

2.2 Deputy M.R. Higgins of the Minister for Treasury and Resources regarding the managed print service tender process:

Does the Minister believe that the managed print service tender process was well handled and that the contract entered into with Danwood represents the best value for the Jersey taxpayer and, if so, would he please explain to the Assembly why?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

Yes, this process I believe has been well handled. A competitive tender process began in 2008 with adverts appearing in the *J.E.P. (Jersey Evening Post)* and the *Official Journal of the European Union*, which is the official notification system for public procurement projects. Supplies were shortlisted using a pre-qualification questionnaire which required tenderers to have a Jersey-based support. A thorough procurement process followed, including site visits, detailed site surveys and installing a trial device at a pilot site. Suppliers were scored on 3 elements: their technical response, user feedback and commercial arrangements, of course, including price. On this criteria Danwood Jersey offered the best value and was selected as the preferred supplier. This is one of the important procurement savings which is designed to deliver £6 million worth of savings for the Assembly by 2013. The States were spending £1.6 million on printing, we think, and the target is to deliver £250,000 worth of saving. The aims of the arrangements are also to reduce the amount of printing devices in the States. There are currently 2,600 devices and the aim is to reduce them to around 1,000, also to reduce the number of the types of device from currently 700 devices to a standardised number of 12. Also to provide better information and to reduce pay per use, quite apart from time and energy costs. Early indications show that print volumes themselves are falling. I saw a report yesterday which showed that in certain sites they are down by 39 per cent for mono printing and 65 per cent for colour. There are, of course with all changes, a number of individual sites where the benefits are not yet fully being realised, but these will be resolved with staff training and working with the supplier.

2.2.1 Deputy M.R. Higgins:

Will the Minister tell the Assembly whether an internal or external report has been carried out into this contract by the Treasury and, in particular, into copy charges and capital outlay, following concerns in States departments who say that savings have been deducted from their budgets but no savings have been proved? Will he please tell the States what this internal survey has revealed?

Senator P.F.C. Ozouf:

The Treasury, of course, carries out monitoring of reviews of all important areas and indeed the whole procurement area is an important aspect whereby we are trying to remove £6 million from departmental budgets and sometimes departments. The experience of other transfers of money from setting up corporate departments of course has revealed that sometimes departments are unwilling to give up those budgets. Treasury has to prove that those savings are realised. Yes, there has been a report and I reviewed a draft of it with the Treasurer last night, and I am very pleased with the process and the progress of this whole project. It is reorganising the way that printing, which is an expensive commodity in the States, is being delivered. Yes, there are going to be some departments that do not agree but, frankly, the amount of devices in the States, energy saving costs, paper saving costs, enabling users to understand what they are spending in terms of their printing, is the way that we are delivering savings. Actually the £250,000 target I think is probably a lot bigger when taking management time and all the other costs associated with it.

2.2.2 Senator S.C. Ferguson:

The Minister is aware that Danwood is a local subsidiary, somewhat manufactured of a U.K. (United Kingdom) firm; why was no action taken to encourage local suppliers to join in a consortium?

Senator P.F.C. Ozouf:

As I understand it, as with all procurement, there were. Indeed there have been some excellent working relations with Economic Development and Procurement to raise the game of local suppliers in order that they may sometimes join forces and deliver their opportunity of delivering the public better value for money. On this occasion a local supplier was not chosen.

2.2.3 Senator S.C. Ferguson

Supplementary, Sir? Given that up until recently the Treasury had no idea of the cost of printing, will the Minister supply and circulate an analysis of the overall transaction to demonstrate that it is value for money, because there are grave doubts about that.

Senator P.F.C. Ozouf:

I am afraid to say that I think Senator Ferguson doubts quite a lot of the things that I say, but I am afraid [**Laughter**] to say that I am very confident about the ability of the procurement and the Treasury to deliver savings. Let us just consider again the States of Jersey had 2,600 printing devices. We are reducing that to 1,000. We are cutting the amount of devices from 700 different types of printers and fax machines and copiers to 12. That is saving huge amounts of effort and time of individuals of their departments. I would imagine that the Senator should be encouraging the Treasury to deliver this kind of savings and no, we did not know the full cost of savings because of course you do not know how much Health or T.T.S. (Transport and Technical Services) is going to be spending on management time wasted on printer devices, energy costs of printers left on, *et cetera*. But we do now have a handle on it and I would hope that she would celebrate such a marvellous successful project so far.

