

Agenda Item No:	6
Committee:	Cabinet
Date:	22 January 2024
Report Title:	Procurement of replacement Contact Centre and Telephony Solution



1 Purpose / Summary

- 1.1 Forward Procurement of the replacement contract for the Procurement of replacement Contact Centre and Telephony Solution 2024 – 2027 with possible 2-year extension 2027 – 2029.
- 1.2 The Council's current contract is with Mitel telephony infrastructure and Micollab software to operate our contact centre with third party support from N G Bailey. This contract expires September 2024.
- 1.3 The Council needs to have a replacement system in place by no later than August 2024, to enable seamless service delivery and to ensure business continuity.

2 Key Issues

- 2.1 To ensure compliance of contract guidelines and achieve a compliant procurement process.
- 2.2 The current contract will expire in September 2024. At this time the software version that we are using will reach end of life and will therefore no longer be supported.
- 2.3 We are an 'on-premise' customer which means it is hosted here on Fenland servers and updates are done by the internal ICT team.
- 2.4 It is proposed that we migrate to a cloud-hosted system with additional functionality and further resilience. Additional functionality will mean that we can gather more information about how and why our customers interact with us and in turn use this insight to review service delivery and drive efficiency as part of the Council's transformation programme. This means that the provider will be responsible for all upgrades and the infrastructure requirement (i.e. premise-based telephony servers / controllers) will reduce. This will also mean that we are not reliant on physical servers, i.e. we will no longer be reliant on Fenland Hall, to deliver this service bringing the system in line with our revised operating model and hybrid working. There will be added resilience to support disaster recovery and business continuity.
- 2.5 The costs for any replacement system are a key factor, however it has been important for additional functionality and transformation to be considered.
- 2.6 Costs have been identified, following a full tender process, which is currently being evaluated, and indicative costs for the full life of the contract, 5 years, will not exceed £285k. Therefore, we are seeking approval to award within these price parameters.

3 Recommendations

- 3.1 It is recommended that FDC (Fenland District Council) contract with the preferred bidder, once the tender evaluation process had been completed for the provision of its Contact Centre and Telephony Solution via the CCS (Crown Commercial Services) RM6116 Lot 4 b / c framework arrangements.

Wards Affected	All wards
Forward Plan ref:	KEY/07NOV23/01
Portfolio Holder(s)	Cllr Chris Boden – Leader of the Council Cllr Steve Tierney – Portfolio Holder for Transformation
Report Originator(s)	Sam Anthony – Head of HR (Human Resources), OD and Customer Service Email: santhony@fenland.gov.uk Stephen Beacher – Head of ICT, Digital and Resilience Email: sbeacher@fenland.gov.uk Shaun Beales – Purchasing & Procurement Manager Email: sbeales@fenland.gov.uk
Contact Officer(s)	Sam Anthony – Head of HR, OD, and Customer Service Email: santhony@fenland.gov.uk Stephen Beacher – Head of ICT, Digital and Resilience Email: sbeacher@fenland.gov.uk Shaun Beales – Purchasing & Procurement Manager Email: sbeales@fenland.gov.uk
Background Papers	N/A

1 BACKGROUND AND INTENDED OUTCOMES

- 1.1 Crown Commercial Service (CCS) are the biggest public procurement organisation in the UK; using commercial expertise to help buyers in central government and the public and third sectors to with their procurement requirements, providing the best commercial deals in the interests of taxpayers.
- 1.2 CCS framework RM6116 Lot 4b / c is where public sector customers can buy cloud-based computing services such as hosting, software and cloud support. Includes many off-the-shelf, pay-as-you-go cloud solutions. Specifically:

Lot 4b: Digital Communication Services (Unified Communications)

Access to digital communications services

Lot 4c: Contact Centre Solutions

Access to inbound and/or outbound contact centre management including automation and queuing to multiple answering points.

- 1.3 The Council has been using the current Mitel and Micollab solution to facilitate our contact centre since 2020 and support is provided by a third party; N G Bailey. Mitel also deliver the telephony solution across the wider council. The software is currently hosted on site, it is installed on the Council's servers with routine maintenance being carried out by our ICT team. This is completed out of hours to ensure that there is minimal impact upon service delivery.
- 1.4 The current support contract ends in September 2024.
- 1.5 There is not an option to renew the existing contract as the existing product will no longer be supported after September 2024.
- 1.6 This means that it is timely that we explore options to replace the current solution namely the contact centre and broader telephony system. We are looking to move to a cloud-based solution for both elements, introducing softphones for non-contact centre staff therefore removing the need for all on site hardware such as handsets and controller systems.
- 1.7 Moving to a cloud-based solution will, importantly, enhance system resilience and simplify disaster recovery procedures whereby the supplier will have greater responsibility to address system-based issues. They will also be responsible for all upgrades; a cloud-based solution will mean that infrastructure requirement (i.e. premise-based hardware) will decrease.
- 1.8 It is important that the two systems used for Contact Centre and the general users' telephony must be fully compatible with each other to allow seamless communications between the two.
- 1.9 We have been working closely with the Transformation Team and key stakeholders and users (Procurement, ICT and the My Fenland team) to develop the tender pack and most importantly the key requirements of the new solution.

