

REPORT TO: Executive Board Sub Committee

DATE: 9 September 2010

REPORTING OFFICER: Strategic Director, Resources

SUBJECT: Extension of Contracts and Waiver of Standing Orders

WARDS: Borough-Wide

1.0 PURPOSE OF THE REPORT

To request the Executive Board Sub Committee agree to waive standing orders and agree to extend the current Northgate@work & Northgate's Docs on Line contract for a further 5 years.

2.0 RECOMMENDED:

(1) That the Operational Director, Finance in consultation with the Portfolio Holder for Resources be authorised to extend the contract for the scanning and indexing of images for the Revenues and Benefits Division to the contactor Northgate Information System at a cost over 5 years of £240,000, and the annual maintenance contract for a cost over 5 years of £30,725.

(2) That, for the purposes of Contract Standing Order 1.6, approval be given on this occasion to the waiver of Standing Orders 3.1 to 3.7 and Procurement Standing Order 4 in light of the exceptional circumstances under the following provisions:

- **Standing order 1.6a, as Northgate is the only provider of a remote scanning and indexing service.**
- **Standing order 1.6c, as the existing system has been operating successfully for 10 years and any new supplier would involve the Council in substantial set up and installation costs.**
- **Standing order 1.6d, as Halton Borough Council has been a reference site for Northgate@work. Due to this relationship Halton Borough Council has been able to negotiate favourable terms for the extension of the contract, which would not be available on the open market.**

- **Standing Orders 1.6e as the provision of a remote scanning and indexing of documents can only be provided by Northgate Docs on Line.**

3.0 SUPPORTING INFORMATION

3.1 Business Case:

The Revenues & Benefits Division successfully implemented Anite@work (now know as Northgate@work), a document managing and workflow system, in January 2001. The contract was extended in 2006 and the current contract expires in January 2010. It is an integral part of the work process of the Division. Northgate@work is the market leader in the supply of document imaging systems to local government, in particular in the field of Revenues and Benefits.

One of the advantages of Northgate@work is they offer a remote scanning and indexing service. This service has been used successfully during the course of the Northgate@work contract and is only offered by Northgate. In 2001 it was determined that it was more cost effective for the Council to outsource this specialist operation and provision was made in the budget to accommodate this service. As the Northgate@work contract is to be extended then it is necessary to extend the Docs on Line contract at the same time.

Anite are registered under SCAT and Northgate have agreed that we can renew using SCAT protocol.

Other factors for recommending Northgate include:

Value for Money

- Northgate are the market leader to Revenues & Benefits with over 155 sites nationally.
- Northgate are our existing supplier. Staff across Revenues & Benefits are fully trained in the use of the system. Any new system would involve in depth training with associated costs,
- Due to the fact that Halton has been used as a reference site for Northgate, favourable terms have been negotiated which ensure value for money.
- The system is compatible with the Councils' Home Working policy.
- The system supports staff working in various locations e.g. Job Centre Plus, and Housing Offices
- A study has already been undertaken to ensure that the system can be rolled out as part of the IT strategy for a corporate document imaging system.
- The adoption of a new system would involve the Council in significant additional costs in the setting up of a new system, data mapping and staff training.

- The new Doc on Line contract is on more favourable terms and will achieve a saving on existing costs.

Transparency

- The contract will be subject to Scrutiny. In addition arrangements are subject to the Freedom of Information Act and both internal and external audit procedures.

Propriety and Security

- Standard integrity clauses will be built into the contract document and only relevant staff will have information about the terms of the contract.

Accountability

- Accountability would remain with Operational Director Finance and be subject to our own internal and external audit scrutiny.

Position of the contract under the Public Contract Regulations 2006

- This contract is for a Schedule 3 Part B service. In these circumstances the reduced controls under the Public Procurement Regulations will apply.

4.0 POLICY IMPLICATIONS

None.

5.0 OTHER IMPLICATIONS

None

6.0 RESOURCE IMPLICATIONS

6.1 The cost of the project is covered by existing budgets.

7.0 RISK ANALYSIS

7.1 By extending the contract with Northgate the risk to a disruption in service has been reduced by the following:

- Existing supplier has been used successfully for ten years.
- No conversion of information is necessary.
- No staff training on a new system is necessary.

8.0 EQUALITY AND DIVERSITY ISSUES

None

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Northgate proposal to Halton Council for the extension of the existing Docs on Line service and existing Northgate@work	Kingsway House	Peter McCann Head of Revenues & Benefits