

WEST NORTHAMPTONSHIRE COUNCIL CABINET

Tuesday 11th April 2023

Councillor Mike Hallam - Cabinet Member for Corporate Services

Report Title	Consolidating printers into a single contract
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List of Approvers

Monitoring Officer	Catherine Whitehead	29/03/2023
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List of Appendices

None

1. Purpose of Report

- 1.1. To seek approval to procure a new single contract for the council's Multi-Functional Devices (MFDs – printing, scanning and photocopying) of approximately 31 desktop devices and 158 floor standing devices, 189 in total.

2. Executive Summary

- 2.1 West Northamptonshire Council (WNC) currently has a fleet of 162 office printers, known as Multi-Functional Devices (MFDs) as they can also scan and copy documents. They are largely 7-

8 years old and spread between three suppliers used by the predecessor councils: Konica Minolta (ex DDC); Ricoh (ex NBC); and Canon (ex SNC & NCC).

- 2.2 Current total spend on MFDs is £194k revenue per year (across WNC and on behalf of partners it serves) as the current fleet of machines are old and don't carry any capital costs.
- 2.3 A new contract is likely to be in the region of £44k per year (if the MFDs are bought outright at a cost of £228 k) or £95k per year if leased. The differential between existing costs and the costs of a new contract is due to economies of scale and the cost of MFDs reducing.
- 2.4 It is proposed that the Executive Director of Corporate Services is granted delegated authority to enter into a single contract through a competitive procedure within a procurement framework contract such as one offered by Crown Commercial Services (2) that the new service is structured as bought outright with click costs dependent on usage, to reduce the overall costs of the contract.

3. Recommendations

- 3.1 It is recommended that Cabinet:
 - 3.1.1 Delegate authority to the Executive Director – Corporate Services in consultation with the portfolio holder for Corporate Services to progress and enter into a single contract for the provision of multi functional devices.

4. Reason for Recommendations

- 4.1 Contracts inherited by WNC from its predecessor councils are expiring and so need to be renewed to enable continued provision and support of MFDs in its offices.
- 4.2 Current providers will ultimately cease support for our existing MFD machines, so replacements must be sought and in-place before this support ceases to ensure service continuity.
- 4.3 Re-procuring as a single contract will be key to enabling printing to be made seamless across any location in the Council area, creating the ability for any worker to print anywhere at any machine.
- 4.4 A framework contract is proposed for the contract re-procurement as it offers a more efficient and cost-effective process.
- 4.5 New MFDs typically have a six-month lead time and so awarding the contract promptly will provide the council with maximum flexibility in transitioning from current contract arrangements.

5. Report Background

- 5.1 Printing, copying and scanning facilities are required by some WNC departments e.g. Legal, Planning, Libraries (for general public use) etc in order for them to fulfil their role. Whilst there is a desire to reduce volumes and move to paperless operations, there is still a requirement for printing.
- 5.2 MFDs remove the requirement to have individual devices for each separate function and, as the current fleet of devices is aging, there is a requirement to replace the existing set of MFDs with new ones.
- 5.3 The three current suppliers are all providing surprisingly good services given the age of the machines and the maintained relatively high usage of some of them.
- 5.4 Costs used in this report are from a pre-tendered framework and so the council would expect to negotiate further on these for a fleet of our size.
- 5.5 Our current suppliers are keen to maintain their relationship with WNC and have expressed their interest in being part of an open tendering procedure within a framework.
- 5.6 An open tender in a framework gives us the best of both worlds. The framework pre-qualifies providers to be fit for Public Sector contracting which means that we can complete a tender quickly with the leading companies in the market and do this in a competitive manner, based on our own specifications, scale and timescales.
- 5.7 Tendering could take as little as 2-3 weeks from advert to award after cabinet decision is granted. Following this, as there are long lead-in periods for new machines, there will be plenty of time post-award to audit usage, work with internal customers and get the new provision optimised for the Council. This will be a vital period to make sure that high-usage machines are replaced with like-for-like or better machines, as well as take the opportunity to downsize some machines, such as those in the Community Libraries, to make sure that new machines are a perfect match for their location and potential usage.
- 5.8 All the new machines will be managed by one universal print solution. This will help overcome the issue of roaming workers not being able to print in every location. For mobile teams this is a significant issue as some statutory forms must be printed and signed in person by residents meaning access to a printer is a must and can cause some operational difficulties (staff having to travel between buildings to get something printed in advance of an appointment).

6. Issues and Choices

- 6.1 There are two main issues outstanding regarding MFDs, these are ease and availability of printing and the age of the existing machines.
- 6.2 The ease and availability of printing is a significant issue for some teams. With different groups of staff working from different office locations, there currently isn't an easy way to print when in offices with different MFD suppliers. This procurement will help alleviate this issue and form the basis for printing from any location.

