

Specification for the Lease of Franking Machines

*This Specification replaces  
NEW*

**Copy Number**

Effective

**04/10/17**

***Summary of Significant Changes***

N/A

***Purpose***

This specification defines the requirements of NHS Blood and Transplant hereafter referred to as NHSBT for the supply of Leased Franking Equipment and Services for franking to be delivered by Royal Mail

***Definitions***

**NHSBT** – NHS Blood and Transplant

**Essential:** Requirement that relates to issues of quality, safety or a minimum facility requirement

**Desirable:** A requirement that would provide a significant benefit to the service provided by NHSBT

***Applicable Documents***

**Appendix A:** Current schedule of franking machines and NHSBT sites

**Appendix B:** KPI Schedule for Franking Machine Contract

[MPD556](#) Supplier Management

[MPD790](#) Estate and Contractor Management

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### Introduction

NHS Blood and Transplant (NHSBT) is part of the National Health Service (NHS) and is responsible for the strategic planning, management and supply of donated blood in England, tissue products in England and North Wales and organs for transplant throughout the UK.

NHSBT operates from over ninety premises including:

- 13 Blood Centres
- Collections Team Bases
- Warehouses
- Donation suites
- Office accommodation

NHSBT is constantly reviewing its operations to ensure that it is best placed to serve the needs of patients, hospitals and donors.

[Appendix A](#) outlines the number and size of franking machines currently operated by NHSBT across the national portfolio.

The leases on all of the current equipment expire at the same time on the conclusion of the contract.

### NHSBT Requirements

#### Requirements for this Contract

The incoming Service Provider will need to assess the needs of the organisation based on throughput volumes, scope of service and other factors which affect the required output and offer a range of leased franking machines and support services to facilitate a tailored, robust, efficient and cost effective Postal Franking Service.

#### Leased Franking Machines:

The franking machines must be capable of effectively dealing with the volumes indicated for each site under Appendix A.

The machine recommendations made by the Service Provider must provide the most suitable service delivery for the scope and scale of post and package mailing at each location.

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The Service Provider must clearly set out and define the capability of each machine in respect of all aspects of operation and add-ons to support the choice of machine for each site. The Customer will work within the Crown Commercial Services RM1063 Postal Goods and Services framework and conduct a 'mini competition' to evaluate the most suitable Service Provider.

In particular, any requirements related to Customer IT interface or system requirements must be highlighted within the tender return

Ad-hoc routine tasks such as 'top ups', consumable ordering, logo changes, etc. must be cost effective, timely and customer friendly. **(Essential)**

The reactive service to respond to faults must comply with stipulated call out times as detailed below examples of which are: Priority one, total failure of machine preventing operation: Priority 2, intermittent faults / bulk scales not working where the equipment does work and causes no negative affect on NHSBT; Priority 3, anything else not affecting operational abilities to send franked mail. **(Essential)**

<p><b>Priority One:</b> within 24 hours of receipt of call <b>Priority Two:</b> within 5 working days of receipt of call <b>Priority Three:</b> within 10 working of receipt of call</p>
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Invoicing must be prompt with full and adequate narrative associated with each document. Changes must be actioned promptly define and invoices must be issued to the correct Customer contact point and address as stipulated. **(Essential)**

A Contract Manager must be appointed by the Service Provider who will be the primary point of contact for the duration of the contract and must attend Quarterly meeting and have a good understanding of the Customer needs. Written Reports must be well constructed, adequate and submitted in a timely manner. The Contract Manager must provide specialist advice and guidance in the sector of franking and post generally and must actively promote constructive and deliverable innovation throughout the contract. Effective communication for the duration of the contract is considered to be a key benchmark for the success of the contract by the Customer. **(Essential)**

Mobilisation must be efficient and seamless with the same criteria expectation applicable in terms of demobilisation. The Service Provider will provide an implementation plan. **(Essential)**

The Service Provider must maintain a current and adequate database for the contract at all times and this must be made available to the Customer when directed. **(Essential)**

