



# RECORD OF DECISION TAKEN UNDER DELEGATED POWERS OUTLINED IN THE CONSTITUTION – Part 3 Section 16

**DELEGATED  
OFFICER DECISION  
TAKEN BY:**

**Paul Fleming, Strategic Director of  
Resources**

**PORTFOLIO AREA:**

Digital and Customer Services

**SUBJECT: Award of contract for MFD's**

## 1. DECISION

That the Strategic Director of Resources approves the award of the contract for the provision of MFD's to the Council to the highest scoring bidder, Ricoh UK Ltd for a five year period.

## 2. REASON FOR DECISION

A Multi-Function Device (MFD) combines printing, scanning and copying facilities into a single device. The Council's core site MFD's contract is at an end with devices now at the end of their lifespan, the central print management software is also end of life and needs to be replaced.

A further competition was undertaken through the Crown Commercial Services MFD framework with 9 suppliers being invited, with 6 responses being received, a breakdown of the scores is below;

	Ricoh	Supplier B	Supplier C	Supplier D	Supplier E	Supplier F
Quality (30%)	22.32	19.16	22.10	22.44	18.52	21.97
Environmental (5%)	4.8	4.2	3.8	4.6	4	3.8
Social Value (15%)	3.6	0.6	3.6	4.8	1.2	6
Cost of ownership (50%)	50	46.61	41.66	38.39	36.2	40.53
<b>Total</b>	<b>80.72</b>	<b>70.56</b>	<b>71.16</b>	<b>70.23</b>	<b>59.92</b>	<b>72.30</b>

Tenders were evaluated using a method known as MEAT (Most Economically Advantageous Tender) with the recommendation from the panel that the contract be awarded to Ricoh UK Ltd as they had the highest score.

Currently, devices at outlying sites are standalone and are not linked through to the central system which users access with their Council ID badges. The awarded tender includes for these to be installed on the replacement devices at outlying sites, this will allow staff to print from other locations without IT intervention.

As part of their social value response Ricoh will be providing £2,000 of outsourced print to support the Blackburn with Darwen Council's jury on the climate change crisis and a further £2,000 of outsourced print to support any well-being within our boundaries.

### **3. BACKGROUND**

The Council currently has two elements to its MFD fleet;

1. Core site MFD's which are supplied through a managed print service and cover the Tower Block, Duke Street, Cathedral Square, the Bungalow and Earcroft. There are currently 42 devices through this agreement which will be reduced to 20 as part of the contract.
2. Outlying sites which are on contracts mainly with Xerox and Canon. There are currently 31 Xerox devices and 8 Canon devices with a further 3 devices on order from Ricoh to replace some of the Xerox devices which are causing issues. As part of the tender we will include the devices which are currently out of their main contract and in extension period which amounts to 32 of these devices.

The Strategic Director for Resources previously approved for the commencement of the procurement for the replacement MFD fleet.

### **4. KEY ISSUES AND RISKS**

- The current contracts are at an end and need to be replaced to keep the Council compliant with procurement rules.
- The centralised print management solution used by the Council needs to be upgraded in order to remain secure.
- The current devices are ageing and parts are becoming difficult for the supplier to source and repair devices.
- Devices at core sites are beyond their normal life expectancy with the devices not providing a fast and effective scanning process which is now a key requirement with many areas having moved to electronic storage of records.
- Continuing with the current solution will not allow for the reduction of the number of devices currently deployed, to reflect the movement out of the Tower Block.

### **5. FINANCIAL IMPLICATIONS**

The estimated value of the contract over the five years is circa £221k.

The department currently has a budget of £80k for core site MFD's per annum. For these areas the costs will reduce to £20,186 per annum resulting in a saving against budget of £59,814, there will also be cost avoidance of a further £2k due to inflationary increases on the current contract.

For the outlying sites MFD's we are expecting the costs to reduce by £4,497 per annum, this is dependant however on the agreement from areas in the Council to reduce the specification of the devices they require to a device more fitting the volumes of prints that they do which was based on our own assessment. There will also be cost avoidance of £1,420 per annum due to increased costs per print currently coming into effect.

As part of the tender response suppliers were asked to review our requirement for devices, there were a number of recommendations to potentially reduce the speed of devices requested due to the volumes that are currently outputted. Following the award of the contract the supplier will carry out an assessment phase on our existing hardware to create a baseline for discussion for where improvements or further savings can be made. Prior to contracting for the MFD's for the outlying sites

approval will be sought from the heads of service for these areas to add the devices to the contract with the recommended device based on usage.

By rolling out the managed print solution to outlying sites it will give the department greater control and visibility of printing at outlying sites. Currently at core sites colour printing represents 31% of the volume of prints, whilst at outlying sites this stands at 60%. If outlying sites can be brought in line with core sites then a further £8,800 savings per annum can be realised.

The contract will also include fleet flexibility, whereby the Council can upgrade, downgrade or terminate up to 10% of the fleet without penalty in the event of a closure to a building or change in circumstances.

## 6. LEGAL IMPLICATIONS

The procurement process complies with the regulations of the Council's Contract and Procurement rules and the Public Contract Regulations 2015. All contracts and contract variations will be in a form approved by legal officers in the Commissioning and Procurement team.

## 7. OPTIONS CONSIDERED AND REJECTED

The following options were considered under the tender;

As part of the tender exercise the department also looked at options to purchase the devices outright. The Purchase price was only slightly higher than the 5 year rental but would only come with a 1 year parts warranty with the Council being responsible for everything else whilst with the rental option a full maintenance and service was provided. Due to the uncertainty of the costs involved in repairing devices for the term and unknown quantity this option was rejected.

***Further information is available from the report author***

## 8. DECLARATION OF INTEREST

All Declarations of Interest of the officer with delegation and the any Member who has been consulted, and note of any dispensation granted should be recorded below:

<b>VERSION:</b>	<b>1</b>
<b>CONTACT OFFICER:</b>	Peter Hughes
<b>DATE:</b>	25/10/2022
<b>BACKGROUND DOCUMENTS:</b>	Officer decision 12/08/2022 – Procurement Route for contract for MFD's

Signed:



**Paul Fleming, Strategic Director Resources**

**Date: 03/11/2022**

