ABSTRACT

This report informs members of the need to put in place a contract for Courier and Members Delivery Services and seeks authority to proceed with the required procurement.

1. RECOMMENDATIONS

It is recommended that the Committee:

(i) authorises the Head of Law and Administration to procure Courier and Members’ Delivery Services for the Council on the basis set out in this report; and

(ii) homologates the publishing of the contract notice on the Public Contracts Scotland portal as set out in this report.

2. BACKGROUND

2.1 The Law and Administration division of the Corporate Services department has the responsibility for the provision of a range of corporate facilities management services including a daily courier delivery service around Angus for letters and small packets which is considered to be the most cost effective means of distributing such mail to and between Council offices in all of the main towns in the area.

2.2 On a similar basis, and to ensure elected members receive papers timeously, a weekly/twice weekly evening delivery to members’ homes is also provided as part of the service.

2.3 The current contract was tendered by open competition in April 2006 and was awarded for a 3 year period commencing 1st April 2006 ending 31st March 2009. It was then extended for a further 2 years with the contract due to end on 31st March 2011. A new contract therefore requires to be put in place.

3. PROCUREMENT AUTHORITY

3.1 Sourcing Strategy

The Head of Law and Administration considers that the provision of Courier and Members’ delivery services are an essential requirement to ensuring the efficient delivery of mail and Council committee papers to staff and Council members respectively around Angus. This service is considered to be the most cost effective means of transporting letters and small packets to and between all the main towns visiting around 60 Council offices across Angus. This service also ensures that elected members receive papers timeously. No alternative delivery method is considered feasible at this time.

3.1.1 The procurement is not considered to be a “major procurement” in terms of Financial Regulation 16.8.4. Approval of this Report would mean that the contract can be accepted without the need for further approval by the relevant committee. In accordance with the new arrangements the contract award will be reported to the Corporate Services Committee for noting only.
3.1.2 No national Procurement Scotland or Scotland Excel contracts currently exist to meet this requirement. As such Angus Council will require to source a supplier directly. From previous experience it is evident that the market for this supply is reasonably competitive. A competitive tender approach to the procurement is therefore considered to be likely to deliver best value to the Council for this requirement.

3.1.3 Due to the specific geographic nature of this requirement, this contract was not deemed a suitable contract for collaboration through Tayside Procurement Consortium. The contract will be reported to Tayside Procurement Consortium and should any suitable opportunities arise in the future for collaborative procurement of the Council’s requirement for provision of the required supply under the umbrella of the Tayside Procurement Consortium, these will be given consideration.

3.2 **Key Terms Proposed**

3.2.1 It is envisaged that the contract will commence on 1st April 2011 for a two year period with an option to extend for up to a further one year.

3.2.2 The value of the tender is estimated at £49,300 per annum and £148,000 over the whole life of the contract, including any option to extend, based on previous relevant expenditure. The actual value of the service is difficult to fully predict as fuel prices are fluctuating greatly however, part of the conditions of contract is a price review of the fuel element only which will take place on each anniversary of the start date of the Contract, either upwards or downwards according to the movement in the retail price index (RPI) in the intervening period, and the reviewed prices will then apply for the following 12 months.

3.3 **Procurement Procedure**

3.3.1 It is considered that an open tender single stage process would be the best means of procuring the required supply here. This process will not restrict the potential number of bidders, and will allow the broadest possible selection of tenders to be received, resulting in best value for the Council.

3.3.2 The value of the contract, being circa £49,000 per year for a two year contract with a one year option to extend, is below the European Union contract threshold value of £157,000. The contract opportunity has therefore been openly advertised on the Public Contracts Scotland Portal in accordance with Council policy and as a further means of securing good competition, again to deliver best value for money.

3.3.3 Due to time constrictions the notice has exceptionally been published on the Portal in advance of the committee decision to allow the requisite procurement timetable to be met and to achieve the contract award being made by 1st April 2011. Publication on the Portal has not, however, committed the Council to following through this procurement process and it remains the decision of this Committee whether to approve this or otherwise.

3.4 **Contract Evaluation on Award Basis**

3.4.1 Completed tenders returned to the Council shall be evaluated and the contract will be awarded on the basis of the most economically advantageous tender, on a mix of quality and price. The price/quality split applied will 70/30% in accordance with Financial Regulation 16.14.2.

The broad evaluation criteria and weightings will be

- **Price** 70%
- **Quality** 30%

The quality evaluation will be based on a proven mix of:

- Previous experience of delivering a similar service 10%
- Responsiveness 10%
- Customer Service 10%
  **Total** 30%
3.4.2 The Corporate Procurement Manager has been consulted on the proposed procurement process and outline requirement and is satisfied that that this approach is suitable and likely to produce best value for the Council.

3.5 Procurement Risks

A risk assessment has been undertaken for this tender and no significant risks have been identified other than the possible inflationary variation in fuel, which has been mitigated to some extent by the annual review of the fuel element mentioned in 3.2.2.

4. FINANCIAL IMPLICATIONS

The costs of the Courier and Members Delivery services are shared costs that are totally recharged to users and these costs will therefore be met from departmental budgets as at present. The cost of the services to be recharged to departments in 2010/11 is anticipated to be £49,000 which compares with the anticipated cost post tendering of £49,000.

5. HUMAN RIGHTS ACT IMPLICATIONS

There are no Human Rights Act implications specific to this report.

6. EQUALITIES IMPLICATIONS

The issues dealt within this Report have been the subject of consideration from an equalities perspective. An equalities impact assessment is not required.

7. CONSULTATION

The Chief Executive, Head of Finance and Head of Law and Administration have been consulted in the preparation of this report.

8. CONCLUSION

The requirement for Courier and Members delivery services is of importance to the efficiency of the Council in distributing mail and papers to staff and members. The procurement process set out above will ensure that the most economically advantageous service will be utilised to meet the Council’s requirements ensuring best value for the Council.

COLIN McMAHON
DIRECTOR OF CORPORATE SERVICES

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

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