

CABINET

DATE	11 th December 2024
REPORT OF	Councillor Stephen Harness – Portfolio Holder for Finance, Resources and Assets
RESPONSIBLE OFFICER	Sharon Wroot, Executive Director, Place and Resources
SUBJECT	Procurement of Postal Services
STATUS	Open
FORWARD PLAN REF NO.	CB 12/24/06

CONTRIBUTION TO OUR AIMS

Efficient postal operations and the preservation of the Council's brand are essential for maintaining public trust and the Council's reputation. These efforts align with our priority of being an effective and efficient Council that provides value-for-money services, which is crucial to our goals of fostering a 'Stronger Economy, Stronger Communities.'

Ensuring high-quality postal services minimises loss and enhances data security, reinforcing our commitment to safeguarding information and upholding our reputation. This, in turn, builds greater trust with the community and public sector agencies, which is vital for the successful delivery of all services.

EXECUTIVE SUMMARY

The Council's current postal services contract with Whistl is set to expire in February 2025, with no further extension periods available. To ensure compliance with the Public Contract Regulations 2015 and maintain continuity of service, new arrangements must be established.

These new arrangements will adhere to the Public Contract Regulations 2015 and the Council's Contract Procedure Rules, ensuring the Council fulfils its duty of Best Value.

The annual expenditure on postal services is approximately £140,000, though this amount can vary based on service needs.

The planned duration of the replacement contract is for four (4) years, subject to satisfactory performance.

RECOMMENDATIONS

It is recommended that the Cabinet:

1. Approves the commencement of a procurement exercise for Postal Services.

2. Authorises the Executive Director Place and Resources, in consultation with the Portfolio Holder for Finance, Resources and Assets to commence the above procurement exercise.
3. Delegates authority to the Executive Director, Place and Resources in consultation with the Portfolio Holder for Finance, Resources and Assets to award the contract for Postal Services and thereafter to deal with all ancillary matters reasonably arising.
4. Authorises the Assistant Director Law and Governance (Monitoring Officer) to complete and execute all legal documentation arising.

REASONS FOR DECISION

The decision allows the Council to commence the procurement exercise for the replacement Postal Services Contract and allows the Council to award the contract.

1. BACKGROUND AND ISSUES

- 1.1 The Council's current contract for Postal Services ends on the 7th February 2025 and there are no extension periods available.
- 1.2 Since the last procurement, the Council has implemented procedures to enhance the reliability and performance of its postal services. These improvements have provided greater tracking and audit trail capabilities, resulting in minimal post loss. Regular collection and delivery of post to recipients ensure timely communication and document exchange. The replacement arrangement will enable the Council to maintain its current level of performance regarding Postal services.
- 1.3 The Council intends to procure the replacement contract via the Crown Commercial Services (CCS) aggregated further competition (NFC185) under the Postal Services & Solutions (RM6280) Framework.
- 1.4 The advantage of taking part in the CCS aggregated further competition are that they will run the procurement process for the Council, all providers on the framework have already agreed to a set of terms and conditions, and the Council will achieve better prices by combining its volume with the other public bodies also taking part.
- 1.5 The CCS Framework is fully compliant with the procurement process being followed and is compliant with the Public Contract Regulations 2015.
- 1.6 A project team has been established to achieve the procurement deadline which consists of officers from Business Support and the Procurement Team. Advice will be sought from Legal Services in relation to development of the terms and conditions and formation of the contract.