The Service Provider must be able to provide specialist and strategic advice in all aspects of the contract as part of the service. **(Essential)**

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The Service Provider must stipulate any IT connectivity required to support any enhanced functionality associated with their bid. *(Desirable)*

### **Contract Manager:**

The Service Provider will nominate a dedicated Contract Manager who will be familiar with the contract and will attend the Customer meetings on a consistent basis. The Contract Manager will produce the reports required by the Customer and will forward these a minimum of 3 working days before each meeting to ensure the Customer has an opportunity to review the data and consult with colleagues nationally within NHSBT in advance of the formal meeting.

The effectiveness of the liaison and communication by the Contract Manager is considered by the Customer to be a key benchmark for the success of the contract.

### **Mobilisation:**

The Service Provider must provide a written and detailed mobilisation plan which sets out the timescales for the changeover of the machines at each site. If the machines are delivered to the sites directly, in advance of the Technician attending site to set up the machine, then this must be conveyed concisely to each site Customer Contact with an expected delivery date, etc.

The Service Provider must indicate their precise requirements in terms of power / data, etc. and at what stage the machines will be fully operational and any associated actions which the Customer will need to take in terms of registration, etc. between installation of the equipment and full operation.

It is the intention of this contract that there is a seamless transition into the new contract and that, if required, the incoming Service Provider will undertake to liaise with the outgoing Service Provider.

### **Sustainability:**

The Service Provider must identify and set out their credentials in terms of sustainability for the contract. This will range from disposal of packaging through to sourcing of materials, recycling considerations, energy usage of machines and other initiatives. The Service Provider will undertake recycling of any appropriate consumables. This will be taken into account as part of the tender panel considerations in the appointing of the successful Service Provider *(Desirable)*

### **Maintenance:**

The Service Provider must set out a full schedule of maintenance for the equipment as required. This must stipulate what frequency the tasks will be undertaken and will furthermore identify the week in which each visit will be taken for each site for the duration

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of the contract. Down time must be kept to a minimum with spares available for repairs as per Priority call outs. (**Desirable**)

The tasks to be undertaken at each visit will be clearly set out and itemised. A signed worksheet will be left on the conclusion of each visit to confirm the completion of the checks and to highlight any issues or remedial action required. If repairs are necessary or recommended and attributable to the Customer, a full breakdown of costs will be prepared at the time of the visit or within a maximum of 4 working days of the visit before commencing any chargeable activity.

#### **Breakdowns:**

The Service Provider must identify their process for receiving Customer requests for dealing with call outs for equipment malfunctions, amendments, upgrades, etc. and response times

Due to the nature of the correspondence issued by NHSBT it is important that any reactive calls are managed and responded to promptly.

The call criteria will be as an example but not restricted to - Priority one, total failure of machine preventing operation: Priority 2, intermittent faults / bulk scales not working where the equipment does work and causes no negative affect on NHSBT; Priority 3, anything else not affecting operational abilities to send franked mail.

<b>Priority One:</b> within 24 hours of receipt of call
<b>Priority Two:</b> within 7 calendar days of receipt of call
<b>Priority Three:</b> within 14 days of receipt of call

In all instances the continuity of the service for the Customer is paramount and full operational capacity must be reinstated within 48 Hours from time of initial call.

The Customer will have the right under the contract to ask for any piece of equipment which has repeat faults which are affecting the operational effectiveness of the service to have the machine or equipment replaced at the Service Provider cost without invoking any penalty, disadvantage or residual changes.

#### **Consumables:**

The full cost of any consumables must be set out at the time of tender along with lifecycle expectations so that a true running cost of the franking machine and consumables for the duration of the contract can be determined. Worked examples can be provided by the Service Provider to exemplify the total running cost and this will be taken into account as part of the evaluation to ensure overall 'value' is understood by the Customer.

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Ink Cartridge and Label costs must be provided for each machine along with any other consumable required for the operation of the equipment.

