

Report to:	Cabinet	Date of Meeting:	5 November 2020
Subject:	Procurement of Telephony Solution		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

This report sets out the background to the Council's current telephony solution and proposes procurement route(s) for a new cloud telephony service

Recommendation(s):

- (1) That the Executive Director of Corporate Resources & Customer Services be authorised to conduct a procurement exercise for cloud telephony solution(s) with a view to entering into a contract for a maximum period of 2 years plus one year.
- (2) That the Executive Director Corporate Resources & Customer Services in consultation with the Cabinet Member for Regulatory, Compliance and Corporate Services be granted delegated authority to award the Contract(s) resulting from the procurement and to award any extension thereof.

Reasons for the Recommendation(s):

- (1) To have an appropriate and best value contract(s) in place for telephony service provision.

Alternative Options Considered and Rejected: (including any Risk Implications)

To continue with existing telephony solution, however this requires significant investment, does not support the Councils move to cloud based telephony and does not support agile working (soft telephony)

What will it cost and how will it be financed?

(A) Revenue Costs

Costs can be contained within existing revenue budgets, associated savings are anticipated from the existing spend on mobile telephony and will contribute to the PSR ICT and Digital project.

(B) Capital Costs

Capital costs will depend upon which supplier is selected; some suppliers provide background work and support and the charges are recovered in the running revenue costs; others charge large upfront fees for this service. Any potential capital costs will be a consideration in the awarding of a contract and can be met from existing capital budgets.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

Financial:

The move to a cloud telephony solution will mean that the authority will not have to invest to upgrade existing central telephony infrastructure, which is approaching end of life. In addition, there will be no further investment required to move the authority from ISDN and PSTN (analogue phone lines) when they are decommissioned nationally in 2025.

IT:

The awarding of a new contract will enable the decommissioning of the legacy telephony infrastructure within the onsite data centre, in line with the authority's ICT Transformation programme and the termination of existing contracts with Virgin for voice communications. The solution(s) will also provide increased resilience for voice communications and improved service delivery by directly integrating to the new Contract Centre Cloud solution where required. Furthermore, the solution will enable the implementation of soft telephones thereby facilitating staff to work in a flexible and agile way.

Staffing:

The new solution(s) will require some training and implementation, some suppliers on the framework can provide this but staff time and capacity will be required to attend such training.

Assets:

There are likely to be asset implications associated with this procurement. Equipment currently owned by Sefton Council will be released for disposal reducing maintenance of those assets.

Legal Implications:

There are no legal implications

Equality Implications:

There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable:

This project will ensure the maintenance of systems and services used by Council staff to deliver services to the most vulnerable members of our communities and allow agile officers to communicate from any location. In addition, the integration (where required) with the core contact centre system will support transparent service delivery across front and back office functions.

Facilitate confident and resilient communities:

This project will ensure the provision of telephony of systems and services used by Council staff to deliver services to our communities

Commission, broker and provide core services:

Adopting a soft telephony solution will provide a resilient and scalable solution for voice communications. We will be providing a service at the best value

Place – leadership and influencer:

Not applicable

Drivers of change and reform:

This project supports the delivery of the Council's ambitious change programme and 2030 vision.

Facilitate sustainable economic prosperity:

The potential for added Social Value will be included within the tender documentation if possible.

Greater income for social investment:

Not applicable

Cleaner Greener

Adopting cloud based telephony for the council will reduce carbon emissions associated with the operation of the local infrastructure.

What consultations have taken place on the proposals and when?**(A) Internal Consultations**

The Executive Director of Corporate Resources & Customer Services (FD6151/20) and the Chief Legal & Democratic Officer (LD4343/20) has been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not applicable

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

Contact Officer:	Helen Spreadbury
Telephone Number:	07583 057822
Email Address:	helen.spreadbury@sefton.gov.uk

Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

Introduction/Background

- 1.1 Technology solutions for voice communication have progressed significantly over the last few years, moving away from the use of landlines towards internet based services.
- 1.2 Sefton’s voice communication is run through both ISDN and analogue lines, these are not digital and this technology will be obsolete by 2025.
- 1.3 The central infrastructure within Sefton to support telephony is aging and cannot be upgraded to the most recent version of the software operating system currently used across the authority.
- 1.4 The COVID pandemic has necessitated a need for staff to work in a much more agile way and as a result spend on mobile telephony has increased
- 1.5 To ensure business continuity of the Councils Contact Centre during the pandemic Sefton has already moved to a cloud (internet hosted off site) based telephony solution for its contact centre operations
- 1.6 Sefton has already invested in Office 365 and implemented Microsoft (MS) Teams as a collaboration platform but does not use the cloud telephony solution available via the Teams platform. There is an opportunity to develop an integrated cloud based hybrid telephony solution for the Council, which would provide operational improvements.

