

Subject:	Voice and Unified Communications Services Procurement		
Date of Meeting:	29th November 2012		
Report of:	Director of Finance		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Council has an extensive telephony network providing voice services to over 4000 users. Telephony remains one of the key communication channels between services and the public and features as a key requirement for major incident planning.
- 1.2 The existing contract between the Council and Virgin Media Business (VMB) for the provision of Voice and Data Services is due to expire in August 2013.
- 1.2 The Council is seeking to re-procure voice and data services separately in order to access “best of breed” offerings at competitive rates. Through the Sussex LINK Partnership a procurement has already taken place for data services. A new contract or contracts are required for the maintenance and development of desktop telephony and related tools such as instant messaging, voice/email integration, conferencing etc (“Unified Communications”). The contracts will support and develop the Council’s core platform and allowing elements of the current voice provision provided by VMB to be decommissioned.
- 1.3 Procuring with public sector partners across Sussex using the LINK partnership the Council will seek to reduce the cost of the current services by consolidating as much of the current provision as possible, delivering a flexible and sustainable voice provision to meet the changing needs of the Council and its’ partners and to provide a service that meets our quality and compliance requirements.
- 1.4 This report seeks approval from Policy & Resources Committee to procure new Voice and Unified Communications Services contract(s) for support and maintenance and supplies and services in compliance with EU and UK Public Procurement legal requirements.

2. RECOMMENDATIONS:

- 2.1 That approval be given to procure Services (Voice and Unified Communications and Collaboration), consisting of Annual Maintenance and Support, Supplies and

Services, to replace the existing voice element of the current VMB contract which expires in 2013.

- 2.2 That delegated authority to award a 3-year Voice and Unified Communications Services contract(s), with an option to extend for up to 2 years (3+1+1), be granted to the Director/Strategic Director responsible for ICT.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The services that are currently delivered by VMB will become out of contract in August 2013, therefore the Council is seeking one or more partner suppliers that can support and develop our platform cost effectively while delivering on the short to medium term requirements of Workstyles and Customer Access.
- 3.2 The telecoms market has matured considerably since the contract with VMB was let in 2006. Specialist suppliers can now offer cost effective products and services that support our new ways of working (Workstyles and ICE).
- 3.3 Contact centre technology (how our customers interact with us by phone) has also moved on considerably and is an increasingly important plank of the Council's Customer Access approach. Voice services integrated with other forms of communication – "Unified Communications" – and collaboration software that lets us communicate with partners securely is a growth area too, and can help with efficient ways of working so these need to form part of our ongoing provision.
- 3.4 Our ICT strategy roadmaps, which describe a "LINK Community" approach, would ultimately see the Council and its partner organisations procuring services together, ideally as a managed service from a single supplier, across a whole range of communication functions. In addition we are also developing partnerships with potential consumers of our services. Although the supplier market is developing consumer services for the Public Sector it is not yet supplying sets of these types of products in the way we wish to buy them. As a result the Council may need more than one supplier in the short to medium term.
- 3.5 A procurement for a Hosted (ie installed off site in supplier premises) Voice service is being run at the moment through the LINK partnership. This may meet some of the Council's needs in the medium term, but not all – this is an unknown at present and depends on the capability of the successful bidder. The ICT Strategy roadmaps take this into account and show that when a single supplier is able to meet all our needs, further consolidation of the products and suppliers we use will take place, with preparation for this commencing during 2014-15.
- 3.6 The Council is dependent on the provision of robust and consistent voice services to operate. Without high performance telephony to all its sites, the Council would be unable to operate its business or deliver its services, either through its contact centres or through self service. The resilience of the service is also key to Business Continuity and Disaster Recovery Plans.
- 3.7 Following an independent review of options we now have a clear path for the development of a consolidated platform, wholly delivered across the data

network, that is consistent with our ICT strategy and will enable competitive pricing to be obtained. We are carrying out work on the local area network to support this consolidation.

