

**REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD299**

**Title: TfL posting and Qmuli costs, 1 April 2015 - 31 March 2016**

**Executive Summary:**

To assist the GLA in running cost-effective marketing communications campaigns, Transport for London (TfL) provides the GLA with a package of value-in-kind inventory/media space, which comprises posters on the London Underground, print advertising in the Metro newspaper, digital advertising on Journey Planner, leaflets in London Underground stations, bus shelter posters and carriage cards on the DLR. There are posting and distribution costs associated with the leaflets, bus shelter posters and DLR cards and the GLA is required to pay Transport Trading Limited.

The GLA also has an ongoing requirement to deliver adverts to newspapers and magazines and does so via Qmuli's management, production and delivery service.

**Decision:**

The Assistant Director approves:

- Expenditure of up to £45,158 towards posting and distribution costs of the Transport for London inventory and media space and £800 for the posting of adverts to newspapers and magazines via Qmuli's management, production and delivery service in 2015/16; and
- A related exemption under the GLA's Contracts & Funding Code from the requirement to seek three or more written quotes for services with a value between £10,000 and £150,000.

**AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:**

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Emma Strain

**Position:** Assistant Director of External Relations

**Signature:**

**Date:**

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 The GLA runs marketing communications campaigns to help ensure Londoners are aware of the work of the Mayor of London, London Assembly and City Hall so that they are able to access the associated benefits. Examples of campaigns include Team London, so Londoners know how to access volunteering opportunities via the Team London website and Gigs, so young Londoners can enter the Mayor's annual busking competition and Londoners can vote for their favourites.
- 1.2 In order to assist the GLA in running cost-effective marketing communications campaigns, TfL provides the GLA with a package of value-in-kind inventory/media space, which comprises posters on the London Underground, print advertising in the Metro newspaper, digital advertising on TfL's Journey Planner, leaflets in London Underground stations, bus shelter posters and carriage cards on the DLR.
- 1.3 This advertising space is extremely valuable to the GLA and reaches many Londoners. The GLA is only required to pay Transport Trading Limited the following posting costs for the bus shelter posters, DLR cards and leaflets, as the advertising space itself is provided free of charge:  
  
Posting costs:
  - Bus - £8,652 per posting (x4) (£34,608 per year)
  - DLR - £950 per posting (x4) (£3,800 per year)
  - Leaflets - £450 per posting (x15) (£6,750 per year)
  - Total cost to GLA: £45,158
- 1.4 In addition, the GLA has an ongoing requirement to deliver adverts to newspapers and magazines and does so via Qmuli's management, production and delivery service. The cost for a year is £800, based on twenty reproduction charges at £40 each.
- 1.5 £45,158 will be paid to Transport Trading Limited and £800 will be paid to Qmuli in 2015-16 initially from the Marketing Team budget. These costs will be reimbursed to the Marketing Team by each project team that utilises the TfL inventory and Qmuli services.
- 1.6 Officers acknowledge that under section 4 of the GLA's Contracts and Funding Code contracts for services between £10,000 and £150,000 should be procured by seeking at least three written quotations. However, section 5 of the Code also provides that an exemption from this requirement may be approved where there are a limited number of suitable suppliers. The media value of the leaflets, bus shelter posters and DLR cards is considerably higher than the production costs, when compared to buying the same services through a media agency for each posting. The bus shelter posters reach 58% of Londoners and the DLR cards reach 2.2%. Therefore we are delivering considerable value for money and reaching a greater percentage of Londoners through using TfL's media space inventory and paying only the posting costs.
- 1.7 Here, as TfL owns the media space inventory and works directly with their "posting" supplier, Transport Trading Limited is the only supplier able to provide the services in question.
- 1.8 Accordingly, an exemption from the requirements of section 3.6 is sought under this ADD.

## **2. Objectives and expected outcomes**

- 2.1 The objective is to enable the GLA to utilise the value-in-kind inventory/media space from TfL to complement its marketing campaigns. In addition, Qmuli's management, production and delivery service is required to deliver adverts to newspapers and magazines. For 2015-16 the costs totalling £45,158 will be paid via the 2015-16 Marketing Team budget to ensure payment to Transport Trading Limited and Qmuli is swift and efficient.

## **3. Equality comments**

- 3.1 The construction of all GLA marketing campaigns take into consideration the audience for which the campaign is aimed at. In every case, materials are assessed to ensure they are fully accessible and in line with the public sector equality duty.

## **4. Other considerations**

### a) Key risks and issues

- 4.1 The risk of not organising payment in this way is reduced efficiency as the GLA would be required to raise separate purchase orders for every project, which is time consuming and not a good use of resource.

### b) Links to Mayoral strategies and priorities

- 4.2 Resources' objectives in the GLA business plan 2013/14 to 2015/16 include:
- deliver value for money and effective corporate services
- 4.3 This financial arrangement will ensure resources are used efficiently and the GLA demonstrates value for money for Londoners.

### c) Impact assessments and consultations

- 4.4 This arrangement worked well in 2014/15 for the GLA policy teams so will be replicated again in 2015/16.

## **5. Financial comments**

- 5.1 Approval is being sought for expenditure of up to £45,158 towards posting costs of the Transport for London inventory and media space and £800 for the posting of adverts to newspapers and magazines via Qmuli's management, production and delivery service in 2015/16.
- 5.2 These costs are to be met initially by the 2015/16 Marketing Team budget (External Affairs Directorate), with project teams across the GLA who utilise these services for their own events/projects reimbursing the Marketing Team budget when each posting is completed. Each project for which these services are to be used will be subject to the GLA decision making process and appropriate approval.
- 5.3 All appropriate budget adjustments will be made.
- 5.4 Any changes to this proposal including budgetary implications will be subject to further approval via the Authority's decision making process.

- 5.5 The Marketing Team within the External Relations Unit (External Affairs directorate) will be responsible for managing these contracts and ensuring compliance to the Authority's Financial Regulations and Contracts and Funding code where applicable.

## **6. Legal comments**

- 6.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act') the GLA, after appropriate consultation, is entitled to do anything that will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment.
- 6.2 Furthermore, section 34 of the Act allows the GLA, to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In this case, the decision relate to the GLA's incurring expenditure in order to ensure that it has the facility to make Londoners aware of its policies and projects. To this end, the proposed action may be viewed as being calculated to facilitate all of the GLA's principal functions.
- 6.3 Paragraph 4.1 of the GLA's Contracts and Funding Code (the "Code") requires the GLA to seek three or more written quotes or to call off from an available framework for a contract with a value between £10,000 and £150,000. The value of the expenditure with Transport Trading Limited is £45,158. Accordingly, the requirement to seek three or more written quotes or to call off from a framework applies to the said procurements, unless grounds exist to support an exemption from the requirements of the Code.
- 6.4 Paragraph 5.4 of the Code lists the grounds upon which the Director may authorise an exemption from the requirements of the Code. The officers have set out in this report the bases, upon which the exemptions are sought. To this end, the assistant director may approve the exemptions, if she be so minded.

## **7. Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
Procurement of contract	n/a
Announcement	n/a
Delivery Start Date	April 2014
Final evaluation start and finish (self)	March 2016
Delivery End Date	March 2016
Project Closure	March 2016

### **Appendices and supporting papers:**

None

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

**Part 1 Deferral:**

**Is the publication of Part 1 of this approval to be deferred? NO**

If YES, for what reason:

Until what date: (a date is required if deferring)

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer  
to confirm the  
following (✓)

**Drafting officer:**

Patora Dyrma has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

**HEAD OF GOVERNANCE AND RESILIENCE:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature:**

**Date:**