

Print Case Study

Project Background

OMBC determined to explore the options for the future of Print and its internal printing operation, known as PaGE.

Why JMCL

Following a tender exercise OMBC appointed JMCL Consulting (“JMCL”) to analyse and recommend the appropriate option. JMCL has an exceptional track record in Print, in Procurement and in Retain versus Outsource decisions together with the practical skills, experience and industry knowledge to implement solutions. JMCL has developed a unique and streamlined methodology honed on many similar assignments both in the public and private sectors

Overview of Methodology

- Understand internal operations, customer requirements & service levels
- Identify true costs, benchmark prices and performance
- Review the effectiveness of internal operations
- Identify total Council spend on Print outside of internal operations
- Identify and model options
- Present recommendations, implementation plan and business case

JMCL involved PaGE staff in all stages of the review, including benchmarking so there could be no question regarding its accuracy and integrity.

Findings

Existing customers were generally satisfied with the performance of the internal unit. However, sales were falling, a proportion of work was bypassing PaGE (with customers ordering directly from external providers) and PaGE itself was buying a significant proportion of its output from external providers with inconsistency in cost structures. There was no longer a strategic requirement for an in-house operation.

JMCL identified and modelled nine options and measured each option against the following pre-agreed criteria: Cost; Quality; Strategic fit; Time & ease of implementation; Risk of outcome

Approach – Tender

JMCL provided appropriate documentation, tender response analysis (including sensitivity analysis), marking and clarification support. EU Procurement Directives, Consultation Guidelines and TUPE Regulations were followed rigorously. A communications programme ensured that all staff and major customers were consulted and kept updated.

Through its extensive knowledge of the print industry JMCL ensured a healthy response to the tender resulting in a number of strong submissions. Through JMCL’s analysis, marking and clarification a clear preferred bidder emerged.

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Approach – Implementation

JMCL managed implementation including the HR and IT issues. In particular they were able to ensure that all the supplier’s promises contained in their submission were included in the contract, specifically the mechanisms to ensure adherence to tendered prices. Part of the specification called for a fixed price structure to enable cost control measures to be implemented and budgetary requirements satisfied.

JMCL’s experience enabled the efficient transfer of work from PAGE to the new contractor in a seamless fashion to ensure service delivery to customers remained unaffected.

Post Implementation

JMCL’s sourcing methodology ensures that minimum time is spent on transactional aspects of the contract post implementation and that Customers and Corporate Procurement are able to concentrate on value added activities.

Successes, Benefits Realised and Value Added

The project has proved to be a significant success, benefits and value-add include:

- Audited, annual savings of over £400k p.a. on costs of £1m p.a.
- Improved service and quality levels
- Improved environmental compliance and reduced carbon footprint
- Prices reconciled to the tender response ensuring forecast savings crystallise
- Improved brand policing and brand integrity
- Reduced OMBC commitment in management time and capital expenditure
- OMBC’s cost of print is now totally variable, based on demand, previously the majority of costs were fixed
- Released accommodation for other purposes
- Rationalised supplier base
- Simplified accounts payable procedure
- Transparency in spend on print enabling stronger control
- Standardised workflow processes

In addition the supplier has introduced and trained nominated users on an MI System which provides users with all the information they need on any particular job in real-time. It also provides on-line proof approval. The supplier has further provided its price calculator system so that trained users within the Council are able to cost jobs themselves in real-time. The supplier’s work with the Democratic Services function in producing Agendas and Minutes has improved the workflow significantly.

Customer Testimonial

OMBC Corporate Procurement has gone on record to confirm that:

The case study above is accurate in all aspects including the work done and benefits delivered. JMCL demonstrated the use of it’s retain versus outsource methodology within the context of the Procurement Directives. In addition their implementation methodology and category techniques ensured that the forecast benefits have been delivered.

Ian Claydon-Butler – Head of Corporate Procurement and formerly Director of the AGMA Procurement Hub further commented that:

“JMCL has worked with us and our Procurement team has benefitted immensely from the skills and knowledge transfer which they incorporate into everything they do. I would particularly draw the reader’s attention to the exceptional savings they delivered.”

Ian Claydon-Butler – Head of Corporate Procurement and formerly Director of the AGMA Procurement Hub