3.8 Procurement options for the new services are expected to consist of a combination of one or more of the following:

- a) Jointly with the “LINK” stakeholder organisations within Sussex,
- b) With other public sector partners (eg SE7 authorities) under suitable contractual and partnership arrangements,
- c) Independently through Council procurement.

The multiple options provide flexibility, with the Council retaining the option to source all or some of its services from alternative partners based on need.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 Regional SE7 partners have been informed of the proposed approach which will be conducted in line with a set of agreed principles so that opportunities for further regional collaboration are not missed or prohibited.
- 4.2 Consultation with local public sector partners including Schools, Universities, Police, Health and Fire and Rescue services has taken place and will continue to do so during the procurement process.
- 4.3 There is no direct community impact except to potentially enable service transformation. Where service delivery impacts are identified it is recommended that business owners consult with representatives of the communities affected.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The spend for the provision of the voice services under the current contract is approximately £0.500m per annum.

The new contract arrangements will seek to reduce the cost of the current voice services by at least 10% ensuring best value is maximised and help contribute to the council’s Value for Money programme, as reflected in the budget strategy. The flexible procurement options set out in section 3.9 will help to both contain the costs of the procurement itself and help to support the council’s key objectives.

There will be some resultant capital costs up to a potential of £0.100m associated with the required upgrades to the Local Area Network, referred to in section 3.7. It is anticipated that these additional costs will be met as a first call from the ICT fund, however this is subject to other commitments against the annual allocation of £0.500m included in the capital investment programme for 2013/14 and 2014/15 and may put pressure on other aspect of the ICT Strategy. Any additional costs will need to be considered alongside the latest ICT strategy and referred back to Policy and Resources Committee.

Finance Officer Consulted: Name Mike Bentley
2012

Date: 25th October

Legal Implications:

- 5.2 The services to be procured are categorised as 'Part A' services for the purposes of the Public Contracts Regulations 2006 and therefore the procurement process must be undertaken in full compliance with the Regulations. In addition the arrangements with Sussex LINK stakeholders and any other public sector partner with whom the services are to be jointly procured should be documented in order to ensure clear allocation of responsibilities and costs.

Lawyer Consulted: Name Oliver Dixon

Date: 26/10/2012

Equalities Implications:

- 5.3 An Equalities Impact Assessment (EIA) will be conducted against any implementation which results in a change to user functionality or customer access channels. The procurement does not of itself introduce such change.

Sustainability Implications:

- 5.4 When reprocurring contract(s) of this nature it is policy to specify sustainable products and services wherever possible. Depending on a range of factors such as cost, functionality and risk, the Council may select local suppliers or those hosting services in green data centres. Some of the provision delivered under the contracts may help to reduce the number of face to face meetings and officer travel by encouraging conferencing and online secure collaboration.

Crime & Disorder Implications:

- 5.5 The proposal removes technical barriers to collaboration and working with Public Sector partners over time, potentially aiding prevention of Crime & Disorder.

Risk and Opportunity Management Implications:

- 5.6 The risk to essential services is high if there is no further development or support and maintenance of these key services. Without reliable telephony, in particular as a contact channel for vulnerable citizens, lives could be put at risk. There is an opportunity with the proposed procurement to improve both back and front office functions, leading to service improvement and potentially efficiency savings.

Public Health Implications:

- 5.7 The proposal removes technical barriers to collaboration and joint working over time, which has a potential benefit for Public Health.

Corporate / Citywide Implications:

5.8 The proposal supports the Corporate Plan objectives and removes barriers to service transformation.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 Do nothing: This is not considered a viable option as the council must maintain voice services for staff and provide voice based customer channels.

6.2 Further extension of existing contract: There is no provision for further extension of the contract with VMB and it no longer offers best value for money.

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 Voice and unified communications services are essential to the Council's daily business, and are also key access channels. Procurement of the contract(s) as proposed assures the availability of the tools and functions used by staff and customers, and supports business continuity across the Council's services.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

1. Brighton & Hove City Council ICT Strategy 2011-2016

