

<b>Cabinet Meeting</b>		<b>Agenda Item: 7</b>
<b>Meeting Date</b>	20 March 2019	
<b>Report Title</b>	Procurement of Multi-Functional Devices and specialist printing machines	
<b>Cabinet Member</b>	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance	
<b>SMT Lead</b>	Emma Wiggins, Director of Regeneration	
<b>Head of Service</b>	Martyn Cassell, Head of Commissioning, Environment & Leisure	
<b>Lead Officer</b>	Charlotte Knowles, Commissioning Officer Martyn Cassell, Head of Commissioning, Environment & Leisure	
<b>Key Decision</b>	Yes	
<b>Classification</b>	Open	
<b>Forward Plan</b>	<b>Reference number:</b>	
<b>Recommendations</b>	1. That the Cabinet approves the appointment of Konica Minolta Business Solutions (UK) Ltd as Multi-Functional Device and specialist printing machines supplier until 30 November 2024	

## **1 Purpose of Report and Executive Summary**

- 1.1 Swale's current contract for Multi-Functional Devices expires on 29 April 2019. Maidstone Borough Council carried out a one stage tender process for the Mid Kent Partnership (Maidstone, Swale and Tunbridge Wells Borough Councils). The decision was based on the most economically advantageous tender (MEAT) evaluated on 60% price and 40% quality.
- 1.2 The contract is to provide Multi-Functional Devices (MFDs) and specialist printing requirements that are leased by the Authorities and will include all maintenance, repairs, servicing within the rental costs. Consumables (excluding paper) will be provided by the supplier as part of the lease costs.
- 1.3 This report summarises the procurement process and its results, and seeks Cabinet approval of the recommended contractor.

## **2 Background**

- 2.1 The opportunity was advertised in accordance with Maidstone Borough Council's current contract standing orders, with interested parties asked to complete an

Invitation to Tender (I.T.T). Six tenderers replied and scores were allocated according to the criteria explained in the tender document.

- 2.2 The I.T.T. was structured so that the requirements for each Authority are included within a different lot as well as a separate lot for Maidstone's Print Room and Swale's Print Room. Bidders were required to bid for all lots.

**Lot 1** was for Maidstone Borough Council's MFDs with a term of five years.

**Lot 2** was for Maidstone Borough Council's Print Room with a term of five years.

**Lot 3** was for Swale Borough Council's MFDs and Plotter ending 30 November 2024 to co-terminate with the Print Room equipment.

**Lot 4** was for Swale Borough Council's Print Room with a term of five years but not commencing until 1 December 2019.

**Lot 5** is for Tunbridge Wells Borough Council's MFDs and Print Room with a term of two years.

- 2.3 The tender evaluation panel consisted of the Commissioning Officer (SBC), Interim Procurement Manager (MBC), Procurement Manager (TWBC), Facilities Officer (MBC), Mid Kent Planning Support Manager and Mid Kent ICT Technical Services Manager. The tenderer that submitted the most economically advantageous tender, were invited to a clarification interview. The interview was not part of the evaluation process; it was for clarification purposes only.

### **3 Proposals**

- 3.1 Cabinet is requested to approve the proposal to enter into a contract with Konica Minolta Business Solutions (UK) Ltd until 30 November 2024.
- 3.2 Konica Minolta Business Solutions (UK) Ltd are an organisation with over 700 directly employed staff and several other similar contracts within Kent. They scored highly in both the price and quality evaluation due to the evidence they supplied of their track record, policies and procedures and approach to social value and therefore submitted the most economically advantageous tender.
- 3.3 Table 1 shows the prices submitted by all six tenderers and the price and quality scores.

