

# Report to the Cabinet

**Report reference: C/094/2006-07.**

**Date of meeting: 18 December 2006.**



**Portfolio: Finance Performance Management and Corporate Support Services.**

**Subject: Corporate Photocopier Contract.**

**Officer contact for further information: Mike Tipping (01992 – 56 4280).**

**Democratic Services Officer: Gary Woodhall (01992 – 56 4470).**

## Recommendations:

(1) That, in accordance with Contract Standing Order C1(4), approval be given to waive contract standing orders in relation to the normal procedure for inviting tenders for a contract with a value exceeding £50,000.

(2) That, following a competitive quotation process, a contract be awarded to NRG Gestetner Ltd in the estimated sum of £53,628 for the provision of a corporate photocopier contract for a three year period from 1 March 2007, representing a CSB saving of £5,243.

## Report:

1. In accordance with contract standing order C5 quotations have recently been invited, returned and opened by the Head of Legal Administration and Estates in relation to the renewal of the corporate photocopier contract for the next three year period.

2. Eight companies were invited to quote against pre determined framework contracts negotiated through the Essex County Council Central Buying Consortium and the Office of Government Contracts.

3. The quotations returned consist of two elements, the rental costs for the copiers which are fixed for the duration of the contract and the per copy cost for all copies produced throughout the contract. Whilst the per copy cost for each machine is fixed the amount of copies made during the life of the contract will be variable and can only be estimated using historical data from the current contract.

4. The detailed figures (rounded up or down to the nearest £) for the three-year period of the next contract are shown in the table below. For comparison, the cost of the current contract is also given, which shows that if the lowest quotation is accepted there will be a saving of £12,916 on the fixed costs and assuming the same level of usage over the next three years an overall saving of £15,731 over the three year period.

Company	Fixed Rental costs (£)	Copy charges - Estimated (£)	Likely overall cost (£)
Current costs	43,490	25,869 (actual)	69,359
NRG Gestetner (current provider)	30,574	23,054	53,628
Panasonic	35,731	25,306	61,037
Canon UK Ltd	37,537	24,935	62,472
Zerox	40,480	22,271	62,751

Ethos	41,732	23,682	65,414
Konica Minolta	44,533	22,353	66,886
United Technologies	42,011	25,563	67,574
Oce	46,157	23,040	69,197

5. The fixed costs of the contract over the three year period were estimated to be between £20,000 and £50,000 and therefore it was considered to be appropriate to seek competitive quotations rather than formal tenders.

6. As can be seen from the above table the fixed costs in all cases are below £50,000 but when taking into account the estimated variable costs over the three year period the aggregated value of the contract will be more than £50,000.

7. It is therefore appropriate to request that the Cabinet agree to waive contract standing orders in relation to the normal process for seeking formal tenders and to accept the lowest quotation received for this contract.

**Statement in Support of Recommended Action:**

8. The award of a new contract will achieve savings over existing costs.

**Other Options for Action:**

9. Abort the work carried out so far and re-issue the specification as a formal invitation to tender. This will delay the introduction of a new contract without any discernable improvement over the results of the quotation process already carried out.

**Consultation undertaken:**

10. No external consultation undertaken.

**Resource implications:**

**Budget provision:** All costs will be contained within existing Service budgets. Anticipated revenue savings of £15,731 over 3 years, equivalent to £5,243 CSB.

**Personnel:** Nil.

**Land:** Nil.

**Community Plan/BVPP reference:** No specific reference.

**Relevant statutory powers:** None.

**Background papers:** None.

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** N/A.

**Key Decision reference (if required):** N/A.