Telephony Current Position – Infrastructure

- 1.7 Sefton currently uses Mitel Telephony software to run his voice system, Sefton is on version 6 of this software. The most recent version is version 7 and at the time of writing there is no release date for version 8. However, as soon as this is available version 6 will be removed from support. Should Sefton therefore wish to continue to use Mitel it would be recommended to move to version 7 within the next 12-24 months.
- 1.8 Much of the hardware that provides the gateways to telephony at sites will need to have a hardware update prior to moving to version 7, it would also be recommended to move away from the legacy ISDN and analogue lines concurrently to ensure that Sefton's telephony solution can be sustained beyond 2025.
- 1.9 In line with hardware end of life an investment of approximately 350,000 would be needed to upgrade the current infrastructure to ensure the provision of a fully supported solution, this excludes costs associated with the national decommissioning of analogue technology.

Telephony Current Position – Usage

- 1.10 Prior to the Covid-19 Pandemic approximately 50% of current phone lines were not used to make outgoing calls, which indicates that a significant proportion of such communications could be redirected to the existing MS Teams Platform. At the current time this has reduce to around 25%.
- 1.11 It must also be highlighted that in addition to the traditional voice solution Sefton has now over 2,200 mobile phones in operation. Over 500 of which were issued as a response to the COVID pandemic and the immediate need for staff to operate in a more agile way. This has in turn contributed to the reduction in the use of traditional lines. The contract awarded to EE in 2019 allowed the organisation to reduce its spend on mobile telephony and the proposals within this paper will enable the authority to move to a single device solution per person for voice communications, either softphone or mobile phone further reducing spend in this area.

Opportunity for maximising Office 365 Telephony combining with a full cloud based telephony solution

- 1.12 Sefton has made significant investment in agile devices and Office 365 as part of the ICT Transformation Programme, and most recently the authority has deployed MS Teams as its internal video conferencing and communication tool to support agile/home working during the COVID-19 pandemic. However, Sefton has not yet explored the telephony solutions also available within this platform, a solution which has been deployed across other authorities during recent months. Conversations are already underway with Microsoft to explore the potential but as a minimum the functionality exists for internal and external voice communications. However, this opportunity would be considered in context of the wider market to ensure it is the most economically advantageous solution for the Council.

- 1.13 As the authority already has a support contract for Microsoft products there would be no procurement exercise required to progress this option, however there would need to be investment in licence costs to include telephony functionality.

Contact Centre Solution

- 1.14 In April 2020 Sefton awarded a Contract to 8x8 for the provision of virtual Contact Centre Services. This decision was made based on the necessary response to the COVID-19 virus which meant that Customer Services had to be operational 7 days a week and if required 24 hours to support residents during a particularly intense period. This investment moved the service to a cloud based and agile model and has been a huge success for both residents and staff.
- 1.15 The award of the contract to 8x8, was based on a G-Cloud procurement, supported by the Central Procurement team, and included an analysis of the ability of suppliers on this framework to meet the requirements of Sefton Council.
- 1.16 It is recognised that other officers and teams across the Council may also need Contact Centre functionality including integrated call handling and associated reporting.

Proposed Next steps

- 2.1 Officers have conducted a review of telephony requirements across Sefton, this has included consultation with relevant Heads of Service and Service Managers to fully understand the Council's business requirements.
- 2.2 Officers now propose to further develop these requirements to develop profiles for telephony which can be linked to the options available
- Internal Only – can be fulfilled using MS Teams functionality
 - Standard telephony – to be fulfilled using a soft telephony solution MS Teams Telephony or Similar
 - Extended telephony – to include key contact centre functions
- 2.3 Procurement will be required to fulfil the requirements for both standard and extended telephony profiles

Procurement Route for Hybrid Telephony Solution

- 2.4 **MS Teams/Soft Telephony Solution** - As highlighted previously no formal procurement will be required for the MS Teams solution as this is functionality currently available within the product set and only requires a change of licence. Should the authority determine that MS Teams cannot meet all standard telephony requirements in a cost effect manner then the recommendation is that G-Cloud will be used to procure an additional solution. This will enable the Council to identify the most cost-effective solution.
- 2.5 **Extended Telephony – Contact Centre Functions** Following discussions with the Council's Procurement Team, the recommendation is that G-Cloud is used for the procurement of the additional solution required. This will enable the Council to

review all suppliers to identify the most economically advantageous solution in line with the business requirements of the authority

- 2.6 It is recommended that the term of any contract is 3 years in line with the contract awarded in April for the virtual Contact Centre

Next Steps

- 2.7 If the recommendation of this report is accepted and approved, the next steps will be as follows:

Activity	Timescales
Profiling of telephony requirements	End Nov 2020
G- Cloud Procurement Activity	December 2020
Implementation of Soft Telephony Solution(s)	Dec-March 2020
Implementation of additional Contact Centre Telephony	Feb/March 2020
Decommissioning of legacy telephony infrastructure	End March 2020

- 2.8 In conclusion, the move towards a cloud based telephony solution allows the decommissioning of the legacy architecture in Sefton as well as supporting the Council of 2023 programme of work.