

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

***PART 1 – PUBLIC DOCUMENT**

Any interest to declare/ or conflict and any dispensation granted [*if applicable*]

SERVICE DIRECTORATE: CUSTOMERS

1. DECISION TAKEN

- 1.1 To procure a 3-year contract with a further option to extend by up to two years via a framework for the supply of NEC Document Management System and NEC Mailroom Service (inbound mail)

2. DECISION TAKER:

- 2.1 Jo Dufficy, Service Director Customers

3. DATE DECISION TAKEN:

- 3.1 24 October 2023

4. REASON FOR DECISION

- 4.1 To ensure the continuation of service delivery in relation to the use of the Document Management solution and the inbound mail room services when the existing contract with NEC ends on 30th Nov 23. The new contract will commence on 01 Dec 2023 and end on 30th Nov 2026 with the option to extend for a further two years. The new contract brings together the NEC Document Management System and Mail Room- Inbound Service under one contract.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The current contract with NEC includes the provision of inbound and outbound mail. The outbound mail provision is outsourced by NEC to DSI. We have taken the opportunity to re-evaluate that aspect of the contract and have separated it so that we contract directly with DSI to realise a substantial saving on the cost of outbound mail. This means that there will now be a separate contract and decision notice relating to outbound mail.
- 5.2 The alternative option of carrying out a full procurement exercise was considered however it was decided to carry out detailed market testing to establish if it was necessary to carry out a full procurement exercise. The analysis of the market testing concluded that NEC continue to provide good value for money for these services. Following procurement advice, it was agreed that it would be acceptable to direct award via a Framework. In addition to this £16.5K was spent in December 2022 to carry out an essential upgrade the Document Management system.

6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

- 6.1 The Executive Member for Finance and IT, Cllr Ian Albert, has been consulted and supports this approach.

7. FORWARD PLAN

- 7.1 This decision is not a key Executive decision and has therefore not been referred to in the Forward Plan.

8. BACKGROUND/ RELEVANT CONSIDERATIONS

- 8.1 We currently have a contract with NEC for the provision of inbound mail which expires in November 2023 and has been in place since 01 December 2020. Additionally, we have a contract for a document management solution which has been a rolling contract. We have taken the opportunity to consolidate the two contracts into one and benefit from a fixed rate for the new contract term.
- 8.2 The existing service provision works well for the authority and meets the needs of the Council, particularly with an increase in remote and hybrid working.

9. LEGAL IMPLICATIONS

- 9.1. Under paragraph 14.6.4 (a) (ii) of the Council's Constitution, Service Directors have general authority to enter contracts to carry out works and/or for the supply of goods and services within approved budgets.
- 9.2. Paragraph 14.6.6 (a) (i) further gives the Service Director – Customers, the authority to manage, direct and control resources allocated to the Directorate in accordance with the Council's policies and procedures.

10. FINANCIAL IMPLICATIONS

- 10.1 The average annual quota of images over 5 years has averaged at 130,000. The final cost per image in year 5 of the contract is 19p per image based on 110,000 images totalling £20,900. The new Mailroom contract is based on 120,000 images over the 3-year period at a cost of 20p per image totalling £24k per annum for the Mailroom Service contract. A consideration was given to reducing the number of images quoted with the expectation that volumes could reduce. In discussions with NEC if volumes are contracted at less than 120,000 images the unit cost would have increased. It was agreed to keep the contract at 120,000 images but we will continue to seek ways for customers to transact electronically wherever possible to reduce both inbound and outbound mail demand.
- 10.2 The new contract cost for the Document Management System is £27,116.23 The current cost of this service is £24,788 but this is based on a fixed contract price set 3 years ago and the new contract price reflects the inflationary increase over this period.
- 10.3 The total annual cost of the new contract is £51,116.23 and £153,348.69 over 3 years. These costs are fixed over the duration of the 3-year contract.
- 10.4 The total cost of the contract can be met from existing budgets.

11. RISK IMPLICATIONS

- 11.1 Failure to enter into a new contract for inbound mail would result in a disruption to service areas as the post for the organisation is directed to Nottingham.

12. EQUALITIES IMPLICATIONS

12.1 There are no equalities implications.

13. SOCIAL VALUE IMPLICATIONS

13.1 The Social Value Act and “go local” policy do not apply to this decision.

14. ENVIRONMENTAL IMPLICATIONS

14.1. There are no known Environmental impacts or requirements that apply to to this report.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no human resource implications.

16. BACKGROUND PAPERS

16.1 none

17. APPENDICES

17.1 None

NOTIFICATION DATE

03 November 2023

Signature of Executive Member Consulted



Date 01/11/2023

Signature of Decision Taker



Please Note: that *unless urgency provisions apply* EXECUTIVE decisions cannot be implemented until 5 clear working days have elapsed after the decision has been taken to allow for scrutiny call-in.

Call-in does not apply to NON-EXECUTIVE DECISIONS