2. RISKS AND OPPORTUNITIES

- 2.1 Not having a professional postal service in your local authority can pose several risks:

- 2.1.1 Loss of Public Trust: Inefficient postal services can lead to delays, lost post, and errors, which can erode public confidence in the local authority's ability to manage essential services.
- 2.1.2 Data Security Issues: Poor handling of post can compromise sensitive information, leading to data breaches and potential legal consequences.
- 2.1.3 Operational Inefficiencies: Ineffective postal operations can disrupt the workflow, causing delays in communication and the delivery of important documents, which can hinder the overall efficiency of the council.
- 2.1.4 Financial Implications: Mismanagement of postal services can result in increased costs due to lost or delayed post, re-sending documents, and potential fines for data breaches.
- 2.1.5 Reputation Damage: Consistent issues with postal services can damage the council's reputation, making it harder to build and maintain relationships with the community and other public sector agencies.
- 2.1.6 Impact on Service Delivery: Delays and errors in postal services can affect the timely delivery of services to residents, impacting the council's ability to meet its commitments and priorities.

Ensuring a professional postal service is crucial for maintaining trust, efficiency, and the overall effectiveness of the local authority

- 2.2 A successful outcome would lead to an economically advantageous contract and ensure the Council are using an efficient and effective Postal Service which is value for money.

3. OTHER OPTIONS CONSIDERED

- 3.1. Do Nothing – This option would leave the Council with no contract in place, and non-compliant with the requirements of the Public Contract Regulations 2015.
- 3.2. The Council considered conducting its own further competition through the CCS Postal Services & Solutions (RM6280) Framework, however, this would not enable the Council to take advantage of combining its volumes with other public bodies to achieve a better price.
- 3.3. The Council considered running its own tender without accessing a framework, however, in addition to not achieving increased savings through larger volumes, this would put additional pressure on Council resources because of the additional time and resource required to undertake the procurement itself, and develop specific terms and conditions, which have already been pre agreed by suppliers on the CCS Framework.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1. There are potential negative reputational implications if data is not processed by the successful tenderer in compliance with the General Data Protection Regulations, or if post is lost by the successful tenderer.
These risks will be addressed through the procurement process, the terms and conditions of the contract and the subsequent contract management.
- 4.2. There are potential positive reputational implications for the Council if approval is given, ensuring the Council is able to maintain efficient and effective postal services that are compliant with the Public Contract Regulations 2015.

5. FINANCIAL CONSIDERATIONS

- 5.1. The proposal will be financed through central team budgets.
- 5.2. The spend on postal services may fluctuate year on year depending on the demand for the service.
- 5.3. The procurement will ensure the Council achieves value for money.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

The direct impact on children and young people could potentially prevent them from receiving important information and documents from authorities, as well as lead to a breakdown in relationships.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The procurement of postal services will explore opportunities to contribute towards the council's net zero carbon roadmap and environmental vision.

8. CONSULTATION WITH SCRUTINY

There is no consultation planned.

9. FINANCIAL IMPLICATIONS

- 9.1. There are no financial implications to approving the procurement activity.
- 9.2. Any contracts subsequently approved should be managed first and foremost via the current budget envelopes, additional budget requirements arising via the procurement process would be considered and approved as part of the medium term financial planning process.

10. LEGAL IMPLICATIONS

- 10.1. Legal Services will support the completion of this procurement exercise and review the contractual documentation to ensure that the Council's interests are protected to the greatest extent reasonably and commercially possible.
- 10.2. The approach recommended is a framework contract which has the benefits of approved suppliers already meeting certain benchmarks and flagging agreement in advance to appropriate terms and conditions. Further, the

Council may achieve better terms by combining its volume with the other public bodies also taking part.

- 10.3. There are further advantages of assurance in that any such framework by necessity must be compliant with Public Contracts Regulations 2015. A framework approach is considered good practice and comes with its own efficiencies.
- 10.4. The procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers. Legal Services will support the completion of the contractual documentation on award.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications arising from the contents of this report.

12. WARD IMPLICATIONS

All wards are affected by the Council's postal services provision.

13. BACKGROUND PAPERS

There are no background papers.

14. CONTACT OFFICER(S)

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COUNCILLOR STEPHEN HARNESS
PORTFOLIO HOLDER FOR FINANCE, RESOURCES AND ASSETS