

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD186

**Title: TfL posting and Qmuli costs, 1 April 2014-31 March 2015**

### **Executive Summary:**

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 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 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 of External Relations approves:

- Expenditure of £38,990 towards Transport Trading Limited's bus, DLR and leaflet posting costs and £600 for the posting of adverts to newspapers and magazines via Qmuli's management, production and delivery service in 2014/15
- A related exemption from the requirements of the GLA's Contracts & Funding Code so that the GLA may procure the bus, DLR and leaflet posting directly from TfL's subsidiary, Transport Trading Limited.

### **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:** 25 April 2014

## **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 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.
- 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 leaflets, bus shelter posters and DLR cards, as the advertising space itself is provided free of charge:
- Posting costs:
- Bus - £7,300 per posting (x4) (£29,200 per year)
  - DLR - £920 per posting (x4) (£3,680 per year)
  - Leaflets - £470 per posting (x13) (£6,110 per year)
  - Total cost to GLA: £38,990
- 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 £600, based on 20 x £30 reproduction charges.
- 1.5 £38,990 will be paid to Transport Trading Limited and £600 will be paid to Qmuli in 2014/15 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 3.6 of the GLA’s Contracts and Funding Code contracts for services between £5,000 and £125,000 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 2014-15 the costs totalling £39,590 will be paid via the 2014-15 Marketing Team budget to ensure payment to Transport Trading Limited and Qmuli is swift and efficient.

## **3. Other considerations**

### a) Key risks and issues

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

Resources' objectives in the GLA business plan 2013/14 to 2015/16 include:

- deliver value for money and effective corporate services

This financial arrangement will ensure resources are used efficiently and the GLA demonstrates value for money for Londoners.

### c) Impact assessments and consultations

This arrangement worked well in 2013/14 for the GLA policy teams so will be replicated again in 2014/15.

## **4. Financial comments**

- 4.1 Approval is being sought for expenditure of £38,990 towards posting costs of the Transport for London inventory and media space and £600 for the posting of adverts to newspapers and magazines via Qmuli's management, production and delivery service in 2014/15.
- 4.2 These costs are to be met initially by the 2014/15 Marketing Team budget, 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.
- 4.3 All appropriate budget adjustments will be made.
- 4.4 Any changes to this proposal including budgetary implications will be subject to further approval via the Authority's decision making process.
- 4.5 The Marketing Team within the External Relations Unit (External Affairs directorate) will be responsible for managing these contracts and ensuring compliance with the Authority's Financial Regulations and Contracts and Funding code where applicable.

## 5. Legal comments

### Power to Undertake the Requested Decision

- 5.1 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.
- 5.2 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 the instant case, the incurring of expenditure in order to run part of the GLA's marketing and communications campaign may be viewed as being calculated to facilitate and conducive and incidental to all of GLA's various functions.

### Exemption from the Contracts and Funding Code

- 5.3 The officers propose to procure £38,990 worth of advertising services from TfL's subsidiary, Transport Trading Limited, without prior competition. Section 3.6 of the GLA's Contracts and Funding Code (the "Code") requires that the GLA seek three or more written quotations or make a call off from an accessible framework for procurements with a value between £5,000 and £125,000. However, section 5.4 of the Code also provides that an exemption from this requirement may be justified on the basis that a limited number of suitable suppliers exists. As set out in paragraph 1.6, in order to ensure that the GLA secure value for money, the officers report that they have gone through the exercise of comparing the prices of advertising space obtained from Transport Trading Limited with the cost of similar advertising services obtained from the private sector. The officers report that, if the private sector were to provide such services, the cost would be considerably higher. In light of the officers' justification, the assistant director may approve the decisions, if she be so minded.

## 6. 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/external)	31 March 2015
Delivery End Date	31 March 2015
Project Closure	31 March 2015

### **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:**

Kelly McMorran Barnard 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:**