

**TELFORD & WREKIN COUNCIL**

**CABINET - 13<sup>TH</sup> NOVEMBER, 2014**

**AWARD OF NETWORK SERVICES, TELEPHONY, CONTACT CENTRE  
AND ASSOCIATED SUPPORT CONTRACT**

**REPORT OF ASSISTANT DIRECTOR: CUSTOMER SERVICES**

**LEAD CABINET MEMBER – CLLR HILDA RHODES**

**PART A) – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

- 1.1 Telford and Wrekin's network provides data and voice services for 186 sites including 75 schools and supports over 150 home and mobile workers. The 'network' is literally the 'motorways and exits' over which all our voice and data travels, not only within our organisation and schools but also information leaving us and coming in from customers, suppliers etc. It is an essential part of our fabric and without it we wouldn't be open for business.
- 1.2 This report seeks approval to enter into a new contract with Capita IT Services following an EU restricted tender exercise for the upgrade and ongoing essential maintenance of the Voice and Data Network for a minimum of 5 years with an option to extend for a further 5 years thereafter in 12 month increments.

**2. RECOMMENDATIONS**

- 2.1 **That the Assistant Director of Customer Services in consultation with the Cabinet Member for Customer Services, Libraries and Transport be authorised to award to Capita ICT Services, the Network Services, Telephony, Contact Centre and Associated Support Contract.**
- 2.2 **That the Assistant Director of Law, Democracy & People Services be authorised to agree and execute all necessary documentation. This authorisation to include delegation to the Assistant Director of Law, Democracy and People Services to affix the common seal of the Council to contractual documentation as, in the opinion of the Assistant Director of Law, Democracy & People Services, is appropriate under article 14.06 of the Constitution.**
- 2.3 **That Cabinet approve capital and revenue investment as detailed in the report, Section 6.0 and outlined in the Capital ICT programme in respect of the Network Services, Telephony, Contact Centre and Associated Support Contract**

### 3. SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	All Council Priorities are supported by these proposals.
	Will the proposals impact on specific groups of people?	
	No	
<b>TARGET COMPLETION/DELIVERY DATE</b>	The contract is to be awarded in December 2014 and the new services/improvements to be in place by June 2015.	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	See Financial Implications in section 6.
<b>LEGAL ISSUES</b>	Yes	See the Legal comments in Section 7
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	The current 'network' is now 9 years old and is in urgent need of upgrading and replacement of failing component parts and switches and routers reaching 'end of life'. Over the last 12 months the infrastructure has struggled to cope with additional demands placed upon it for example the amount of traffic to the councils website and contact centres, therefore this upgrade is urgently required and will help stabilise and enhance our data and telephony service in line with our customer services strategy 'Making Every Contact Count'. This investment will secure an improvement to the customers experience of calling the council and will help to enhance customers experience of doing business with us on line for those who choose do to so. This new contract will also see schools who buy back into our ICT managed service benefitting from ongoing saving helping to secure their buy back over a longer period of time.
<b>IMPACT ON SPECIFIC WARDS</b>	No	Borough-wide impact

## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

#### **Background**

- 4.1 Telford and Wrekin's network provides data and voice services for 186 sites including 75 schools and supports over 150 home and mobile workers. The 'network' is literally the 'motorways and exits' over which all our voice and data travels, It is a critical part of the council's infrastructure without which we could not operate or deliver our services. It is also the platform upon which our website and contact centres such as Family Connect, First Point for Business, Access for adults as well as the Councils main contact centre operates on.
- 4.2 Our network is now 9 years old and is in urgent need of investment to upgrade some of the critical component parts, such as switches and routers which have recently started to fail with many reaching their end of life. We also need to have a voice and data network that can support and promote our channel shift objectives to encourage customers who are able to using more cost effective channels to do business with us, such as our website, suite of Apps, social media etc.
- 4.3 Our existing contract with Capita ICT Services (formerly Synetrix) for the supply of our current network expires in June 2015 after being in place for 7 years.
- 4.4 During 2014 and following Cabinet approval on 30<sup>th</sup> January, 2014 we have undertaken an EU Restricted Tender process to test the market place in order to select a preferred supplier for the provision of our voice and data network. The contract is to be let is for 5 years with the option to extend for a further 5 years (5 + 5).
- 4.5 The new contract will be signed in December 2014 subject to Cabinet approval. The new contract will enable the upgrade of critical network links across our whole portfolio, which are currently operating at full capacity with recent evidence of some parts of our network failing and impacting on business. The new contract with supporting capital investment will also secure the replacement of essential network equipment and will support our new contact centre upgrades as outlined in the report to Cabinet in January 2014 which will see the introduction of:-
- ✓ Register your place in the phone queue for a call back
  - ✓ Automation for simple processing e.g. making a payment, reporting a problem,
  - ✓ Web Chat, where customers who are using the councils website but who need some help can press the web chat button and speak directly to a customer service advisor

- ✓ Call recording to help when training and improving the skills of our customer service advisors
- ✓ Contact Centre Manager which allows the council more control over how it operates the call centres, e.g. call routing, messages, better reporting on performance all of which previously needed input from the external provider to bring about the changes.

