will commence on the 1st January 2017 until 16th February 2018 with the Council sole option to extend on two separate occasions up to 12 month periods to no later than the 16th February 2020.
 - 2.1.3 Note that where the full extension options are exercised the total value of the Call Off Contract will be up to £665,000 excluding VAT.
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3. Background

- 3.1 The current Council contract for postal services expires on 31st December 2016 and a replacement contract is required from 1st January 2017. The Corporate Procurement Unit carried out a desk top exercise to review the best option available for this new contract which included review of the existing Crown Commercial Service Postal Goods and Service, Framework Agreement RM1063 Lot 1 which commenced in February 2015 and the Scottish Procurement Postal Services Framework SP-15-014 Lot 1 which started earlier this year.
- 3.2 Due to the timescales involved and the requirement to make an award by 13th December 2016, the recommendation was to look at a direct award via one of the existing frameworks identified in section 3.1 above. A comparison of the rates offered for direct awards under the respective frameworks was undertaken by an officer of the Corporate Procurement Unit and the HQ Facilities Co-ordinator, in order to determine the best value for the Council.
- 3.3 After the desk top review officers identified that the Council will achieve best value by utilising the Direct Award option on the Crown Commercial Service Postal Goods and Service, Framework Agreement RM1063 Lot 1 for a Call Off Contract with Whistl UK Limited.
- 3.5 Savings from a Call Off Contract utilising the Direct Award procedure under the Postal Goods and Service, Framework Agreement RM1063 Lot 1 with Whistl UK Limited will be in the region of £29,000 per annum during the Contract.

3.6 The following community benefits will be delivered by the Provider under this Call Off Contract:

- Support Renfrewshire Council with local unemployment targets via career days or work placement schemes;
- Work with Renfrewshire schools and support career days, work experience, offer depot and operational tours and insight days, career planning and work placement guidance.

Implications of the Report

1. **Financial** - Financial costs in respect of this Contract will be met from within each Service's revenue budget.
2. **HR & Organisational Development** – None
3. **Community Planning** - None
4. **Legal** – procurement has been carried out in accordance with the requirements of Postal Goods and Service, Framework Agreement RM1063 Lot and with Renfrewshire Council's Standing Orders Relating to Contracts for direct awards under an existing framework (Contract Standing Order 29.5).
5. **Property Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights** - None
8. **Health & Safety** - None
9. **Procurement** – As detailed in the report, the procurement procedures outlined within this report ensure that the Council meets its statutory requirements in respect of the EU regulatory requirements, the Council Standing Orders Relating to Contracts and the Council's Financial Regulations.
10. **Risk** – The risk around timelines as described earlier in the paper are being actively managed by Procurement to ensure the timely award of contract. Once awarded any risk associated with ongoing supplier performance will be managed via standard contract management processes.
11. **Privacy Impact** – None

List of background papers – Not Applicable

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