Senator S.C. Ferguson:

I would like the evidence.

2.2.4 Deputy T.M. Pitman:

I am still shocked that anyone would doubt the word of the Minister for Treasury and Resources. The Minister mentioned a figure of a drop of 39 per cent, I think. Could he advise the Assembly on this because is it not a fact that, certainly from what I have been fed back from within E.S.C. (Education, Sport and Culture), the reality has been that the company has not been able to supply some services and materials that it should have done, which has left schools struggling. If that is what is contributing to this 39 per cent drop, that cannot be a good thing. I would ask and hope that the Minister agrees with me.

Senator P.F.C. Ozouf:

I completely agree. Hopefully I have saved on some printing costs myself and used for the first time an iPad to answer my question this morning, so perhaps it is through technology that we can stop printing. But we do need to save paper. It costs money. I think the target of removing 20 per cent of the costs of the number of prints that are done certainly can be easily achieved.

[10:00]

Certainly, as our schools become more involved in I.T. (information technology) as we roll out new technology with the Minister for Education, Sport and Culture and his team, there are going to be huge savings that are going to be taken for that. The Deputy is right, some schools have struggled with some of the new arrangements but the best endeavours of the Procurement Department are being put to help those schools deal with it and also to remove their own costs, which is better for everybody.

2.2.5 Deputy R.G. Le Hérissier of St. Saviour:

There has been in the last few years an outbreak of very glossy publications extolling the weaknesses... sorry, the achievements of our many government agencies. These have clearly cost a lot of money. Is it the Minister's intention to persuade people to move more of these to the internet and, secondly, how many Jersey jobs have been created by this Jersey-based company?

Senator P.F.C. Ozouf:

I do not know the answer to that last question but I will endeavour to find out. I would not want to stop printing of glossy publications when they are as good as the St. Martin's magazine [**Members: Oh!**] that has been put in Members' desks and all the parishes that do their magazines. They are great because not everybody has got a tablet. But of course the Deputy is correct when he says that there has been a rooting out of States departments doing glossy self-promotion, and I think there has been far less of them that are appearing in the boxes that we pick up in our areas but of course we all need to be moving to tablets because it is a lot cheaper.

2.2.6 Deputy G.P. Southern:

Can I just clarify that Danwood is the beneficial owner and non-local and therefore it is zero-rated and is generating no tax for the States of Jersey?

Senator P.F.C. Ozouf:

Yes, that is correct, and there is nothing new about that. I will be making some proposals in relation to non-financial services in the Budget, as I promised a number of months ago. There is no scoring of points in relation to that, and the States of Jersey must get best value having regard to customer service and all other matters. We should not be protectionist. That is the way that we will not deliver our savings.

2.2.7 Deputy M.R. Higgins:

I was very pleased to see the Minister for Treasury and Resources so confident about this particular contract. I hope that the Minister for Treasury and Resources will give an undertaking that if it is discovered the tender process was seriously flawed, and if this contract is not generating the savings that he believes it is creating, that he will resign?

Senator P.F.C. Ozouf:

Let us be clear on a couple of things. Ministers and this Assembly set policy and it is for our departmental officials to implement policy. I expect the highest standards in all of my departments, with my Assistant Minister and I am confident in the Procurement Department. If there are issues that would come to light in relation to any aspect of our administration we would take action. In this case, for once, I would ask the Deputy to say: "Is it not a good thing that we are trying to save money and deliver better value for money" rather than simply carping at me and asking for me to resign.

Deputy M.R. Higgins:

Does that mean another civil servant will go?

Senator P.F.C. Ozouf:

Can I ask the Deputy to withdraw that? I think that there was a personal remark in relation to me which was inappropriate.

The Bailiff:

I am sorry, I did not quite hear it.

Deputy M.R. Higgins:

The Minister was so confident in this thing here he says he sees no need to resign. I just asked if that would mean another civil servant will be going because there are flaws in this contract.