Table 1: Clarified bids:

Company name	Lot 3 SBC Price for 5 years	Lot 4 SBC Print Room Price	Additional software / support	Total for Swale	Price score	Quality score	Quality weighted score	Total score
Konica Minolta Business Solutions (UK) Ltd	£140,138.45	£170,407.60	£23,475.23	£334,021.28	60.0	28.0	11.2	71.20
Company B	£153,971.35	£176,575.58	N/A	£330,546.93	53.3	23.5	9.4	62.73
Company C	£162,697.75	£195,566.76	N/A	£358,264.51	48.4	28.6	11.5	59.90
Company D	£156,573.60	£214,590.63	N/A	£371,164.23	47.1	27.5	11.0	58.13
Company E	£207,395.50	£214,092.65	N/A	£421,488.15	38.7	16.3	6.5	45.22
Company F	£409,675.00	£251,240.35	N/A	£660,915.35	25.4	24.8	9.9	35.34

3.4 The annual spend for Swale in 2017/18 under the current MFD contract was £32,185.29. The lease costs for the SBC Print Room in 17/18 were £17,270.80 and the click costs were £27,396.56. The proposed annual cost under the new contract is £66,804.26, a saving of £10,048.39 per annum. Therefore this new contract represents a potential saving of £50,241.95 over the contract term.

3.5 Lot 3 of the new contract proposes a reduction of two MFDs, it replaces the Planning Plotter which is at the end of its life and also includes a desk top printer.

## 4 Alternative Options

4.1 Refuse this tender and carry on with current supplier - legislation dictates that we must meet the Public Contract Regulations 2015. Due to the value of the contract, the only option with our current contract expiring was to undertake this tender process. The bids from all companies were evaluated against the tender specification with a clear audit trail. Furthermore the current devices are old and would likely start to fail more regularly.

4.2 Award Lot 3 only. The tender document stated that 'SBC reserve the right to award the contract for Lot 3 but not award for Lot 4'.

## 5 Consultation Undertaken or Proposed

- 5.1 Senior Management team were updated on the approach prior to tender and asked to make decisions on the level of service we required. This helped form the tender documents.
- 5.2 The internal officer Procurement Board was updated on the process.
- 5.3 The Cabinet Member for Finance and Performance has been regularly updated.
- 5.4 Mid Kent ICT, Property Services and Planning Services have been regularly updated.

## 6 Implications

Issue	Implications
Corporate Plan	Appointing a contractor that meets a good quality standard and provides good value for money contributes towards Priority 3: Delivering the council of tomorrow.
Financial, Resource and Property	The total anticipated annual spend on the proposed contract is £66,804.26. The total contract value for the duration of the contract is therefore estimated as £334,021.28. This represents an estimated £10,048.39 saving per annum based on the current contracts and meets the current budget available.
Legal, Statutory and Procurement	<p>The contract will be the standard Council contract and undertaken using the Council's current Terms and Conditions.</p> <p>EU procurement legislation applied to this tender process and all requirements have been followed.</p> <p>Public Services (Social Value) Act 2012 - The tender submission stated that if successful, Konica would roll out projects which they have delivered successfully in other locations such as: working with local schools on their preparation for work programmes, education programmes, work experience, trainee &amp; apprenticeship programmes.</p> <p>They also outlined how their proposal would reduce the Council's carbon footprint and improve energy efficiency including: energy saving technologies such as sleep mode and automatic duplex printing, reduced power consumption, print preview to reduce misprints, Eco Dashboard to increase users' environmental awareness.</p>

Crime and Disorder	Not relevant in this report
Environment and Sustainability	The new software and printers allow better tracking of usage and therefore we will be able to look at trends and try to reduce use of paper as a result.
Health and Wellbeing	Not relevant in this report
Risk Management and Health and Safety	The tender specification asked for the company's health and safety credentials.
Equality and Diversity	Not relevant in this report.
Privacy and Data Protection	Secure print release places jobs in a holding state until the user authenticates and releases the job at the MFD, preventing data from sitting uncollected at the printer.

## **7 Appendices**

7.1 None required.

## **8 Background Documents**

8.1 None.