

**CORPORATE SERVICES DEPARTMENT**  
Director – Caroline Holland



**Democracy Services  
London Borough of Merton  
Merton Civic Centre  
London Road  
Morden SM4 5DX**

**Direct Line: 0208 545 3357  
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*Date: 22 October 2021*

Dear Councillor

Notification of a Decision taken by the **Chief Executive and Director of Corporate Services**

The attached **Key decision** has been taken by the **Chief Executive and Director of Corporate Services**, with regards to the **Contract for the provision of preferred postal rates from Royal Mail** and will be implemented at **noon on Wednesday 27 October 2021** unless a call-in request is received.

The [call-in](#) form is attached for your use if needed and refers to the relevant sections of the constitution.

Yours sincerely

**Democracy Services**

## KEY DECISION TAKEN BY AN OFFICER UNDER DELEGATED AUTHORITY

See over for instructions on how to use this form – all parts of this form must be completed. Type all information in the boxes. The boxes will expand to accommodate extra lines where needed.

**1. Title of report**

Contract for the provision of preferred postal rates from Royal Mail

**2. Reason for exemption (if any)**

N/A

**3. Decision maker**

Chief Executive and Director of Corporate Services

**4. Date of Decision**

22/10/2021

**5. Date report made available to decision maker**

08/10/2021

**6. Decision**

**7. Reason for decision**

**8. Alternative options considered and why rejected**

Don't enter into a contract – would be non-compliant and costs would increase

Carry out our own procurement – would not benefit from economies of scale

**9. Documents relied on in addition to officer report**

**10. Declarations of Interest**

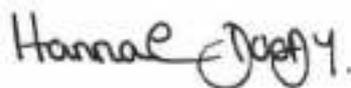
**11. Signature**

Signature



Date 22<sup>nd</sup> October 2021

Signature



Date 22<sup>nd</sup> October 2021

<b>To:</b>	Mark Humphries, Assistant Director Infrastructure & Technology
<b>From:</b>	Keith Bartlett, Print and Post Manager
<b>Date:</b>	24/08/2021
<b>Contract Name:</b>	Contract for the provision of preferred postal rates from Royal Mail
<b>Contract Value:</b>	Estimated £1,100,000, savings generated potentially 80k
<b>Contract Length:</b>	3 years + 1 year

**GATEWAY 2: FOR CONTRACTS BELOW £1,000,000**

The aim of this report is to provide OPG and the authorised officer, with key information about the procurement process undertaken to select a supplier for the goods or services outlined below. This report must be signed by the authorised officer prior to contract award - post approval by OPG (where total contract value exceeds £100,000) –to indicate that they wish to enter into contract with the preferred bidder.

This document contains information of a confidential and privileged nature and is intended for the exclusive use and benefit of the London Borough of Merton to record the award of a contract

<b>For Contracts below £2m - Is this report to go to PrB? If Y, please tick reason(s)</b>	
High risk project	
High Member interest / High public interest	
Multi-departmental project / cross organisational implications	
Concession / zero value contract	
Contract has carbon implications for/ impact on the Council	

## **1. Recommendation**

- i) To join the contract for preferred rates from Royal Mail
- ii) That you confirm your approval, or otherwise, by signing at Section 8

## **2. Background & Subject Matter of the Contract**

2.1 The contract with Royal Mail (RM) comes from the London Councils collaborating and placing an open tender for mail products. With downstream access companies now in the mail marketplace, RM were required to bid for the letters and packets business from London councils. As a result, LBM is able to get preferential mail rates from RM. Savings are available across a full range of services but as an example - a 22p reduction on a 1<sup>st</sup> class letter.

## **3. The Further Competition Process**

3.1 This procurement was a pan-London exercise available to all London local authorities, which was led and delivered by Royal Borough of Greenwich. All due diligence has been carried out by Greenwich.

## **4. Evaluation process**

4.1 The tender evaluation was carried out jointly by officers from Royal Borough of Greenwich and London Borough of Ealing following a further competition under the CCS 'Postal Goods, Services, and Solutions' framework agreement.

