

Cabinet Meeting	
Meeting Date	3 February 2016
Report Title	Inside Swale procurement – print and distribution services
Cabinet Member	Cllr Andrew Bowles, Leader
SMT Lead	Abdool Kara, Chief Executive
Head of Service	Emma Wiggins, Head of Economy and Community Services
Lead Officer	Sara Toal, Communications Manager
Key Decision	Yes
Classification	Open
Forward Plan	Yes
Recommendations	1. To approve the recommendation of the appointment of Company A (Headley Brothers) to deliver the printing services and Company 2 (The National Leaflet Company) to deliver the distribution services for Inside Swale Magazine from 1 April 2016 – 31 March 2019 (with an option to extend for a further two years if appropriate).

1 Purpose of Report and Executive Summary

- 1.1 This report provides Cabinet with details of the procurement process undertaken for the printing and distribution of Inside Swale magazine. It recommends award of the service contract to the preferred suppliers following an open tender process, and seeks approval of this recommendation.

2 Background

- 2.1 Swale Borough Council has for a number of years produced the residents' magazine, Inside Swale. The magazine is produced quarterly, and delivered to in excess of 59,000 households across the Borough, including those in the towns, villages, and rural properties.
- 2.2 The magazine is well regarded by residents with positive feedback given in a survey carried out in August 2015:
- 97 per cent of respondents said they get information about the council from Inside Swale (more than any other channel);
 - 73.5 per cent of respondents said they read the whole magazine; and
 - 97 per cent prefer to receive a paper copy through the door.

- 2.3 The magazine is written and designed in-house by the Communications Service Team. Printing and distribution of the publication is outsourced.
- 2.4 We have undertaken an open tender exercise to test the market and ensure that we continue to provide best value for money in producing and distributing a quality magazine for residents that best serves their needs and that of the Council for the next three years. This has also ensured no cost increases over the contract period.
- 2.5 The new contracts would start from 1 April 2016 and end on 31 March 2019 (with an option to extend for a further two years if appropriate). Through the new contracts, the Council will ensure that there are business continuity plans and appropriate liability insurances in place by each supplier at the contract start.

Tender process

- 2.6 Two open 'Invitation to Tender'(ITT) exercises were undertaken through the Kent Business Portal, in accordance with OJEU rules for the provision of print and distribution services.
- 2.7 Three submissions were received for each ITT, of which all were compliant. The tenders were evaluated on 21 December 2015 by an Assessment Panel consisting of the Communications Manager, Publications and Marketing Officer, and Graphic Design Officer.
- 2.8 The evaluation for printing services was based upon 40% price and 60% quality, as the quality of print finish reflects on the perceived quality of magazine content and ultimately the professional reputation of the Council. For distribution services tenders were assessed on a 60% price and 40% quality basis as standard.
- 2.9 The tender price and quality scores following the meeting of the Assessment Panel are shown in Table 1 below.

Table 1: Scores at assessment panel stage

Printing services			
Organisation	Price Score (40%)	Quality Score (60%)	Total Score
Company A	40	50	90
Company B	31	12	43
Company C	33	45	78

Distribution services			
Organisation	Price score (60%)	Quality score (40%)	Total score
Company 1	40	34	74
Company 2	43	34	77
Company 3	60	15	75

- 2.10 Company A provided a response in their tender submission that best met the requirements of the printing services specification, when taking account of both cost and quality of service provision. They offered the lowest quote, demonstrated the strongest experience in this field, and positive social value contributions. These included being a large Kent-based employer who is providing jobs, apprenticeships and work placements for local people, ISO14001 accreditation for environmental management, and Forest Stewardship Council (FSC) certified for sustainable paper sourcing. They were also the only company that through the contract would provide print-services directly to the Council. The other companies that tendered would operate as print consultants, sub-contracting to third-parties on the Council's behalf.
- 2.11 Company 2 provided a response that best met the requirements of the distribution services specification; it was considered to provide the most reliable service and offer best value for money when both cost and quality evaluation measures were assessed. Delivery would be undertaken by the Borough's postmen at the same time as the standard daily postal delivery to households via Royal Mail Household Delivery Service, which is the most consistent and efficient option for unaddressed door drops in the UK. Royal Mail has the most up-to-date database of households in the Borough, and postmen have a legal obligation to deliver to 100% of households to ensure full coverage is attained.
- 2.12 Company 3 provided the lowest quote for distribution services, but the model and approach proposed in the tender submission was considered to not sufficiently meet the quality measures on assessment. The tender submission did not effectively demonstrate the level of experience and capability to identify and reach 100% of households in the Borough, and the model proposed did not sufficiently demonstrate reliable and efficient delivery within one week of receipt of the magazine as per the specification, stating instead that any delivery would be 'weather dependent'. Monitoring of delivery would be established through 'volunteer monitors' and a random spot-check', and there is no legal obligation on the distributors recruited by this company to deliver.
- 2.13 In addition, Inside Swale would be hand-delivered to households alongside another magazine rather than landing independently, and the distributor requires the Council to alter its production timetable to meet the production schedule of the other magazine they distribute, rather than meeting our requirements. The magazines would be delivered at a time and day convenient for the individual

