

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2210
Author:	Jill Turner
Department:	Resources
Contact:	Jeff Abbott (Job Title: Head of Corporate and Strategic Finance, Email: jeff.abbott@nottinghamcity.gov.uk, Phone: 01158763648)
Subject:	Extension of scanning contract with Northgate
Total Value:	£46,041.71 (Type: Revenue)
Decision Being Taken:	<p>To agree to extend the East Midlands Shared Service contract with Northgate for a period of 17 months to allow for the development of an automated invoice process</p> <p>It is recommended that the Portfolio Holder agrees:-</p> <p>1. In accordance with Financial Regulations 3.29 to dispense with the requirements of the Contract Procedure Rule 5.1.1 and extend the current contract with Northgate for up to 17 months up to and including 31 March 2017 at a total cost of £46,041.71.</p>
Reasons for the Decision(s)	<p>EMSS use an external company, Northgate, to collate both paper and PDF invoices from suppliers, from which they scan and input relevant metadata to the images. Northgate currently input 4 metadata fields. These images once processed are sent to LCC & NCC ICT on a daily basis where they are loaded into the partners' respective repositories (Wisdom & Castle). EMSS Accounts Payable staff access these images and manually process them through Oracle in order to make payment to the supplier. The current contract arrangement is one which was piggybacked on to a larger NCC Revs & Benefits contract at a cost of £35,000 per annum.</p> <p>NCC Revs & Benefits have negotiated a new contract arrangement with Northgate, which excludes a scanning solution for EMSS, allowing us to independently investigate alternative solutions for the future. This provides an opportunity to review the people, process and technology applied in the delivery of this service, with the objective of maximising efficiencies. Work is well advanced on developing a new solution however until it is ready the business will require an external scanning provider. The most efficient way of maintaining this service is by extending the existing arrangement.</p> <p>Whilst the extension allows for a maximum of 17 months it is planned that the new solution would be in place well in advance of this. The period requested allows for a generous implementation period to ensure that EMSS continues to offer a seamless service.</p>

Other Options Considered:

The Business Case (which has been circulated to consultees as the access that EMSS staff have to this system does not allow for documents to be saved) details the options considered. In summary they are:

Bring the work in-house - this would be costly as it would require new specialist scanning equipment and additional staff and inefficient as this new resource will not be required once the invoice solution is in place

Procure a new provider - whilst this would be a better outcome in terms of good procurement procedures the short-term nature of the requirement, the disruption in asking our 39,000 suppliers to send invoices to a different provider and the inevitable teething problems in working with a new company outweighs any short-term benefit in potential reduction of cost.

Do nothing - this is not an option as the business requires invoices to be converted into pdf format and the current contract expires in Oct this year.

Background Papers:

Published Works:

Affected Wards:

Citywide

Colleague / Councillor Interests:

Dispensation from Financial Regulations:

Yes

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no implications

Equality:

EIA not required. Reasons: This proposal maintains the current status quo

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date: 26/10/2015

Advice Sought: Legal, Finance, Procurement

Legal Advice: This report does not raise any significant legal issues but any further proposal to extend would have to be considered carefully in the light of relevant EU procurement thresholds. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 17/09/2015.

Finance Advice: The expected cost of this decision is £46,041. The costs will be met from the Business as Usual Budget for East Midlands Shared Services which is funded 50/50 from Leicestershire County Council and Nottingham City Council.

Dispensation from Contract Procedure Rule 5.1.1, in accordance with Financial Regulation 3.29, is being sought for operational reasons.

Sue Driver - Finance Analyst -Resources 26/8/2015 Advice provided by Sue Driver (Finance Analyst - temporary) on 02/09/2015.

Procurement Advice: Dispensation from Contract Procedure Rule 5.1.1, in accordance with Financial Regulation 3.29, is being sought for operational reasons is required.

Advice provided by Paul Ritchie (Procurement Category Manager) on 17/09/2015.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 16/10/2015
Geoff Walker (Strategic Director Finance/CFO)
SIGNED and Dated: 09/10/2015
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 19/10/2015
Chief Financial Officer's Comments: