

REPORT TO: Executive Board Sub Committee

DATE: 5 March 2009

REPORTING OFFICER: Strategic Director – Corporate and Policy

SUBJECT: Contract for the provision of a digital inclusion pilot

WARD(S) Windmill Hill

1.0 PURPOSE OF THE REPORT

1.1 To request the waiving of procurement standing orders 3.1 to 3.7 which places a requirement on the Council to tender for contracts with a value greater than £50,000 but not exceeding £1,000,000.

2.0 RECOMMENDED: That the Operational Director Policy and Performance be authorised to award the contract for the provision of a Digital Inclusion Pilot to the contractor AIMES Grid Services CIC Ltd. in the sum of £200,000 and that in light of the exceptional circumstances and in accordance with Procurement SO 1.6, Standing Orders 3.1- 3.7 and 3.10 be waived on this occasion because the requirements can only be delivered by this particular supplier in that it can provide a technical solution, can host this solution, and has successfully delivered similar projects.

3.0 SUPPORTING INFORMATION

3.1 The Halton Strategic Partnership has approved a project to "digitally enable" around 120 households in an area with low levels of computer ownership and broadband take up. It is a pilot project to establish that it can be successfully delivered. Households will be provided with a keyboard, mouse, flat screen and lightweight computing device (known as a thin client) connected to a managed computing service hosted at a central data centre. The service provides access to standard software such as Microsoft Office as well as to the internet (which can be filtered if necessary). In the absence of existing broadband connections, a wireless connection will be provided.

3.2 The service to be procured will be the provision of a robust infrastructure with low running costs. The supplier will provide basic training on how to use the device, and a free connection for 12 months. Thereafter there may be a small charge (around £2 per month).

- 3.3 The partnership plans to build on this provision to develop local skills, and to provide access to local services such as Job Centre Plus through a local portal.
- 3.4 Residents in our deprived areas suffer from many forms of exclusion, one of which can be lack of access to services provided over the internet. This project will address that, and also help to provide local residents with IT and other skills that may help in the job market. The pilot is to be located in part of Windmill Hill. This area has been selected because it is the most deprived area of the Borough, and is relatively isolated. The proximity to the Daresbury science facilities is also a possible future benefit.
- 3.5 AIMES is a Community Interest Company. It was established by Liverpool University with funding from NWDA and ERDF. It has established similar digital inclusion schemes in St Helens, Liverpool and Wirral. It also provides commercial services, the profits from which are re-invested back into the social enterprise. The combination of social objectives, specific expertise, technical solutions and experience in similar projects is believed to be unique in this region. The company has a local employment policy and a commitment to work with local partners on engagement and training provision. It is therefore recommended that for the purposes of this pilot AIMES are engaged.
- 3.6 The contract will be for £200,000. It will provide approximately 120 households with a managed computer service, filtered internet access and access to other hosted applications, all the required equipment and connections, a user guide, and a free service for 12 months, and thereafter at a low cost.

4.0 BUSINESS CASE FOR WAIVING TENDERING STANDING ORDERS

- 4.1 There is no market in the provision of this service to enable value for money to be established through competition. However, AIMES will be procuring the equipment via competitive processes, for example the wireless equipment will be acquired from a supplier that was selected following an OJEU tendering process. The thin client systems will also be procured from a supplier selected competitively. Keyboards and screens will also be purchased at the best rate available in the market. Thus although the co-ordination and management will not be market tested, much of the costs relate to equipment which will be procured on a competitive basis, and so there is reasonable comfort that the costs represent value for money.
- 4.2 The procurement process is transparent by virtue of this report, and the availability of information via the Freedom of Information Act. The project will be subject to the Council's normal internal and external audit and scrutiny procedures.

4.3 To ensure propriety and security the usual integrity clauses will be built into the contract document and only staff with a need to know will have information about the contract.

4.4 Accountability for the project will remain with the Operational Director Policy and Performance. Progress will be scrutinised through the Corporate services Policy and Performance Board and the Halton Neighbourhood Management Board.

4.5 Given the social aims of this initiative this will be a Part B contract and as such is exempt from the tendering requirements of the Public Contracts Regulations 2006. However there is still a requirement to place a Contract Award Notice in OJEU within 42 days of the award of the contract (supports transparency) and all contracts including part B contracts are subject to the overarching EU Principles of transparency and non-distortion of competition.

5.0 **POLICY IMPLICATIONS**

5.1 None identified.

6.0 **OTHER IMPLICATIONS**

6.1 There are no direct implications for the Council's own budget as the project is funded from the Working Neighbourhood Fund.

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Children & Young People in Halton**

There are no direct implications resulting from the waiver of standing orders, but digital inclusion is important to ensure that children and young people have equal access to learning opportunities..

7.2 **Employment, Learning & Skills in Halton**

AIMES are committed to the use of local contractors and to supporting skills development for residents..

7.3 **A Healthy Halton**

There are no direct implications resulting from the waiver of standing orders, but the project will allow residents to access health information and opportunities for the PCT to use this as a means of delivering health advice are to be explored.

7.4 **A Safer Halton**

There are no direct implications resulting from the waiver of standing

orders, but the project will allow community safety messages to be communicated subject to the commitment of partners.

7.5 **Halton's Urban Renewal**

None identified.

8.0 **RISK ANALYSIS**

8.1 This is a fairly new approach to digital inclusion and there is a risk that it will fail for technical reasons. The successful experience of AIMES in neighbouring areas mitigates this risk.

9.0 **EQUALITY AND DIVERSITY ISSUES**

9.1 There are no direct implications resulting from the waiver of standing orders but the implementation of this project will reduce inequality.

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

None.