

REPORT TO: Executive Board Sub Committee

DATE: 22 September 2011

REPORTING OFFICER: Strategic Director – Policy & Resources

SUBJECT: Waiver of Procurement Standing Orders

WARDS: Borough-Wide

1.0 PURPOSE OF THE REPORT

1.1 To request that the Executive Board Sub Committee agree to a waiver of the standing orders outlined within the report to enable this and further additions to the current Northgate@work & Northgate 'Docs on Line' contracts during the remaining contract lifetime (expires January 2015). As part of the Transactional & Non-Transactional Process Review workstream of the Efficiency Programme, the first phase of addition to the Northgate contract is to be in the Human Resources Division. It is anticipated that other business units of the Council will benefit from the introduction of document workflow, on a phased basis.

2.0 RECOMMENDED: That, for the purposes of Contract Standing Order 1.8, approval be given to the waiver of Standing Orders 3.1 to 3.7 for the following reasons:

- **Standing Order 1.8.2a, as Northgate is the only provider of a remote scanning and indexing service.**
- **Standing Order 1.8.2c, as the existing system has been operating successfully for over 10 years and any new supplier would involve the Council in substantial set up and installation costs.**
- **Standing Order 1.8.2d, 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 Order 1.8.2e, 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 The wider business case:

The Revenues & Benefits Division successfully implemented Anite@work (now know as Northgate@work), a document management and workflow system, in January 2001. The current contract was renegotiated in January 2010, and expires in January 2015. The system is an integral part of the day to day work process of the Division.

Northgate@work is the market leader in the supply of document imaging systems to Local government. One of the advantages of Northgate@work is that 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. A recent review has indicated that given current volumes of work in Revenues & Benefits, Audit & Operational Finance and HR when it comes on line, it will still be more cost effective for the Council to use this service. As the application is introduced to more areas of the Council, this will be continually reviewed.

Other factors for recommending an addition to the Northgate contract include:

3.2 Value for Money

The adoption of a new system would involve the Council in significant additional costs, investment in purchasing a new system, setting up of a new system, data mapping, and staff training.

- 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, Housing Offices, Halton Direct Link locations.

- 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.

3.3 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.
- Should the Council look for a replacement system in the future, for any reason, the market would be tested.

3.4 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.

3.5 Accountability

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

3.6 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

- 5.1 An invest to save bid has been drawn up and is to be considered later on the agenda.

6.0 RESOURCE IMPLICATIONS

- 6.1 Future phased additions to the contract are to be approached on an invest to save basis.

7.0 RISK ANALYSIS

- 7.1 By adding to the existing contract with Northgate the risk of disruption in service areas already using the system is mitigated.

- 7.2 The risk of unsuccessful implementation in new areas is mitigated due to the fact that there is a body of knowledge within the organisation that can be used to support implementation into new service areas. This will also reduce the amount of supplier support required.

8.0 EQUALITY AND DIVERSITY ISSUES

None

9.0 REASON(S) FOR DECISION

- 9.1 The decision ensures that Halton Borough Council receives value for money through addition to the existing contract.
- 9.2 The risk of disruption to council services already using the application is minimised.
- 9.3 New services using the application can learn from the experience of services that have used the application extensively over an extended period of time.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 10.1 Tender on the open market.

Rejected because:

- The current favourable price could not be guaranteed;
- Timescales may not be met;
- A new supplier would significantly increase the risk of disruption to council services;
- A new supplier would involve significant set up costs to the council.

11.0 IMPLEMENTATION DATE

For HR Division, November 2011 onwards. For other business units phased in as and when analysis is completed and efficiency benefits are established.

12.0 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 addition to the existing Docs on Line service and existing Northgate@work contract.	Kingsway House	Peter McCann Head of Revenues, Benefits & Customer Services