### **Top Ups:**

The process for topping up the postal allowance for the machines will be clearly set out in writing. The Customer will set out the values of each separate top up amount for each site which will be circa 1/6<sup>th</sup> of the annual spend. Whilst, historically, this has been paid in advance into a holding fund with the Service Provider, a process where payments are made as required would be considered under this contract.

Any charges levied by the Service Provider for top ups must be clearly stipulated for the duration of the contract and will form part of the Customer evaluation of tenders.

The top up process must be Customer friendly.

If there are any issues which may delay the top up of a machine at any of the Centres and put at risk the timely issue of NHSBT post, the Service Provider must ensure that all measures are taken to facilitate the service and short term payment delays will not be considered as adequate reason to block or prevent the top up process.

### **Invoicing:**

Invoicing will be in arrears and will be monthly. This will be agreed as part of the Mobilisation program.

A single invoice will be provided for the main contract sum and will be supported with a site by site breakdown of costs. Any variance in the charge from period to period will be highlighted.

A dedicated contact point within the Service Provider organisation will be identified for invoice queries although the Service Provider Contract Manager will retain overall responsibility in all instances.

Invoices for consumables, top ups or other services will be monthly and will be addressed to the Customer Contact at each respective site and will clearly set out a breakdown of items claimed which will correspond with contract rates. Any misdirected or incorrect invoices will be returned to the Service Provider.

Invoices must clearly state the Purchase Order number.

### **Complaints / Service Failures and Compliments**

Where the overall service, ranging from equipment issues – such as machine supply, maintenance and breakdowns, through to supporting services such as consumable issues

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– such as poor quality / lack of consumables provision in a timely manner through to delays to upgrades, top-ups etc. will be deemed complaints or service failures and will be formally documented by the Customer. When these are reported to the Service Supplier there must be a documented response within 48 hrs / 2 working days with the reason for the failure and planned or and or actioned rectification with close out of the issue within 20 working days including full corrective action.

Performance of complaint / service failure handling and the reasons for them will form part of the regular report and Key Performance Indicators.

### **Reporting:**

A periodic written report will be provided quarterly by the Service Provider but contain monthly data to allow comparison. This will contain the following information, as a minimum, and must be concisely set out and supportable: -

- An up to date contract schedule of all franking machines which, in addition to the information contained in Appendix A, will contain annual lease & maintenance costs per machine
- A schedule of ad hoc charges for consumables, top ups and other charges on a site by site basis
- Any variations to the monthly charge will be identified
- A schedule of any unpaid invoices
- Any items related to innovation which have been put forward by the Service Provider
- An itemised schedule of Call Outs which will include compliance / non-compliance data with priority
- An Actions Log related to any actions attributable to the Service Provider via Customer Quarterly Meetings or any particular issues or complaints logged in the quarterly period

In addition to the Quarterly Reports, the Service Provider will attend an Annual Performance Review. The Service Provider will produce a report which reviews performance against all criteria for the full contract year and will include an analytical trending analysis of all aspects of contract delivery and will set out expectations for the forthcoming year. NHSBT Procurement will also attend and will require data on Company Accounts, Insurances, etc.

### **Innovation and Advice:**

The Service Provider will be expected to deliver innovation, not only through the tender process, but throughout the duration of the contract. With an overriding need to reduce costs on the part of NHSBT as a government organisation, the Service Provider will contribute proactively towards innovation and best value which will be on a practical operational level, taking a wider Royal Mail / postage perspective in the marketplace and also on a strategic level, providing best advice to meet NHSBT future organisational need.

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**User Guide:**

The Service Provider will produce a Customer User Guide which will include advice on Service Provider contacts, placing Call Outs, top up procedures, consumable ordering, maintenance, clean mail and other process guidance, etc. as part of mobilisation. This document will be kept updated and refreshed as required and as a minimum will be reviewed as part of the Annual Contract Review. This document should be version controlled, with the Service Provider notifying NHSBT of any version changes.

