

Notice of Non-key Executive Decision

Subject Heading:	Contract extension for contact centre with 8x8 UK Limited
Decision Maker:	Gareth Nicholson, Director of Partnerships and Organisational Development
Cabinet Member:	Cllr Paul Middleton, Cabinet Member - Corporate, Culture & Leisure Services
SLT Lead:	Gareth Nicholson, Director of Partnerships and Organisational Development
Report Author and contact details:	Dennis Leeks Dennis.leeks@havering.gov.uk
Policy context:	- Vision & Corporate Plan 'Council is digitally enabled' - Digital Strategy
Financial summary:	The proposed solution will cost £63,457.92 over 1 year in licences.
Relevant OSC:	Overview and Scrutiny Board
Is this decision exempt from being called-in?	Yes, the decision will be exempt from call in as it is a Non key Decision

Non-key Executive Decision

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

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION
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Non-key Executive Decision

It is recommended that the Council agrees to extend the existing 8x8 contract, including the addition of integration licences for the PCI Pal solution, through a variation to the existing contract for a period of 1 year commencing on 26 July 2023

The cost of the contract will be £63,457.92 over 1 year.

AUTHORITY UNDER WHICH DECISION IS MADE

3.3 Powers of Members of the Senior Leadership Team of Part 3 [Responsibility for Functions] of the Constitution

General powers

- (a) To take any steps necessary for proper management and administration of allocated portfolios.

STATEMENT OF THE REASONS FOR THE DECISION

Problem statement

The existing contract for a contact centre telephony solution with 8x8 UK Limited (8x8) was signed in July 2019 for a term of 3 years with the option of a 1 year extension which was taken in July 2022. The existing contract with 8x8 will expire on 25th July 2023. Owing to the challenges with procurement, reviewing our processes and wishing to line up a new solution with our new architecture including the procurement of a new web hosting and support contract due next year it is felt much better value extending the existing contract one further year.

Without the signing of an extension it will leave the Council without a contact centre telephony solution.

As indicated extending for another year will give the Council time to review its processes and plan for a re-procurement exercise for July 2024 meeting the objectives of our new digital strategy

The finance team have invested in the PCI Pal payment system so that the Council can take payments in a PCI-DSS compliant way. To implement this solution integration licences need to be procured for the current 8x8 solution, these are included within the contract variation at a cost of £13,802.40 for 1 year.

OTHER OPTIONS CONSIDERED AND REJECTED

Commence a procurement exercise to re-tender before July 2023 – Not possible due to the timescales involved and our decision to extend for a further a year giving time to align any new solution to our new architecture and operating model.

Non-key Executive Decision

Leave the Council without a contact centre telephony solution – The Council will be unable to effectively take calls from customers.

Continue to take payments in a non PCI-DSS compliant way – This exposes the Council to risk of a fine and prevents the use of call recording for the contact centre

PRE-DECISION CONSULTATION

No formal consultation.

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

Name: Dennis Leeks

Designation: Project Manager, Digital Portfolio

Signature: D. Leeks Date: 30.05.2023

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

- 1.1 This report seeks approval to vary an existing contract with 8x8 UK Limited for the implementation of a new contact centre solution for the reasons set out within the body of this report.
- 1.2 The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The arrangements now sought are in accordance with these powers. Any variations must be in accordance with Regulation 72 of the Public Contract Regulations (as amended) 2015 (PCR).
- 1.3 There are two variations being proposed. The first is to extend the contract for a period of 12 months from 26th July 2023 and the second is to purchase additional licences to enable the contact centre to be integrated with the implemented PCI Pal payment system.
- 1.4 The value of the contract over the first four years totals £220,488.10. The value of the proposed extension is £49,655.52. The extension falls under regulation 72(1)(e) *where the modifications, irrespective of their value, are not substantial within the meaning of paragraph (8)*. An extension for a period of 12 months is unlikely to be considered substantial as the extension is on the same terms and at the same cost. Further the extension does not change the economic balance between the parties. Therefore, none of the scenarios listed in 72(8) are triggered.
- 1.5 The cost of the additional licences is £13,802.40. This is less than 10% of the original contract value and the proposed variation is compliant with regulation 72(1)(f).

FINANCIAL IMPLICATIONS AND RISKS

This report seeks approval for a one-year extension of existing telephony solution of the contact centre contract with 8x8 UK Limited for 12 months. In addition the report also seeks the purchase of 71 additional licences to enable the contact centre to be integrated with the PCI DSS payment system.

London borough of Havering handles and process payment card transactions. PCI DSS is a set of security standards established by major credit card companies to protect cardholder data and reduce the risk of fraud and data breaches. It is therefore mandatory for the council to comply with PCI DSS security standards.

The cost of the existing annual licence of £49,655 will be met from revenue budgets in Customer Services.. The additional costs for 71 licences of £13,800 per annum (at £1,150 per month) will be funded from revenue budgets in oneSource Finance.

Non-key Executive Decision

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

The recommendations made in this report do not give rise to any identifiable HR risks or negative implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EQHIA will be completed as part of the implementation of the PCI Pal software

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

No direct implications relating to the environment or climate change

BACKGROUND PAPERS

None.

APPENDICIES

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Non-key Executive Decision

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 *GD Nicholson*

Name: Gareth Nicholson, Director Partnerships and Organisational Development

Cabinet Portfolio held:

CMT Member title:

Head of Service title:

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____

Non-key Executive Decision