

PROCUREMENT OF THE REPORTER

Submitted by: **Head of Communications**

Portfolio: **Communications, Transformation and Partnerships**

Ward(s) affected: **All**

Purpose of the Report

To inform Cabinet of the final outcome of the procurement process for printing the council's newspaper the Reporter.

Recommendation

That Cabinet notes the outcome of the procurement process and accepts the appointment of print and distribution providers for the Reporter.

Reasons

The outcome of the tender process has to be reported to Cabinet in line with the borough council's Standing Orders in Relation to Contracts' section 10 (Standards and Award Criteria) paragraphs (e) and (h).

1. Background

- 1.1 In May 2009, Cabinet received a report outlining the results of a procurement process for the print and distribution of the borough council's newspaper the Reporter.
- 1.2 Contracts were awarded to two separate companies – one to provide print services and the other to provide distribution services. These contracts were for an initial two-year period with the option for negotiations with the contract providers for two separate 12-month extensions.
- 1.3 These options were exercised with both providers and this has therefore meant that the same print and distribution companies have been involved with the borough council for the last four years.
- 1.4 The contracts with both service providers – Harmsworth Printing (Staffordshire Sentinel Newspapers) for print and The National Leaflet Company for distribution - expire when the March edition of the Reporter is printed and distributed in 2013.
- 1.5 On 19 September 2012 Cabinet received a report which confirmed a procurement process had taken place to recruit new services providers for print and distribution for when existing agreements expire.
- 1.6 Although that process had resulted in a distribution provider being secured, there were concerns that only one company had come forward for the print element and because of this there were concerns that the council could demonstrate it would be getting value for money if it proceeded to appoint.
- 1.7 Cabinet agreed for a second print procurement process to go ahead at the earliest opportunity and for the results of that process to be reported back in due course.

2. **Issues**

- 2.1 Officers from the council's Business Improvement and Partnerships Department and also the Audit Department worked alongside and supported officers in the Communications Department in the original procurement process which involved placing a notice on the MyTenders website and this also feeds through to "Contracts Finder" which is the Government's recommended portal for advertising all contracts which are below the Official Journal of the European Union (OJEU) thresholds for procuring public sector services.
- 2.2 It was decided that the second procurement process should go down a separate route to try and generate greater interest from the market.
- 2.3 This involved liaison with other councils to see if their print service providers would be interested in the borough council's contract; liaison with companies which have previously worked with the council on printing the Reporter; contacting companies on a print procurement framework supplied by another council.
- 2.4 The borough council also simplified the tender documentation and produced a new "Invitation to Quote."
- 2.5 As a result of the approach outlined above, a total of nine companies supplied tenders.
- 2.6 An evaluation panel was set up and following discussion with the Business Improvement and Partnerships team, completed a detailed and comprehensive assessment of all the bids using best practice guidelines.
- 2.7 The criteria used to assess bids was:-

50 per cent cost
50 per cent quality

The quality component was broken down into:-

- (a) Fulfilment of specification 40 per cent
- (b) Experience 30 per cent
- (c) References 15 per cent
- (d) Environmental factors 15 per cent

3. **Proposal and reasons for preferred option**

- 3.1 As a result of the procurement process, Yorkshire Web – a company which is based in Barnsley – has been awarded the contract for printing the Reporter.
- 3.2 The contract will run for two years and will begin on 1 April 2013 with the first Reporter under the new contract scheduled for print on 16 May 2013.
- 3.3 The contract will run for an initial two years and will have the option of two further 12 month extensions. The initial part of the contract will be fixed in price and subject to negotiation over pricing on subsequent years. Failure to reach a satisfactory outcome following these negotiations will allow either party to end the contract.
- 3.4 Members may recall the National Leaflet Company has secured the contract to distribute the Reporter in an agreement which mirrors the terms outlined above regarding print in 3.3.

- 3.5 Cabinet may wish to note that the agreement which has been secured with Yorkshire Web will ensure an increase of around 30 per cent in the number of pages printed in the Reporter each year without the need to increase the Reporter print budgets.
- 3.6 The total number of pages in the four Reporters produced during 2012 will total 44 by the time the November edition is distributed (February and July were eight pages; May was 16 pages and November will be 12 pages).
- 3.7 It is anticipated that pricing agreed in the Yorkshire Web contract will result in 56 pages each year – two 16-page papers and two 12-page papers. This will enable the council to increase the amount of information it makes available to residents about the council, its policies, services and activities. And it may also present the council with an opportunity to increase some advertising revenues which help to offset the costs incurred in producing the Reporter.

4. Outcomes linked to Sustainable Community Strategy and Corporate Priorities

- 4.1 The Reporter is a key communications channel which engages, involves and informs stakeholders about policies, services, events and activities delivered in support of the Sustainable Community Strategy and the borough council's corporate priorities.
- 4.2 Not sharing this information could have a detrimental impact on delivery of the Strategy and the corporate priorities.

5. Legal and Statutory Implications

There is no legal or statutory duty on the council to produce a civic newspaper.

6. Equality Impact Assessment

- 6.1 An Equality Impact Assessment which covers the Reporter has been produced as part of the Council's Communications Strategy which was approved by Cabinet in March 2012.

7. Financial and Resource Implications

- 7.1 Price proposals submitted as part of the Yorkshire Web tender documentation ensure an enhanced print service can be provided from within existing budgets (see 3.6 and 3.7).
- 7.2 The current annual Reporter budget is £31,120 and it is important in the current difficult financial situation that distribution, print and typesetting services stay within that financial envelope. The appointment of Yorkshire Web will undoubtedly contribute to this goal.
- 7.3 One of the key changes to the Reporter in recent times has been the introduction of some paid-for commercial advertising from local businesses as well as some paid-for content from partner organisations.
- 7.4 Together these two areas generated £16,834 in external income during the financial year 2011/12 – more than half the total Reporter costs for the year. Another £3,992 in internal income was generated.
- 7.5 Although current income generation will be down on the levels of 2011/12 due to pressures within the local economy, the increased annual pagination outlined in this report for the Reporter could offer more opportunities for local advertisers and could therefore result in advertising revenue increasing.

7.6 Deducting the external income generated by the Reporter of £16,834 from the £32,125 spent in the last financial year on print, distribution and typesetting leaves a total of £15,291. This means the net cost to each household in the borough for each edition of the Reporter during the last year was around seven pence.

8. **Major Risks**

8.1 There are no major risks associated with the proposals included in this report at this stage. However, the potential risks associated with progressing or not progressing the proposals are:-

Risks if not progressed

- Resident “satisfaction and informed” levels throughout the borough could be adversely affected if the Reporter is not produced and distributed free of charge to the majority of households in Newcastle-under-Lyme.
- Involvement and engagement with council services and activities could be impaired.
- Key information is not widely distributed among residents.

8.2 Risks if progressed

- Pressure on Reporter budgets from service providers.
- Reputation damage to the council if – in the current difficult economic times – service providers succumb to pressures and go out of business resulting in no production of the Reporter.
- Qualified and trained council staff leave and are not replaced resulting in a skills gap around Reporter production.

9. **Earlier Cabinet/Committee Resolutions**

9.1 The Cabinet report of 19 September 2012 is relevant to this report.

10. **Background Papers**

Papers from the evaluation panel have been submitted to the Business Improvement and Partnerships Team for their consideration and evaluation.

The revised “Invitation to Tender” document is also available on request from the Head of Communications.

The evaluation report is confidential as it contains commercially sensitive information. However, it is available for Cabinet Members on request from the Head of Communications.