

Hybrid & Bulk Mail Solution

Cabinet Member for Finance and Commissioning

Date: 20 March 2023

Agenda Item:

Contact Officer: Sarah Carrington / Lizzie Barton

Tel Number: 07816 117 436 / 07813 024272

Email: sarah.carrington@lichfielddc.gov.uk
lizzie.barton@lichfield.gov.uk

Key Decision? YES

Local Ward Members N/A



Cabinet Member Decision

1. Executive Summary

- 1.1 The council requires a single hybrid mail solution that enables teams to submit documents to secure production centres for printing and mailing.
- 1.2 A competitive procurement exercise has been undertaken via the CCS G-Cloud Framework to identify a suitable supplier and evidence VFM.

2. Recommendations

- 2.1 To award the contract to DSI Billing for 24 months with two optional extensions of 12 months.

3. Background

- 3.1 There are currently several arrangements in place (one previously under a formal agreement with DSI Billing that has now expired) that are currently used to produce council tax and benefits letters, printing, and postage. Other suppliers such as Mail & Print and Birmingham City Council have been used to produce other material such as elections printing and planning application consultations.
- 1.3 A scoping exercise has been undertaken to identify what is currently being sent via hybrid mail or manually across the council, at what volume, and under which contracts for potential aggregation. (Appendix 1).
- 1.4 It has been identified that moving from multiple suppliers to one supplier would result in potential cost avoidance through volume aggregation, better visibility of spend and clearer audit management information.
- 1.4 Full training and guidance will be provided to any users in the council that are new to the system by the successful supplier.
- 1.5 Following a G-Cloud Framework exercise, two potential suppliers were identified – DSI Billing (incumbent supplier) and Data Graphic. Both suppliers were able to evidence the ability to meet the council's specification requirements by responding to clarification questions, however, DSI Billing were identified as the most cost-effective solution.
- 1.6 Awarding the contract to DSI Billing will mitigate the cost of changing supplier and the mobilisation of a new contract.

Alternative Options

1. Do nothing – not advised as the award of a new contract for hybrid mail will be compliant with PCR 2015 Regulations.
2. Re-run the procurement exercise.

Consultation

1. Leadership Team

Financial Implications

The annual budget for printing is £54,000 (£216,000 across the a four year period). In selecting a supplier, DSI Billing and Datagraphics were asked to quote across a basket of printing jobs that reflected the full scope of what the council requests across a contract period.

Whilst the DSI Billing provided a slightly higher quotation (£1,335.22 higher), as our incumbent supplier, remaining with DSI Billing will mitigate the cost of changing supplier. Cost avoidance can also be achieved by consolidating all hybrid mail printing to one supplier.

