

Cabinet Meeting	
Meeting Date	8 July 2020
Report Title	Contract for the collection and delivery of post from Swale House
Cabinet Member	Cllr Roger Truelove, Leader and Cabinet Member for Finance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Anne Adams, Head of Property Services
Lead Officer	Anne Adams, Head of Property Services
Key Decision	Yes
Classification	Open
Recommendations	Cabinet is recommended to enter into a new 5-year contract with Whistl Ltd for the collection and delivery of post from Swale House commencing on 1 August 2020.

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to seek members' approval to enter into a 5-year contract with Whistl Ltd for the collection and delivery of post from Swale House commencing on 1 August 2020.

2 Background

- 2.1 SBC first entered into a formal contract for postal services in 2016. Prior to 2010 all outgoing post was handled by Royal Mail and put through the franking machine in the Post Room. When the Swale Ashford Property Partnership commenced an opportunity was identified to "bolt on" to an existing contract between Ashford Borough Council and TNT Post (now known as Whistl) which had been procured by Ashford through a compliant process. TNT Post agreed to provide the same service for SBC and at the same rates as those paid by Ashford. This delivered significant cost savings for SBC and the arrangement continued until 2016.
- 2.2 The current arrangement does not include a "next day" service so Royal Mail 1st class post has continued to be used for post that needs to be delivered the following day.
- 2.3 Prior to the 2016 contract, research was carried out into national framework agreements and we became aware that a new framework was in the process of being set up by a consortium comprising Crown Commercial Services, Yorkshire Purchasing Organisation (YPO) and Eastern Shires Purchasing Organisation (ESPO). We expressed an early interest in this and it was formally launched in March 2015. The

details of the framework were received in August 2015 following which an internal consultation was commenced to ensure that the framework would meet the Council's needs.

- 2.4 Within the framework, there are two methods for proceeding to contract – (1) direct award, and (2) further competition. It was decided that using the further competition approach was most appropriate as it provided an opportunity to prepare a statement of requirements to ensure that the provider supplies a bespoke service that meets the Council's needs. The successful supplier under the previous framework was Whistl Ltd and their contract ends on 31 July 2020.
- 2.5 The 2015 CCS Framework ended in February 2020 and a new framework has been set up to replace it. It remains the only framework created for postal services.
- 2.6 A mini-competition has been carried out under the new framework and Whistl Ltd were the only supplier to submit a tender. This may be due to the fact that, when postal services was first opened up to competition, several companies established themselves as competitors to Royal Mail but are no longer operating in the Swale area.
- 2.7 There has been a delay in the finalising of the framework and a number of suppliers are still listed as "provisionally live" due to not having provided all the necessary accreditation documents. At the time of writing Whistl Ltd are still provisionally live on the framework. The reason that they are not yet fully live is that CCS have introduced a new accreditation requirement – ISO 27001. This accreditation relates to information security and Whistl are on track to be accredited by December 2020. In the meantime they have provided the Council with a detailed account of how they currently ensure the security of data and we are satisfied that there is minimal risk associated with proceeding the contract. In the event that the accreditation is delayed for any reason beyond December 2020 there is a risk of challenge from another supplier but as there are no other suppliers currently in the Swale market place this is considered only a theoretical risk.

3 Proposals

- 3.1 The value of the proposed contract will be approximately £520,000 over the five year period. This is an estimate based on our previous usage of the service so we would hope that, as the use of electronic communication continues to increase, the usage will reduce year on year.
- 3.2 As there were no other tenders to compare the submission against, we have evaluated it against the current contract. For about 95% of the post (typed sorted letters and handwritten) there will be no price increase. Typed unsorted letters would increase by 7.5% and large handwritten letters by 1.7%.
- 3.3 Whistl have provided the Council with a reliable and cost effective service for the previous 10 years and we therefore recommend entering into a new 5-year contract.

4 Alternative Options

- 4.1 The only alternative option to entering into the contract with Whistl would be to use Royal Mail for all “2nd class” mail as well as the 1st class mail. This arrangement would not conform with public procurement regulations and the associated spend would be classified as “non-compliant”. This is not recommended.

5 Consultation Undertaken or Proposed

- 5.1 The Commissioning and Procurement team has been consulted regarding this procurement. Feedback has been obtained from service users and opportunities will be taken to improve internal processes that will make the new contract easier to manage and recharge.

6 Implications

Issue	Implications
Corporate Plan	Supports the emerging corporate plan priority ‘renewing local democracy and making the council fit for the future’
Financial, Resource and Property	The funding for the 5-year contract is within the Council’s base revenue budget and is recharged to service units based on usage.
Legal, Statutory and Procurement	Support from Legal Services will be required to prepare the contract documents associated with the national framework agreement. The intended start date is 1 August 2020.
Crime and Disorder	None identified at this stage
Environment and Climate/Ecological Emergency	Whistl is a supply chain member of the Carbon Disclosure Programme (CDP), a global organisation that supports companies, cities and regions to take action to build a sustainable economy by measuring and understanding their environmental impact. They have received their 2019 CDP results and obtained the highest rating (A) putting them in the top 3% assessed.
Health and Wellbeing	None identified at this stage
Risk Management and Health and Safety	None identified at this stage
Equality and Diversity	None identified at this stage
Privacy and Data Protection	Whilst the supplier is not currently accredited to ISO 27001, they do use this standard as the guiding principles to their data security. They have appointed a third party to start the process

	<p>of gaining full ISO 27001 accreditation, with resource and budget allocated to ensure they achieve this by December 2020. It should also be noted that whilst they as a business do not have ISO 27001 all the systems deployed in their business (Ensono, Nasstar, Link Connect and Microsoft Azure) do have ISO 27001 accreditation.</p>
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7 Appendices

7.1 None.

8 Background Papers

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