## **5.0 OVERVIEW OF PROCUREMENT**

- 5.1 An EU Restricted Tender process has been undertaken. The contract is for 5 years with the option to extend for a further 5 years in 12 month increments (5 + 5). In order to manage the bids received it was decided that a maximum of 6 applicants would be taken through to the ITT.
- 5.2 The OJEU notice and PQQ were published on 12<sup>th</sup> February 2014, and attracted 9 applicants.
- 5.3 The criteria and method for evaluation had already been developed to ensure a fair and robust analysis of all bids received. A scoring mechanism was also in place to support this process, which in turn was used to rank the providers at each stage of evaluation. This stage also includes an examination by the council's Financial Team of the companies' financial standing and viability.
- 5.4 An evaluation group was created, made up of representatives from the Council's ICT Team, Corporate Procurement, Finance, Audit and Health and Safety. Six successful suppliers were taken through to Invitation to Tender (ITT) stage.
- 5.5 The ITT was published on 9<sup>th</sup> July 2014 and closed on 29<sup>th</sup> August 2014. Five of the six applicants notified the Council during the tender process of their withdrawal from the process leaving a sole bidder. The sole bidder met all requirements and had compliance to the contract and was invited to participate in the site visit stage. Site visits were carried out to evidence information submitted in the tender documentation.
- 5.6 In addition to all of the above, references were taken up from Local Authorities/Public sector organisations which supports this evaluation process.
- 5.7 Following the tender process the preferred supplier is Capita ICT Services. A copy of the full tender process, scoring matrix and evaluation of all bidders can be made available to decision makers on request. The absence of this detail has made it possible for this report to be considered in the public session.

## **6.0 FINANCIAL IMPLICATIONS**

- 6.1 The capital cost of the broadband and telephony contract of £444k is funded through the Council's ICT capital programme in 2014/15 and 2015/16.
- 6.2 The revenue cost of the new broadband and telephony contract is £789k per annum in year 1. This reduces to £737k from year 3 onwards due to the deletion of a number of main circuits as a result of planned changes in building usage along with appropriate reductions in the level of support provided through the contract. Schools are charged a proportion of the contract costs through the ICT Managed Service for Schools.
- 6.3 Budget savings of £160k were put forward as part of the 2014/15 and 2015/16 budget around the new contract. The overall budget for the broadband and telephony contract is £778k for 2015/16 after removing the £160k savings proposals. There is a small gap between the budget and the cost of the new contract in year 1 only, however this will be managed from within Customer Services budgets. Schools will directly benefit from the reduced contract costs as the reduced cost will be fed into the charging model for the ICT Managed Service for Schools in 2015/16 helping to retain their business longer term.
- 6.4 There are specific costs within the new contract around the introduction of the new Contact Centre solution in support of our channel shift plans. This is specifically funded through the Council's budget for their share of the contract costs and not passed onto schools.  
MLB 17.10.14

## **7. LEGAL COMMENTS**

- 7.1 The award of contracts by local authorities, and other bodies in the public sector is governed by the Public Contracts Regulations 2006.
- 7.2 The Regulations have established a legal framework to ensure that where contracts fall within the scope of the rules, and exceed specified financial values, that they are advertised at EU level in the Official Journal of the European Union (OJEU).
- 7.3 The value of the current proposed contract with Capita exceeds the specified value, and an appropriate OJEU notice was published as required.
- 7.4 Following the OJEU notice a legally compliant procurement process has been carried out resulting in the recommendation that Capita ICT Services be awarded a contract as the preferred supplier.

**8. PREVIOUS MINUTES**

8.1 None

**9. BACKGROUND PAPERS**

9.1 Voice and Data Network Procurement Report – 30<sup>th</sup> January, 2014  
Cabinet

**Report prepared by Kirsty King, ICT Service Delivery Manager,  
Telephone: 01952 383480**