

	<p style="text-align: center;">Executive 18 June 2012</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Services</p>
<p style="text-align: right;">Wards Affected: [ALL]</p>	
<p>Delegated authority to award Telephony Services Contract for newly built Civic Centre</p>	

Appendix 1 is NOT for publication.

1.0 Summary

- 1.1 This report concerns the future provision of the Council's Telephony Services. This report requests approval of delegated authority to the Director of Finance and Corporate Services to award the Telephony Services contract.

2.0 Recommendations

- 2.1 The Executive note the process to be followed for the procurement of a telephony services contract for the newly built civic centre.
- 2.2 The Executive authorise the Director of Finance and Corporate Services in consultation with the Director of Legal and Procurement to award the contract for telephony services following the evaluation of tender submissions in accordance with the approved evaluation criteria referred to in paragraph 3.13.

3.0 Detail

- 3.1 The council's current telephony provision is mainly desk phones, using a Cisco-based IP-telephony solution rolled out to approximately 3000 desks. This is complemented by approximately 640 mobile phones and 430 blackberry handsets.
- 3.2 Blackberry devices are currently the main means of mobile data access, restricted to email and Intranet access. These are

complemented with approximately 100 iPads and 100 3G USB keys for mobile data access.

- 3.3 As part of the preparations for the move to the newly built civic centre, we are looking to move from the current telephony and mobile data provision and enable staff to work more flexibly by procuring a converged solution for fixed line and mobile telephony.
- 3.4 The new solution will provide all staff with a smartphone, allowing them to access their council telephone whether in the office, on the move or at home. It will at the same time provide all staff with access to their email on the move and will give us an application platform we can utilise in the future, allowing us to deploy more applications as appropriate to staff.
- 3.5 In addition to equipping all staff with a mobile handset, it is envisaged that there will be a requirement to install approximately 250 desk phones in the new civic centre. Approximately half of them are expected to be in the Call Centre, the rest being used for specific positions as opposed to individual members of staff: for example reception phone.
- 3.6 The successful vendor for this procurement is expected to invest in equipment necessary to provide the services. Given the level of the required investment and the expected lifespan of the equipment involved, we recommend a contract of 5 years
- 3.7 A contract of 5 years is recommended for the following reasons:
 - a) It is expected that implementation alone will take up to a year. Some of the services will be up quickly, but others will take some time as numbering and configuration of a telephony system is a lengthy process. It is undesirable for the Council to go through change implementations like this more frequently than necessary.
 - b) The vendor will be required to invest in both infrastructure and setup costs to implement the contract. These costs will be amortised over the length of the contract. A shorter contract will undoubtedly lead to a higher annual cost.
 - c) The vendor community, are seeking some stability in an otherwise uncertain market and will pay a premium for a more stable relationship in terms of a higher discount level. We believe that this can translate into lower costs for the Council through a better negotiating position. Through appropriate contracting we can manage that the Council's prices stay in line with the market changes over the period of the contract.
 - d) To ensure the availability of telephone services at the newly built civic centre as failure to authorise the award of a contract for the provision of a telephony service may impact on the provision of Council services .

- 3.8 The specification for the contract stipulates the requirement for the supplier to include a technology refresh for the mobile handsets in the 5 year period.
- 3.9 The contract will be for a telephony managed service. The successful vendor will be responsible for maintaining and providing support for all elements of the council's telephony solution. This includes support of the infrastructure required to provide desk phones, mobiles, Automated Call Distribution (ACD) and Interactive Voice Response (IVR) functionality, as well as the provision of the devices and all call charges.
- 3.10 The procurement route is through a Government Procurement Service ("GPS") framework. The framework gives the Council access to all main UK providers of mobile telephony services and allows us to complete the procurement within the tight timescale required by the move to the newly built civic centre . There is insufficient time to undertake a full EU procurement for the contract and accordingly procuring the contract through a framework is the only option available to the Council.
- 3.11 The GPS framework expires in June 2012. It is therefore essential to complete the procurement and award the contract by the 29th of June 2012 as the framework is the only one currently available to meet the specified requirement of the Council. Given the requirement to award the contract prior to the expiry of the framework there will not be sufficient time to report back to the Executive seeking award of the contract. The Executive is therefore asked to authorise the Director of Finance and Corporate Services, in Consultation with the Director of law and Procurement, to award the contract.
- 3.12 Following evaluation of tenders and award of the contract, it is proposed that a further report will be brought before members in August 2012 to provide an update on the contract award.
- 3.13 The intended procurement process and timetable is set out below.

