



DRAFT PORTFOLIO HOLDER DECISION NOTICE

PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE AND RESOURCES

TOPIC – REPLACEMENT OF ENVELOPING MACHINE

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Thursday 17 April 2008.

Contact Officers:

Case Officer: Paul Wood, Tel: 01962 848 318, Email: pwood@winchester.gov.uk

Committee Administrator:

Frances Maloney, Tel: 01962 848 155, Email: fmaloney@winchester.gov.uk

SUMMARY

The Council enveloping machine is ten years old and unable to meet the needs of a modern mail operation. The maintenance support contract will not be renewed by the supplier due to the difficulty in sourcing parts and the machine is increasingly unreliable with regular breakdowns. Currently only 35% of post is machine enveloped, the replacement will enable this to increase to 85% delivering efficiencies and freeing resource to move to document scanning as the EDRMS project rolls out.

The capital budget for 2008/09 includes £23,000 to replace this equipment, and the annual Revenue budget includes a sum of £3,500 for the maintenance and support costs for the enveloping machine.

PROPOSED DECISION

1. That a direction be made under the Council's Contract Procurement Rules 3.3 (1) to permit the replacement of the enveloping machine with the Pitney Bowes 1950.
2. That the project be approved under Financial Procedure Rule 6.4 – authority to release expenditure for capital schemes.

REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- Do nothing – Rejected due to impact on customer service and increased costs
- Lease a replacement machine – Rejected due to cost
- Purchase a replacement – Recommended option

Continued operation without support arrangements will present increased risk as breakdowns impact on customer service delaying documents getting to customers and increasing costs with temporary staff recruited to envelope manually.

Comparison of available equipment included cost, build quality, ease of use, throughput, durability and future development. The Pitney Bowes D1950 was chosen as the best value for money for Winchester City Council.

Machine	PFE Maximailer	Neopost DS86	Pitney Bowes D1950
Cost	£20073	£22550	£23000
Add on functionality	£761	£0	£0
Annual support cost	£3300 (First year included in cost)	£1998	£3256 (First year included in cost)
Leasing cost comparison			£9851.10 annually

FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE

N/A

DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED

None

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

N/A

Approved by: (signature)

Date of Decision

Councillor Frederick Allgood – Portfolio Holder for Finance and Resources