**Key Performance Indicators:**

A set of contract KPIs are attached at [Appendix B](#). These are a range of measurable criteria which will be applied quarterly to reflect the performance of the Service Provider.

Failure to meet the minimum acceptable performance standard of 80% will result in a deduction of 5% from the value of the invoices for the 'quarter' where the failings occurred.



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#### Appendix A

LOCATION	ADDRESS	Meter Number	Machine Type	PBP Account No.	Annual Postage Budget	Cost Centre
Leeds	Leeds Bridle Path, Seacroft, <b>LS15 7TW</b>	5556795	Connect+2000	Connect+2000	30000	65060
Manchester	Plymouth Grove, Manchester, <b>M13 9LL</b>	5556998	Connect+2000	Connect+2000	15000	65080
Birmingham	Vincent Drive, Edgbaston, Birmingham, <b>B15 2SG</b>	5556842	Connect+2000	Connect+2000	35000	65010
Newcastle	Holland Drive, Barrack Road, Newcastle-upon-Tyne, <b>NE2 4NQ</b>	5556927	Connect+2000	Connect+2000	25000	65090
Filton Bristol	North Bristol Park, North Way, Filton, Bristol, <b>BS34 7QH</b>	5556822	Connect+2000	Connect+2000	65000	65035
Sheffield	Longley Lane, Sheffield, <b>S5 7JN</b>	5556798	Connect+2000	Connect+2000	35000	65130
Liverpool	14 Estuary Banks, Speke, Liverpool, <b>L24 8RB</b>	5556929	Connect+2000	Connect+2000	25000	65075
Southampton	Coxford Road, Southampton, <b>S016 5AF</b>	5556931	Connect+1000	Connect+1000	15000	65150
Cambridge	Long Road, Cambridge, <b>CB2 0PT</b>	5556802	Connect+2000	Connect+2000	20000	65040
Tooting	75 Cranmer Terrace, Tooting, <b>SW17 0RB</b>	5557164	Connect+2000	Connect+2000	40000	65140
Watford	Oak House, Reeds Crescent, Watford, Hertfordshire, <b>WD24 4QN</b>	7163417	DM220i	DM220i	13000	65160
Colindale	Colindale Avenue, Colindale, London, <b>NW9 5BG</b>	5556806	Connect+2000	Connect+2000	28000	65100
Oxford	John Radcliffe Hospital, Headington, Oxford, <b>OX3 9BQ</b>	5556803	Connect+1000	Connect+1000	18000	65110

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#### Appendix B

##### Key Performance Indicators

Site:			Date:		
No	KPI	Expectation	Insert Marking	Weighting Multiplier	KPI Mark
1	Contract Meetings	Service Provider Representative to attend pre-planned contract meetings and to have good understanding of the contract	4	4	16
2	Contract Reports	Service Provider reports must be factual, comprehensive and submitted in a timely fashion	4	5	20
3	Consumables	Timely response to requests for consumables / value for money / customer friendly service	4	5	20
4a	Complaints/ Service Failures & Compliments	Verifiable complaints will be logged with the Service Provider.	4	5	20
4b	Complaints/ Service Failures; close out	Complaints to be responded to within 48 hours / 2 working days and closed out within 20 working days including full corrective action	4	5	20
5a	Reactive Response; P1	All emergency calls are responded to by a competent person within <b>Priority 1</b> limitations	4	6	24
5b	Reactive Response: P2 & P3	All emergency calls are responded to by a competent person within <b>Priority 2 &amp; 3</b> limitations	4	3	12
6	Financial Performance; invoice quality	Invoices to be presented in an agreed format with supporting evidence as required for each service or reactive visit. Contract invoice to include appendix with breakdown of costs for each individual site.	4	5	20
7	Financial Performance; invoice submission	Invoices must be submitted within 14 days of due date	4	3	12
8	Top Up Process	Any delays in the top up of the Franking Machines which are attributable to the Service Provider and which affect the issue of post	4	5	20
9	Innovation	Regular innovation and advice on usage and developments within the Royal Mail / postage sector	4	5	20