- 1.10 Following approval from CMT a tender exercise has been undertaken seeking a provider for a 3-year contract, with a possible 2-year extension, commencing in 2024.

2 REASONS FOR RECOMMENDATIONS

- 2.1 Benefits of procuring a new system:

Increased functionality

- 2.2 CRM (Customer Relationship Management) functionality to be person-centric and capture information about the customer and their call history so that we understand the reason for their contact and can identify patterns and / or trends. We can use this information to refine and improve our service delivery.
- 2.3 To be able to capture feedback from our customers via post contact surveys at the time of their contact with us. For example, by completing a few questions via email, text etc.
- 2.4 End users (ICT and My Fenland Supervisors) will be able to construct and amend call flows and the IVR (Interactive Voice Response). This means that we can amend the message and options that customers hear when they dial 654321 about a specific issue or service update, rather than being reliant on a third party, resulting in key updates and changes being made closer to real time to provide a better service to our customers, and enable them to access the service needed in a more streamlined way.
- 2.5 End users (ICT and My Fenland Supervisors) will be able to set up and amend skills-based call-routing. This means that contacts, in the first instance, can be pointed to members of the team who have been trained to deal with their specific enquiry.
- 2.6 Ability for customers to select a call-back facility whilst retaining their place in the queue.
- 2.7 Forecasting tool to allow the service to plan for peaks in demand and review and allocate resources available.

Efficiencies & transformation:

- 2.8 Introducing softphones for all non-contact centre users will remove the need for onsite hardware such as handsets and controllers, meaning that we do not have to invest in upgrading our existing equipment once it reaches end-of-life.
- 2.9 Greater insight into the reasons how and why our customers interact with us will allow us to identify patterns and trends. We can use this information to review and further improve our service-delivery.
- 2.10 The proposed new software will support the use of Smart technology and enable us to realise the benefits outlined in the accompanying report. It should be noted that whilst the procurement of the new contact centre and Smart technology are two individual projects they are both compatible with our service delivery model and will deliver mutual benefits. In particular to support high standard of customer service which provides the customer with a greater choice about how and when they access our services whilst driving efficiency.

Making use of softphone technology across the council will mean that all officers are able to place and receive calls, regardless of their location. This is their work device; laptop or tablet, therefore support new opportunities for working, given our movement to agile working. This in turn will provide even more effective business continuity and disaster recovery.

- 2.11 Moving to a softphone arrangement as this would be significantly cheaper than replacing all handsets.
- 2.12 Reduction in onsite server capacity and the reliance on updates and fixes being completed by our onsite team out of hours.
- 2.13 The advice provided by the Procurement team has been to complete a full tender exercise. This has been undertaken and bids are currently being evaluated. This process will identify our preferred supplier.
- 2.14 At the point a decision is made on a new system, a project team will be established to deliver this, and this project team will need to link very closely with the new provider and internal users of the system.
- 2.15 The critical success factors in the implementation will be:
 - ICT, My Fenland input, support and advice
 - Detailed project plan which identifies, and timetables, key tasks and activities required to deliver the project.
 - More detailed process maps to highlight areas for streamlining and realising efficiencies
 - Migration of data from current system
 - Suitable archiving of data not migrating to new system
 - Training on the new system for Contact Centre users and all relevant staff
 - Buy-in and engagement from the team to develop a single set of procedures that will apply to use of the system
 - Build and Implementation
 - Go live by July 2024 to ensure seamless transition for our external customers.
 - Engagement and communication with the workforce
- 2.16 To provide a compliant procurement route to market following the Public Contract Regulations and the Council's code of procurement.

3 CONSULTATION

- 3.1 We have been working closely with the Transformation project team and key stakeholders and users (Procurement, ICT) to develop the system requirements.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 In arriving at the recommendation made within this report we have considered the following two options:

Option 1. Upgrading the current on-site system to version 10, with the necessary hardware updates, and move to softphones. This option was discounted on the basis of cost, and as it does not deliver any of the benefits identified above.

Option 2. Migrating to a cloud-hosted system with additional functionality and further resilience. This is the recommended option.

5 IMPLICATIONS

5.1 Legal Implications

5.2 The Public Contract Regulations 2015 (PCR2015) require the council to run a compliant procurement exercise for services valued at £213,477.00 (inclusive of VAT) or greater over a contract period. In this instance the council's own Code of Procurement allows the use of approved frameworks such as CCS (Crown Commercial Services) which have already been tendered under the PCR 2015 regulations. The legal implications of complying with the Council's local and PCR2015 Regulations have therefore been appropriately met in proceeding with the recommended approach.

5.3 The tender for the Contact Centre and Telephony Solution was advertised through the CCS framework from 10 November to 12 December 2023.

5.4 Financial Implications

5.5 The costs of the full 5-year contract will not exceed £285k.

5.6 Current telephony costs are circa £69k per annum, based on the current contract and infrastructure. However, continuing with this arrangement is not an option as the hardware and software will reach end of life this year and due to the requirements to meet the digital switchover programme by 2025.

5.7 Equality Implications

5.8 None have been identified. Once the preferred supplier is confirmed a full Equality Impact Assessment will be completed.

5.9 Other Issues

5.10 None have been identified. Once the preferred supplier is confirmed a full Data Impact Assessment will be completed.

6 SCHEDULES

6.1 None