- 6.3 The availability of a service contract for the existing machines inherited by WNC is at this time not an issue, but the likelihood is that at the next renewal period, there will be a withdrawal of the servicing element. This will in effect disable any machines linked to those contracts and leave the authority with no printing options.
- 6.4 Payment for new machines can take a few different routes: the main two being Lease Hire or purchase with a service package.
- 6.5 The most common method for organisations is to Lease-Hire the machines. This would mean a tie-in to pay the awarded company the value of the machines over a typical five-year period. The only draw-back here is that this approach raises demand on the revenue cost and the organisation will not own the machines at the end of the contract.
- 6.6 As an alternative, outright purchasing the machines at the beginning of the contract reduces the long-term revenue commitment and, as these are long-term assets, the funding to purchase outright can be via capital funds. This approach is recommended.
- 6.7 With this purchase, the same level of service and warranties are still in place whilst the revenue cost over a five or more-year contract length is reduced.
- 6.8 An Equalities Screening Assessment (ESA) form has been completed and submitted for consideration. No negative impacts were identified – so no requirement to complete a full Equality Impacts Assessment, as the completed ESA is sufficient.

7. Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 The combined annual costs of the current MFD contracts is £194k, which excludes the original capital costs of the machines. This is part of the council's revenue budget and is included as part of onward charging arrangements for the partner organisations who also use these contracts as part of their agreed sharing arrangements, including North Northamptonshire Council (NNC) and Northamptonshire Children's Trust (NCT).
- 7.1.2 The preferred option is for the machines to be purchased outright in order to maximise the revenue savings and it is anticipated that if the devices are purchased outright there will be revenue savings of £56,200 per annum for West Northants Council.
- 7.1.3 To achieve this WNC would need to contribute £85,455 to purchase the equipment. Establishing a capital budget up to £100,000 is within the delegated powers of the Executive Director of Finance who would be able to authorise such funding in order to deliver the annual savings referred to in the previous paragraph.
- 7.1.4 There are also savings which could be made on behalf of other partners (NNC and NCT) if they are prepared to commit to the total capital costs for replacement of the machines they primarily utilise. These contributions have not been secured yet which is the reason why delegated

authority is requested so they can be included in the project subject to them agreeing the capital contributions required.

7.1.5 There will be set-up and install costs added to year one. However, these are unquantified at this tender stage and are likely to be more than adequately covered by the anticipated annual savings.

7.1.6 Any savings will not be delivered in full in 2023/24 as there are long lead-in times. We assume the new devices are likely to start arriving from December 2023 into spring 2024, and so the whole year saving will be achieved in the 2024/25 budget year.

7.2 **Legal**

7.2.1 Procuring via a framework is lawful if carried out in accordance with the terms of the framework. The contract will need to be on the relevant terms.

7.2.2 This report seeks delegation to the Executive Director to be able to make the award decision.

7.3 **Risk**

7.3.1 If a new contract is not in place, there is a risk that the current service may cease due to the age of the stock. This risk would be removed following a re-procurement.

7.3.2 There is a risk that mobile teams and teams that have moved from an existing office hub to a new hub would not be able to operate effectively without the proposed re-procurement and new print anywhere solution in-place. This risk would be removed with a new contract in place.

7.3.3 The risk of re-procurement would be two-fold, that lead-in times would be longer than expected and that prices are higher than expected. If lead-in times are longer than expected, then it is better to be in the queue for new machines. Prices quoted in this report are published following a recent Crown Commercial Services framework tender and can be relied-upon, the expectation is that we would be likely to secure prices below this level.

7.4 **Consultation and Communications**

7.4.1 Following Cabinet approval and award to a new provider, the in-depth consultation can begin with the main stakeholders underpinned by clear and timely communications.

7.4.2 These will include Northampton Partnership Homes, Northampton Children's Trust, Northampton Leisure Trust, the Libraries Service and Community Libraries groups, and North Northamptonshire Council.

7.4.3 It will be part of the new contract, that the new provider will have to be open to novating parts of the contract into smaller elements of the current make-up if that should be needed.

7.5 **Consideration by Overview and Scrutiny**

7.5.1 Overview and Scrutiny Committee have not considered this issue.

7.6 **Climate Impact**

7.6.1 Modern MFDs use less energy than the ones in place currently. This will have a positive impact by reducing the overall energy used within the lifetime of the contract.

7.7 **Community Impact**

7.7.1 With printing made easier and more accessible to mobile workers, it is likely that those services can operate more effectively and meet community needs more easily with 'print anywhere' services in place.

7.7.2 Charges for MFDs to community libraries will be able to reduce both in lease and energy costs if newer, smaller, more energy efficient MFDs are in-place.

8. **Background Papers**

8.1 None