Letter Category / Purpose	Post Volume	Post Frequency	DSI Billing Pack Rate	DSI Billing Services Total Costs	Datagraphics Pack Rate	Datagraphics Total Costs
ADHOC billing and benefit letters	3546	Daily	£0.53	£1,890.02	£0.47	£2,807.40
Reminders and Finals	2000	Monthly	£0.53	£1,066.00	£0.47	£935.80
Adhoc post	4000	Daily	£0.53	£2,132.00	£0.47	£1,871.60
Annual billing	55000	Annual	£0.53	£29,315.00	£0.47	£25,734.50
Planning Application Consultation (Neighbours)	1000	Daily	£0.53	£533.00	£0.47	£467.90
Planning Application Consultation (Planning Committee)	40	Once a month	£0.87	£34.80	£0.47	£18.72
Planning Appeal Consultation (Neighbours)	30	Occasionally	£0.53	£15.99	£0.47	£14.04
Planning Application Consultation (General inc Enforcement)	15	Occasionally	£0.53	£8.00	£0.47	£7.02
Planning Application Consultation (Consultees)	420	Daily	£0.05	£21.00	£0.47	£196.52
Planning Appeal Consultation (Consultees)	40	Occasionally	£0.05	£2.00	£0.47	£18.72
Planning Application Consultation (Acknowledgement)	160	Daily	£0.05	£8.00	£0.47	£74.86
Planning Application Decision Notice	120	Daily	£0.05	£6.00	£0.47	£56.15
Planning application Info request	15	Daily	£0.05	£0.75	£0.47	£7.02
Local Plan Consultation	3500	Annual	£0.53	£1,865.50	£0.47	£1,637.65
Standard letters / Notices with over letters etc	30	Monthly	£0.87	£26.10	£0.47	£14.04
Standard letters	80000	Annual	£0.87	£69,600.00	£0.83	£66,640.00
Standard letters	1500	Ad hoc/ Annually	£0.53	£799.50	£0.46	£696.75
Confirmation of registration letters (unsolicited)	7000		£0.03	£182.00	£0.07	£490.00
Registration enquiry forms (which go in with ctax bill changes DSI)	6000		£0.03	£156.00	£0.07	£420.00
Annual Canvass mailings: -						
CCA forms A4 single sided	41000		£0.03	£1,066.00	£0.05	£2,111.50
CCA Outgoing envelopes A5 printed front and flap	43000		£0.03	£1,247.00	£0.04	£1,806.00
CCB forms A4 single sided	7000		£0.03	£182.00	£0.05	£360.50
Canvass forms A3 double sided	3800		£0.07	£261.44	£0.14	£535.80
CCB/CF Outgoing envelopes A5 printed front and flap	16000		£0.03	£464.00	£0.05	£768.00
Invitations to register A3 doubled sided	2000		£0.07	£137.60	£0.20	£396.00
ITR Outgoing envelopes A5 printed front and flap	5000		£0.03	£145.00	£0.07	£365.00
BRE printed front and flap	12000		£0.03	£348.00	£0.05	£564.00
By-elections: -						
Poll cards,			£0.05	£960.00	£0.05	£980.00
ballot papers and postal vote packs			£0.22	£4,420.00	£0.22	£4,420.00
Scheduled elections:						
Poll cards A5 double sided card (but set to change to an enclosed letter)	83000		£0.03	£2,407.00	£0.04	£3,569.00

£119,319.69

£117,984.47

It is worth noting that these costs may continue to rise and contingency needs to be built into the budget going forwards. The cost of raw materials including paper and envelopes continue to rise (as much as up to 15% towards the end of 2022). Postage has also increased by 18% as Royal Mail invoked their annual price increase earlier than normal last year in November 2022. These increases are universally affecting all suppliers and consequently the council has seen an increase in cost with regards to the hybrid mail contract.

Approved by Section 151 Officer

Yes

Legal Implications

1. Resultant agreement will be PCR2015 compliant.
2. CCS Framework will be used.
3. A compliant procurement procedure has been undertaken.

Approved by Monitoring Officer

Yes

Contribution to the Delivery of the Strategic Plan	Ensuring the council have the necessary systems in place to help deliver their services, which in turn support the Strategic aims of: <ul style="list-style-type: none"> • A Good Council that is responsive and customer focussed. • Enable people to help themselves and others, collaborate and engage with us.
--	--

Equality, Diversity and Human Rights Implications	All suppliers appointed to the framework have passed the standard supplier questionnaire which asks questions around Equality, Diversity and Human Rights.
---	--

Crime & Safety Issues	None
-----------------------	------

Environmental Impact	Hybrid mail solutions can support the council towards sustainability targets, as centralised processes and automating the print and posting process saves time, resources, material, energy, and fuel while enhancing carbon-cutting credentials.
----------------------	---

GDPR / Privacy Impact Assessment	As part of the procurement exercise, suppliers were asked to provide details of their audit management information, including record keeping, GDPR compliance, supporting certifications and how this is managed by their organisation. DSi Billing has confirmed that as the data owners, the council can dictate the retention period ranging from 30 days up to five years.
----------------------------------	---

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Current contractual arrangement has expired	Likelihood: Yellow Impact: Red Severity of Risk: Red	Undertake a procurement process and award compliant contract.	Likelihood: Green Impact: Yellow Severity of Risk: Yellow
B	Compliance with GDPR and audit management information	Likelihood: Yellow Impact: Red Severity of Risk: Red	Following a procurement exercise, the successful supplier has been able to evidence GDPR compliance including ISO accreditation, audit management information and record keeping.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
C	Price increase and fluctuations	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow	To continue to monitor any price increases and identify any other alternative ways of producing documents – e.g., sending emails instead of letters.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow

None	Background documents Any previous reports or decisions linked to this item
------	---

None

Relevant web links

Any links for background information which may be useful to understand the context of the report