distributor rather than alongside the households' official post. The level of experience the company demonstrated in its submission for delivering such services was incomparable to Company 2.

3 Proposals

- 3.1 To approve the appointment of Company A (Headley Brothers) to deliver the printing services for Inside Swale Magazine from 1 April 2016 – 31 March 2019 in the sum of £15,412 per year (plus any run-on costs required at £52 for every extra thousand copies).
- 3.2 To approve the appointment of Company 2 (The National Leaflet Company) to deliver the distribution services for Inside Swale Magazine from 1 April 2016 – 31 March 2019 in the sum of £19,938.24 per year (subject to Royal Mail price increases each year).
- 3.3 In both cases, that the Head of Economy and Community Services in consultation with the Cabinet Member be given delegated authority to extend the contracts for a further two years if performance is satisfactory and it is appropriate to do so.

4 Alternative Options

- 4.1 Not to procure print and distribution services for the magazine and deliver in-house. This is not the preferred option as it would cost approximately six-times more to print Inside Swale in-house, plus labour, packing, and transportation charges. The Council does not have the print-room resources, stitching, and finishing equipment to collate the magazine in its current form and manage a job of this size.
- 4.2 The costs of the Council directly distributing the magazine via postal or hand delivery is not cost effective, equating to approximately five-times the price of outsourcing the distribution contract.

5 Consultation Undertaken or Proposed

- 5.1 Consultation has taken place with SMT, Legal, Procurement, and Finance.

6 Implications

Issue	Implications
Corporate Plan	Inside Swale magazine supports all aspects of the Corporate Plan, and is the primary channel for communicating our priorities and performance directly with residents across the Borough.
Financial, Resource and Property	Company A (Headley Brothers) - The costs for printing 60,000 copies of the magazine each quarter, incorporating materials, printing and finishing, transportation to the distributor and

	<p>administration will be £15,412 per year (plus any run-on costs required at £52 per thousand copies).</p> <p>£15,500 is currently allocated in the communications budget for printing services for the magazine.</p> <p>Company 2 (The National Leaflet Company) - The costs for distributing 59,340 editions of the magazine each quarter via Royal Mail (RM) HDS is £19,938.24 per year. This price is subject to RM price increases year-on-year which are expected to be up to 3% each year.</p> <p>£22,000 is currently allocated in the communications budget for postage/distribution of the magazine.</p> <p>The magazine production costs are partly offset by the income generated by advertising, for which the communications service have a target of £5,000 per year.</p>
Legal and Statutory	The procurement process followed OJEU rules. A contract of services will be entered into with the successful tenderers.
Crime and Disorder	n/a
Sustainability	The non-price/ quality evaluation measures included the companies being able to demonstrate their use of environmentally friendly products, for example FSC accredited paper stock, ISO14001 accreditation for environmental management, and carbon offsetting measures for reducing environmental impact of services.
Health and Wellbeing	n/a
Risk Management and Health and Safety	The contractual arrangements with the printing and distribution service companies will ensure risks are identified, managed and mitigated, and that H&S protocols and statutory duties are complied with. The companies' business continuity plans will be submitted to the Council prior to contract start.
Equality and Diversity	This contract will comply with the Equalities Act as part of contract conditions.

7 Appendices

7.1 None.

8 Background Papers

8.1 None.