

Open Report on behalf of Richard Wills, Executive Director for Communities

Report to:	Councillor E J Poll, Executive Councillor for Economic Development
Date:	03 September 2012
Subject:	RFID Maintenance Contract Tender Exemption
Decision Reference:	02076
Key decision?	Yes

Summary:

This report seeks approval to award Intellident with a three and a half year contract for support and maintenance of the library service RFID (Radio-Frequency Identification) equipment as an exception to the tender process.

Recommendation(s):

That the Executive approve the award of a three and a half year support and maintenance contract for the library services RFID equipment to Intellident.

Alternatives Considered:

1. LCC extends its contract with SCC who would continue as 'middle men' between LCC and Intellident, and thus cost the Council more money than is necessary and continue to risk delays in invoicing which have occurred previously.
2. LCC goes out to tender for the contract for the Intellident RFID kiosks in libraries, which are only supported by Intellident. Going out to tender would result in a period where the service has no support and maintenance in place for the technology, which should it break down during this period would result in complaints from service users and those who work in partnership with the library service.
3. LCC awards Intellident with a shorter contract for support and maintenance than three and a half years. The implication of this would be that LCC would pay significantly more because we would not benefit from the favourable financial offer that has been negotiated with Intellident and which only applies if the contract length is three and a half years.

Reasons for Recommendation:

Intelligent are the only viable supplier of support and maintenance for the equipment purchased by the county council and a favourable financial discount has been negotiated with the supplier.

1. Background

In 2009, the library service undertook a mini competition on an ESPO framework order for the purchase and supply & maintenance of an RFID (Radio Frequency Identification) self-service solution for 24 of Lincolnshire's busiest libraries.

Intelligent were not directly on the ESPO framework order. Instead, a company called 'SCC Technology Solution Provider' were on the framework, and this company were acting as a go-between by supplying Intelligent products.

In effect, SCC have been 'middle men' delivering no added value and an additional layer of administration and cost. The only time SCC are involved is through the annual payment of the support and maintenance contract. Other than this involvement, LCC deals directly with Intelligent on all other matters. However, in order to procure the Intelligent solution, which was, and remains, the market leader, LCC had no choice at the time but to procure through SCC because Intelligent were not on the framework.

The initial support and maintenance contract was for a 3 years period, which expires at the end of September 2012. This gives LCC an opportunity to negotiate a direct support and maintenance contract with Intelligent, thus taking out the middle man and saving LCC money.

A discount has been negotiated with Intelligent which would see LCC save £10,000 and benefit from a stand still support and maintenance charge (no inflationary increases) if LCC enters into a three and a half year contract directly with Intelligent.

2. Conclusion

The value of the three and a half year contract would be £131,098 and in accordance with procurement regulations such a decision requires Executive Councillor approval.

The contract start date would be 1st October 2012 and the end date 31st March 2016.

3. Legal Comments:

The Council's Contract and Procurement Procedure Rules and the Contract Regulations in Part 4 of the Constitution provide that the normal procurement route for this value of contract would be by full tender process. However, the rules and regulations provide that in exceptional cases, where the Chief Officer believes that an alternative procurement route is required, then the Executive Councillor has the authority to approve such alternative procurement route.

4. Resource Comments:

This report approves the award of a three and a half year contract worth £131,098 to Intellident to continue the support and maintenance of the Library radio frequency identification equipment. The direct award of a contract of this value is outside normal Council procurement practice and therefore requires Executive Councillor approval to do so.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This has not been considered by a scrutiny committee.

d) Policy Proofing Actions Required

n/a

6. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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