

REPORT TO: FINANCE COMMITTEE - 11 NOVEMBER 2002

**REPORT ON: THE PURCHASE OF DOCUMENT IMAGING WITHIN
THE PENSION SECTION**

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 819-2002

1 PURPOSE OF REPORT

To authorise the purchase of relevant hardware, software and maintenance in respect of a document imaging system for the Local Government Pension Scheme administered by Dundee City Council on behalf of 46 bodies within the former Tayside region area.

2 RECOMMENDATION

It is recommended that the Committee agree to the purchase of the relevant hardware, software and maintenance of a document imaging system for the Pension Section of Dundee City Council.

3 FINANCIAL IMPLICATIONS

- 3.1 The total cost of the hardware and associated implementation would be £56,395.
- 3.2 The cost for the maintenance of the hardware for a 5 year period would be £6,911 and the maintenance of the software would be £4,500 per annum.
- 3.3 All the relevant costs are detailed at Appendix 1 and that these costs will be met in full from the Tayside Superannuation Fund.

4 LOCAL AGENDA 21 IMPLICATIONS

None

5 EQUAL OPPORTUNITIES IMPLICATIONS

None

6 BACKGROUND

- 6.1 The Pension Section purchased a microfilming system in 1988 since when none of the original equipment has been replaced.
- 6.2 The equipment is now causing concern as it is outdated and spare parts are no longer available.
- 6.3 Microfilming is a labour intensive process which requires documents being placed under a camera and photographed. Subsequently, when a number of reels of spool are completed they are developed using the relevant chemicals. The resultant microfilmed spools are then spliced into individual employees or pensioners microfiched jackets.
- 6.4 The Pension Section currently has approximately 45,000 microfilmed jackets which must be kept up to date as and when required.
- 6.5 Due to improvements in customer facilities on Floor 2 of Tayside House, the developer requires to be removed and the microfilm equipment would also require replacement in the near future.

- 6.6 Hardware and software is now available for scanning documents onto a computer and retaining them without the loss of quality and with less labour intensified preparation.
- 6.7 The pension records are currently held on software provided by Lynx Heywood. This system undertakes all the complex calculations required by the Local Government Pension Scheme. The document imaging system being considered is also provided by Lynx Heywood and is therefore integrated with the pension system. This has the distinct advantage of the two parts being compatible and therefore allows for both parts to be enhanced simultaneously in the future.
- 6.8 Due to the above it is recommended that agreement be given to purchase the relevant hardware and software for a modern document imaging system to replace the microfilming system within the Pension Section.

7 ELECTRONIC DOCUMENT MANAGEMENT

The implementation of electronic document imaging within the Pension Section will have the following benefits.

- i The outdated and labour intensive micro-filming system will be replaced with a modern more efficient system.
- ii The problem of spares and upkeep of the dated equipment will be solved.
- iii A saving on the maintenance of 4 pieces of equipment will be achieved.
- iv The implementation will allow the adjustments to Floor 4 to go ahead without the additional cost of building a suitable room for the developer currently in use.
- v Staff will be able to access documents immediately without finding a micro-fiche and then viewing the contents with a viewer.
- vi The security of personal information is improved.
- vii Document imaging has successfully been implemented with the Revenues Division of the Council.

8 AGREEMENTS

The Director of Finance and the Director of Information Technology are in agreement with this proposal.

9 CONCLUSIONS

That this is an appropriate time to replace the ageing microfilming system with a suitable up to date document imaging system to be used within the Pension Section of Dundee City Council.

DAVID K DORWARD
DIRECTOR OF FINANCE

11 NOVEMBER 2002

BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

DOCUMENT IMAGING WITHIN THE PENSION SECTION - COSTINGS

	£
<u>Implementation Costs</u>	
Scanner and Relevant Consumables	18,472
Software	30,000
Implementation and Consultancy	5,000
Additional PCs x 2	2,500
Upgrade of Existing PCs	423
	<u>56,395</u>
 <u>Maintenance</u>	
Hardware Maintenance - 5 Year Period	6,911
Software - Annual Maintenance	4,500
	<u>11,411</u>

After the initial outlay, the annual cost would be £4,500 for maintenance of the software. The maintenance on the hardware for 5 years will have been paid up front in order to be cost effective.