



Notice of Non-key Executive Decision

Subject Heading:	Contact Centre Telephony Replacement
Cabinet Member:	<u>Cllr Roger Ramsey</u>
SLT Lead:	Priya Javeri Director of Technology and Innovation
Report Author and contact details:	Keith Dawson Tel: 02033739592 Keith.dawson@onesource.co.uk
Policy context:	Connections – In-line with Appendix G of the Havering Council corporate plan.
Financial summary:	The total cost for the implementation of the new system and 4 years (3 years plus 12months) of support and maintenance is £299,050, which comprises £27,516 of capital expenditure for the implementation and an estimated £238,998 for 4 years of support and licencing, at £49,363 p.a.

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Relevant OSC:	Overview and Scrutiny
Is this decision exempt from being called-in?	This decision is exempt from call in, it is a non-key decision made by an officer.

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The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input checked="" type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons set out in the report, the Officer is recommended to award the contract for the replacement of the London Borough of Havering Contact Centre solution to 8x8 UK Ltd via a call off contract from CCS framework RM1045 for a period of 3 years with one 12 month extension period at a total value of £299,050 (3 years at £249,687 and £49,363 for the extension) .

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 [Responsibility for Functions], paragraph, section 3.4 Powers of Second Tier Managers.

Contracts Powers

(a) To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.

STATEMENT OF THE REASONS FOR THE DECISION

Summary

The Havering Contact Centre is a key point of contact for residents of the Borough to contact the Council, and is underpinned by the Telephony and Contact Centre solution. The current Contact Centre is towards the end of its practical life and in need of upgrade or replacement. In line with the Council's ICT strategy a replacement cloud based Contact Centre is recommended which is based on new technology and with modern capabilities such as omni-channel.

This report is seeking approval to award the contract to the bidder who has achieved the highest score in the tender review process, 8x8 UK Ltd.

Background

Since the current solution was purchased, the market has grown significantly and the digital capabilities that Contact Centre solutions offer have extensively increased. Cloud based solutions are increasingly being used within contact centres in both the public and private sectors due to their flexibility and cost effectiveness.

Moving to a new cloud based solution will provide opportunities to enhance service delivery and customer experience by allowing the Council to implement omni channel

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solutions (Omni channel refers to multiple channels of contact : web chat, text, email, voice and social media).

Also; a new cloud based solution will support managers to lead the contact centre more proactively, via resources such as workforce management and intelligent voice recognition functions. Users will also benefit from a new solution as it will provide opportunities for performance management via customer feedback, coaching recognition and quality checks.

A procurement process has been run on Crown Commercial Services (CCS) – RM1045 (Network Services) Lot 10 – Integrated Communications. The Invitation to Tender (ITT) was issued to all suppliers on CCS RM1045, Lot 10, using the eCapital sourcing portal. This procurement is aligned with the ICT Strategy and forms part of the agreed Infrastructure Roadmap, which details the forthcoming improvements in technology. The ICT strategy has a 4 year span and this procurement with a 3+1 contract duration matches the current ICT strategy lifespan.

The procurement was run in accordance with Procurement guidelines and submissions were assessed by the Contact Centre and the technical solution validated by the Technical Architecture team.

Each bid was assessed against the requirements and given a total score out of a maximum of 100 points. This was made up of a maximum of 30 points for quality – measured against the stated requirements – and a maximum of 70 points for price. The price score was calculated with the lowest submitted price receiving the full 70 points and the remaining bidders receiving a score pro-rated based on the difference between their submitted price and the lowest tendered price.

Once the tenders were scored, the Suppliers were ranked according to the score achieved.

The highest ranked supplier, 8x8 UK Ltd. was selected as preferred Supplier.

8x8 UK Ltd. has undergone due diligence checks with no concerns being raised as to the viability of the final submitted price and solution.

This evaluation process complied with the mini competition rules for the framework.

It is therefore recommended that 8x8 UK Ltd are awarded the contract.

It is planned that the contract will commence on 19 July 2019. An implementation period is required for the solution and the contract will run concurrently with the current Contact Centre solution, which expires on [date30/09/2019] .

Financial Information

Revenue summary

Contract	Year 1	Year 2	Year 3	Year 4	Total
Existing Telephony Contract Costs	£48,000	£48,000	£48,000	£48,000	£192,000

Contract	Year 1	Year 2	Year 3	Year 4	Total
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New Telephony Contract Costs	£49,363	£49,363	£49,363	£49,363	£197,452
Dual Running Existing Contract Centre contract	£14,030	£0	£0	£0	£14,030
	£63,393	£49,363	£49,363	£49,363	£211,482
Comparison using expected ongoing Revenue costs	£15,393	£1,363	£1,363	£1,363	£19,481

As noted, the tender was issued with the requirements based on features and capabilities required during the contract lifecycle. The initial contract costs will reflect the expected start figures until such time as the new features are activated.