Ref.	Requirement	Response
(i)	The nature of the service.	The provision and support of all equipment, infrastructure hardware and software, mobile and desk phones, call charges, to deliver telephony and mobile data services to the council.
(ii)	The estimated value.	£5M for 5 years
(iii)	The contract term.	5 years
(iv)	The tender	Competition under the GPS framework

	procedure to be adopted including whether any part of the procedure will be conducted by electronic means and whether there will be an e-auction.	
v)	The procurement timetable.	Issue Invitation to Tender
		18 th May 2012
		Deadline for return of tender submissions
		12 th June 2012
		Panel evaluation and presentations
(vi)	The evaluation criteria and process.	18 th - 22 nd June 2012
		Panel decision
		27 th June 2012
		Contract start date
		29 th June 2012
(vi)	The evaluation criteria and process.	<p>The panel will evaluate the tenders against the following criteria:</p> <p>(1) Price 45%</p> <p>(2) Quality 55%, consisting of</p> <ul style="list-style-type: none"> • Overall Telephony solution design • End user functionality • Support Services offer / Service Level Agreement <p>Implementation proposal</p>
(vii)	Any business risks associated with entering the contract.	<p>No specific business risks are considered to be associated with entering into the proposed contract.</p> <p>Financial Services and Legal Services have been consulted concerning this contract.</p>
(viii)	The Council's Best Value duties.	<p>The Corporate Best Value Strategy is to provide best value services and to serve our community.</p> <p>The competitive tender for the Telephony Services contract will ensure value for money.</p>
(ix)	Any staffing implications, including TUPE and pensions.	None.
(x)	The relevant financial, legal and other considerations.	Please see sections 4 and 5 below

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 90.
- 4.2 The estimated value of this contract in total for 5 years is £5M
- 4.3 The estimated value of the contract was calculated on the basis of the current number of staff in the council. The contract will be structured to ensure that charges are proportionally to the number of telephony users.
- 4.5 It is anticipated that the cost of this contract will be funded from the existing revenue budget used to fund current telephony services.

5.0 Legal Implications

- 5.1 The estimated sum total of the contract is higher than the EU threshold for Services and the nature of these services means they all fall within Part A of Schedule 3 of the Public Contracts Regulations 2006 ("the EU Regulations"). The tendering of the services is therefore governed in full by the EU Regulations. As the estimated value of the contract over its lifetime is in excess of £500k, the procurement and award of the contracts are subject to the Council's own Standing Orders in respect of High Value Contracts and Financial Regulations.
- 5.2 As detailed in paragraph 3.9 and 3.10, Officers have identified the call off under the GPS framework as the most appropriate procedure given the limited timescale required for the newly built civic centre project and that it gives us access to all the main UK providers of mobile telephony providers in the market capable of providing these services. The EU Regulations allow the use of Framework Agreements and prescribes rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process.
- 5.3 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a Framework Agreement established by another contracting authority, where call off under the Framework Agreement is approved by the relevant Chief Officer and provided that the Director of Legal and Procurement has advised that participation in the Framework is legally permissible.
- 5.4 Further legal implications are provided in Appendix 1.

6.0 Diversity Implications

- 6.1 The proposals in this report have been subject to screening and equality impact assessment and officers believe that there are no diversity implications.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 This service is currently provided by interim staff and there are no implications for Council staff arising from letting this contract.

8.0 Background Papers

- 8.1 Chief Officer Recommendation to call off contract under GPS RM526/I3 framework agreement – NBCC telephony dated 1st April 2012.
Legal Memorandum dated 5th April 2012.

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