

Report to Cabinet
13 March 2019
Report of Director of customers and culture
Subject Procurement of postal collection and delivery services

Item

13

KEY DECISION

Purpose

To seek approval to delegate authority to award a contract for postal collection and delivery services.

Recommendations

To delegate authority to the director of customers and culture, in consultation with the cabinet member for health and wellbeing, to award a contract for postal collection and delivery services.

Corporate and service priorities

The report helps to meet all of the corporate priorities in particular value for money services.

Financial implications

The costs arising from this report will be met from approved budgetary provision within the general fund and housing revenue account. The current (2018/19) budget for postal services is £231.4k p.a.

Ward/s: All Wards

Cabinet member: Councillor Packer – Health and wellbeing

Contact officers

Nikki Rotsos, director of customers and culture 01603 212211

Helen Beeson, customer contact manager 01603 212943

Background documents

None

Report

Introduction

1. Norwich City Council requires a postal collection and delivery service to ensure that non-electronic written correspondence is dispatched.
2. If the service discontinued then it would be a high risk to the council as postal deliveries and collections could potentially cease leading to the disruption of the council's ability to provide key statutory services.
3. The current supplier of postal services to the council is Royal Mail and this contract expires on 5 June 2019.
4. Predominately correspondence is sent out 2nd class, 97%.
5. Correspondence is sent out daily. The volume of post sent out in 2017/18 was 889k items, approx. 3.5k per day.
6. However for the rolling year to 31 January 2019 postage volume has decreased by 1% to 879k items.
7. All mail attracts discounted rates for clean and machine readable addresses from the current supplier.
8. The main users of postal services are elections, housing (rents), council tax and housing benefits sending out 76% of the total post volume.
9. The council takes advantage of bulk mail out discounts, attaching a 24% discount. Of this 76%, 31% of this is sent in bulk.
10. The council through its transformation program is looking at ways of decreasing post over the next three years.

Procurement process

11. To ensure compliance with the councils Contract Procedures and the Public Contract Regulations 2015 it is proposed to utilise an established procurement framework provided by ESPO.
12. The council will run a competitive exercise with suppliers on the framework to select a supplier that meets the council's needs and provides the most economically advantageous outcome.
13. This approach will ensure the opportunity is competitive, will encourage value for money and be fully compliant.
14. This framework will allow an award of contract until its expiry being 16 February 2021.
15. The service area will review the most appropriate evaluation criteria considering the need for both price and the quality of service provision.

16. The current contract expires on the 5 June 2019 therefore a new contract is required to be awarded from this date to ensure continuity of service.
17. The current timetable of cabinet meetings and the procurement timetable do not allow a report to cabinet identifying the winning supplier.
18. The decision to award will be published as a Key Decision and therefore members will have the opportunity to review the decision in the usual way.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	13 March 2019
Director / Head of service	Nikki Rotsos
Report subject:	Procurement of postal collection and delivery services
Date assessed:	04 March 2019
Description:	To seek approval to delegate authority to award a contract for postal collection and delivery services

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The council's procurement strategy ensures the council achieves value for money for the purchase of good and services. Further competition on an established specialist framework will ensure that best value is achieved for the contract.
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ol style="list-style-type: none"> 1. Risk of challenge from unsuccessful suppliers: The ESPO framework will follow the council procurement strategy to ensure it is open and transparent, with the award criteria being based on the most economically advantageous, but there is always a risk of challenge from unsuccessful suppliers. 2. Risk of supplier failure: There is a risk that the appointed suppliers could fail during the life of the contract. The ESPO framework will as far as possible mitigate this risk.

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