It is expected that any costs over and above the current telephony contract costs will be containable within the existing LBH contact centre budgets.

Capital summary

The total costs in the contract include capital costs of £27,516, which covers the design and implementation of the solution, and migration of the users to the new solution. This will be funded from the existing ICT Capital allocation for this project (A2544).

OTHER OPTIONS CONSIDERED AND REJECTED

The option of retaining the Contact Centre on premise was considered but rejected as the support for the current Avaya Contact Centre ends in September 2019. The following were considered:

1) Do Nothing

This option was not considered. It would mean that Council's Main Contact Centre would be without support. This would introduce too high a level of risk which could result in the system being unavailable and therefore contact from residents via telephone being unavailable for significant periods of time.

1) Retain the current system

The current Avaya Contact Centre could be retained but would require a new procurement to continue support. The current contact centre does not offer the options which are possible on newer technologies, such as improved

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collaboration and are not as easy to implement with flexible working. This was therefore not the preferred option.

2) Move to an on-premise solution

The current Contact Centre could be replaced by an alternative on premise solution which offered newer technologies but this is a relatively expensive option compared to procuring a cloud based solution.

For the above reasons, the cloud based solution, which aligns with the Council's IT strategy was the preferred option.

In the tender process, there were three submissions.

- Company A
- Company B
- 8x8 UK Ltd.

The Suppliers were assessed using a 70/30 ratio of cost and quality and produced the scores as follows:

	Company A	Company B	8x8 UK Ltd
Quality	17.73	20.12	20.70
Cost	51.64	35.57	70
Total score	69.37	55.69	90.70
Initial Ranking	2	3	1

Once completed, the scoring panel determined that there were no concerns with the viability of the highest ranked submission in either the quality responses for the requirements, or the ability to deliver to the price submitted. As such 8x8 UK Ltd, were confirmed as the Preferred Supplier.

PRE-DECISION CONSULTATION

No consultation has been undertaken with respect to this decision as there will be no discernible degradation in the quality or level of service provided to; staff, service users or resident.

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NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name:

Designation:

Signature:

Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council is a contracting Authority for the purposes of the Public Contract Regulations 2015. The value of the contract exceeds the EU threshold for Services of £181,302. A Public Contracts Regulations 2015 (PCR 2015) compliant procurement is therefore required.

As a local authority, the Council is named on the RM1045 contract award notice (2014/S 203-359946) and is entitled to call off from the framework.

The proposed call-off contract will be compliant with the PCR 2015 as long as the framework rules for award via mini competition have been complied with.

Officers have confirmed that the proposed award is compliant with the framework rules.

The framework allows call off contracts to be awarded for a maximum of 5 years with up to 24 months extension. The proposed 3 year contract with one 12 month extension complies with this maximum term requirement.

Following award of the contract, a contract award notice should be published and a voluntary stand-still period observed prior to entering into the contract.

The RM1045 framework expires on 26 July 2019. A call off contract must be awarded prior to the expiry date of the framework. Where the expiry date of a call off contract exceeds the expiry date of a framework, the call off contract is lawful as long as it has been awarded in compliance with the framework rules. The mini competition for the proposed call off contract has been run in compliance with the framework rules and the call off contract will therefore be lawful as long as it is awarded prior to the expiry of the framework.

The Council is required to achieve Best Value in awarding contracts. The Council should be satisfied that the contract award represents best value. Officers consider that the chosen method of delivery of the Service and award via mini competition process offers the Council best value.

As the contract is worth over £100,000 the contract should be sealed. Such Contracts should be sent to Legal Services for review and sealing.

FINANCIAL IMPLICATIONS AND RISKS

The total costs for the new system are:

Capital: £27,516

Revenue: £271,534 for 4 years, based on a 3 year contract with an optional one year extension.

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The revenue figure is an estimate based on the initial requirement for licences and is subject to change. The individual licence costs are fixed under the terms of the contract but licence numbers may change during the life of the contract.

Risks

There is a risk that costs may be different to the initial revenue estimate as licence requirements change, but this is not necessarily a higher figure as productivity and channel shift may reduce the requirement.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no Human Resource implications or risks as a result of this decision being made. Training on the use of the new telephony system will be provided as necessary to the users of the system during implementation.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

An equalities impact assessment is not required to support this decision. No discernible disadvantages on any protected characteristics will be incurred through the imposition of this decision.

The project will not have any negative effect on service users, employees or the wider community in the London Borough of Havering. The project does not seek to change or alter how functions are delivered and it does not relate to activities or functions which have been identified as important to protected groups.

BACKGROUND PAPERS

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal ~~NOT~~ agreed because

Details of decision maker

Signed



Name: Priya Javeri

Cabinet Portfolio held:

CMT Member title:

Head of Service title:

Other manager title:

Director of Technology & Innovation

Date: 24 July 2019

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 1/8/2019

Signed