## **5. Financial implications**

5.1 There is no spend required from LBM to benefit from the preferred rates offered by Royal Mail.. LBM current benefits from preferential rates from a previous pan London councils tender. Royal Mail are honouring those rates in the interim period until the new agreement is in place but if LBM does not take advantage of this contract, the Council will lose these preferential rates and this will increase the

postage spend to the authority by an estimated £80,000 per year for the life of the 3 year contract, with option to extend by an additional year (3 +1 year contract). LBM's annual postage expenditure is currently:

<b>Year</b>	<b>Spend</b>
2017/18	£320,856.15
2018/19	£317,436.46
2019/20	£312,871.62
2020/21	£156,985.40
<b>Total</b>	<b>£1,108,149.63</b>

## **6. Benefits of the successful bidder**

6.1 All the bidders were analysed by Greenwich and Ealing Councils, RM's bid was successful primarily because their larger network infrastructure allowed them to offer the best rates across all services.

## **7. Legal implications**

7.1 This report recommends approval to award a contract following the conduct of a mini-competition under the Crown Commercial Services (CCS) RM6017 Framework Agreement, undertaken by the London Postal Services Board (LPSB) on behalf of Merton and other councils.

7.2 Prior to conducting the mini-competition, the LPSB assessed the framework agreement and satisfied itself that the framework agreement was properly procured under the Public Contracts Regulations 2015 and that it may be used by the LPSB to procure the services on behalf of Merton and other councils. The Council through its own diligence processes has also satisfied itself of the foregoing.

7.3 The Council may lawfully call off from this framework for the following reasons:

- It is a compliantly procured framework;
- it is current, and has 2 years left to run;

- the Council was been sufficiently identified in the contract notice as a potential awarding authority;
- the scope of services offered fall within the Council's requirements.

7.4 The contract governance and contract management call off provisions are sufficiently robust and have sufficient scope within the Order form to further refine the Council's requirements.

7.5 To avoid the risk of challenge, the Council must ensure that it follows the procedure laid down in the framework agreement for forming and entering into a call off contract.

7.6 When awarded, the contract must be entered in the Council's Contract Register.

## 8. Sign off and Comments

Department	Comments	Date	Signed
Commercial Services	Comments incorporated	23/08/2021	Alex Cook
Service Financial Adviser	Comments incorporated into report	27/8/21	Ellis Kelly
Legal	Included in the report.	26.08.21	Yana Sanderson

## 9. Approval

By signing by signing below I confirm that I approve;

- i) the award of the contract for the provision of preferred Postages rates from Royal Mail for 3 years

Name: Caroline Holland
Position: Director of Corporate Services
Date:
Signature:

## Merton Council - call-in request form

### 1. Decision to be called in: (required)

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### 2. Which of the principles of decision making in Article 13 of the constitution has not been applied? (required)

Required by part 4E Section 16(c)(a)(ii) of the constitution - tick all that apply:

(a) proportionality (i.e. the action must be proportionate to the desired outcome);	
(b) due consultation and the taking of professional advice from officers;	
(c) respect for human rights and equalities;	
(d) a presumption in favour of openness;	
(e) clarity of aims and desired outcomes;	
(f) consideration and evaluation of alternatives;	
(g) irrelevant matters must be ignored.	

### 3. Desired outcome

Part 4E Section 16(f) of the constitution- select one:

(a) The Panel/Commission to refer the decision back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns.	
(b) To refer the matter to full Council where the Commission/Panel determines that the decision is contrary to the Policy and/or Budget Framework	
(c) The Panel/Commission to decide not to refer the matter back to the decision making person or body *	
* If you select (c) please explain the purpose of calling in the decision.	

**4. Evidence which demonstrates the alleged breach(es) indicated in 2 above (required)**

Required by part 4E Section 16(c)(a)(ii) of the constitution:

**5. Documents requested**

**6. Witnesses requested**

**7. Signed (not required if sent by email): .....**

**8. Notes – see part 4E section 16 of the constitution**

Call-ins must be supported by at least three members of the Council.

The call in form and supporting requests must be received by 12 Noon on the third working day following the publication of the decision.

The form and/or supporting requests must be sent:

- **EITHER** by email from a Councillor’s email account (no signature required) to [democratic.services@merton.gov.uk](mailto:democratic.services@merton.gov.uk)
- **OR** as a signed paper copy to the Head of Democracy and Electoral Services, 1<sup>st</sup> floor, Civic Centre, London Road, Morden SM4 5DX.

For further information or advice contact the Head of Democracy and Electoral Services on 020 8545 3409