

The Vale of Glamorgan Council

Cabinet: 7th January, 2019

Report of the Leader

Introduction of Hybrid Mail for Postal Services

Purpose of the Report

1. To obtain approval to seek tenders for the supply of a Hybrid Mail Solution subject to the completion of a satisfactory outcome of a Proof of Concept (POC) pilot exercise.

Recommendations

1. That approval is granted to seek tenders for the supply of a hybrid mail solution to include a requirement for the successful bidder to undertake a Proof of Concept (POC) pilot for a minimum period of six months to determine the viability of a hybrid mail solution through the Crown Commercial Service Framework Agreement RM1063 Lot 3.
2. That delegated authority is granted to the Monitoring Officer / Head of Legal and Democratic Services to enter into an agreement, if required, for a POC pilot.
3. That subject to the completion of a satisfactory POC pilot exercise, delegated authority is granted to the Monitoring Officer / Head of Legal and Democratic Services, in consultation with the Managing Director and the Leader, to award the contract and enter into a three year contract with an option to extend the contract for up to two further years.

Reasons for the Recommendations

1. To enable a POC pilot and tender arrangements to be undertaken via an appropriate procurement framework.
- 2&3 To allow the tender and award of the contract and to have an appropriate contract in place for the supply of a Hybrid Mail Solution.

Background

2. The Council has utilised procurement frameworks to appoint a supplier for the collection, transport and delivery of all its physical outbound 2nd Class mail since 2007 and currently processes annually circa 430,000 individual items of mail via this arrangement. Annual expenditure under the current contract arrangements is in the region of £140, 000 per annum (2nd Class). The Council also uses Royal Mail for the collection, transport and delivery of all its physical outbound 1st Class Mail, with

an annual expenditure in the region of £80,000 per annum. This expenditure is spread across the whole of the Council's services.

Relevant Issues and Options

3. Hybrid mail is mail that is delivered using a combination of electronic and physical delivery. In effect this means posting letters directly from a personal computer. This digital data is then transformed into physical letter items at a distribution print centre at a central location by the provider. Hybrid Mail does not completely replace a corporate postal service, as there is still a requirement for certain mail items which are not suitable for hybrid delivery to be posted.
4. The Council's major software systems will be tested for suitability and compatibility with the pilot solution. The solution should provide a greater level of information security given the decrease in paper handling.
5. Hybrid mail solutions will be capable of providing for multiple items to be grouped together where it is possible to do so, reducing postage costs and the number of items mailed. It is also possible, where there is a clear identifier or reference, to merge multiple items from different service areas into one mailing.
6. A desk top interface is provided which allows monitoring, and where applicable, recall of mail items before printing and mailing.
7. The key drivers for 'hybrid mail' are:-
 - Supports the Council's Digital Strategy;
 - Supports the EDRM (Electronic Document Records Management) programme by reducing paper output;
 - Increased security and reduced risk, given the reduction in paper handling;
 - Inform and support a future Print Management Strategy;
 - Potential reduction in the production of pre-printed stationery.
8. It is initially proposed to bring a hybrid mail solution in to the Revenues, Benefits, Planning and Electoral Registration Service areas to prove the concept and then subject to the POC to widen this across the Council.
9. It should be noted that there is currently a pilot scheme of the Cabinet Office hybrid mail solution of gov.uk notify service being undertaken by Electoral Registration. Notify provides a basil mail distribution service at low cost. The results of this small pilot and the use of other electronic communication tools (SMS, email) will be factored into the analysis of the main corporate pilot.

Resource Implications (Financial and Employment)

10. Actual savings will be dependent upon use of the solution and as such user training and compliance will be key factors in reducing overall expenditure. As in the case of existing postal contract arrangements, costs associated with the use of the hybrid solution will be recharged to user departments.
11. There is a potential for costs to be significantly reduced when compared to an in-house delivery model, with research showing costs may be reduced by up to 40%.

Sustainability and Climate Change Implications

12. It is expected that there will be a potential reduction in our carbon footprint.

Legal Implications (to Include Human Rights Implications)

13. Under the terms of the Framework Agreement, the supplier shall carry out pilots/trials of the goods and/or services as requested by a Contracting Body. Set up costs for any pilot shall not be charged. The duration of any pilots shall be agreed between the Contracting Body and the supplier at the Call-Off Agreement stage. Any pilot shall be for a minimum period of six months to prove the concept of the solution. The successful conclusion of these pilots shall not guarantee the award of a longer term business or a Call-Off Agreement by the Contracting Body.
14. Subject to the above, the Council will need to enter into a contract for the supply of a Hybrid Mail Solution incorporating the terms and conditions of a Crown Commercial Services Framework Agreement with the winning supplier.

Crime and Disorder Implications

15. There are no crime and disorder implications as a result of this report.

Equal Opportunities Implications (to include Welsh Language issues)

16. There are no Equal Opportunities implications as a result of this report.

Corporate/Service Objectives

17. This contributes to the Reshaping Agenda and associated savings generated with this project.

Policy Framework and Budget

18. This is a matter for Executive decision by Cabinet.

Consultation (including Ward Member Consultation)

19. No Ward Member consultation has taken place as a result of this report.

Relevant Scrutiny Committee

20. Corporate Performance and Resources.

Background Papers

Crown Commercial Services Framework Agreement RM1063 Lot 3.
www.gov.uk/notify

Contact Officer

Jeff Rees, Operational Manager, Democratic Services

Officers Consulted

Operational Manager - Legal Services
Procurement Officer

Responsible Officer:

Rob Thomas - Managing Director