

CABINET
15 October 2019

Title: Business Telephony Services Procurement	
Report of the Cabinet member for Finance, Performance & Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
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Summary: This report focuses on three workstreams: 1) Mobile telephony services 2) Contact Centre as a Service 3) Microsoft Teams Telephony. Mobile Telephony Services The Council's Contract with EE is currently within an extension period and needs to be replaced. To meet the Council's need to provide mobile connectivity for staff, ensure the workforce remains flexible and can respond to the public, members and Officers in a timely manner. Contact Centre as a Service The Elevate East London LLP (Elevate) joint venture between the Council and Agilisys was formed on 10th December 2010 and at the same time the Council entered into a seven-year contract with Elevate for a range of services which included delivering and managing Call Centre Services. It has been agreed the Call Centre Team will come back In-house on 3rd February 2020 and the Council has an opportunity to reduce these system costs by seeking a cloud hosting service which delivers these services as part of its provision. Microsoft Teams Telephony The Council's existing desk-top based telephony system is at a stage where significant further investment is needed to sustain it and the use of the service is in decline The Council has an opportunity to reduce these costs by seeking a Microsoft cloud hosting service which delivers phone system PBX capabilities in Office 365.	

Mobile Telephony Services

Cira £1.5m

SIM-only provision for 776 services

£55,872

Cloud Contact as a Service (CCaaS)

Cira £360,000

Microsoft Teams Telephony

£335,491

Total Cira: £2,251,363

Recommendation(s)

- (i) Authorise and Delegate authority to the Chief Operating Officer to conduct the procurement and award and enter into the contracts and all other necessary or ancillary agreements with the successful bidder(s) in accordance with the strategy set out in the report

Mobile Telephony Services

- (ii) To procure a Business Telephony Service 24 months plus 2 optional extension periods of up to 12 months each via a mini competition on the new Crown Commercial Services (CCS) Network Services 2 – (RM 3808) Framework
- (iii) Allow the Council to set-up a Dynamic Purching System (DPS) Procurement Framework to facilitate the purchase of mobile devices and any associated consumables.
- (iv) Direct Award EE on the new Network Services 2 – (RM 3808) Framework with Crown Commercial Services a SIM only provision for 776 SIM-only services.

Contact Centre as a Service (CCaaS)

- (v) To procure a Contact Centre as a Service (CCaaS) 24 months plus 2 optional extension periods of up to 12 months each via a mini competition on the new Crown Commercial Services G-Cloud 11 Framework.

Microsoft Teams Telephony

- (vi) To procure under the existing agreed term contract with Softcat PLC via Elevate East London LLP (Elevate), a 2-year up-lift of Microsoft Teams Office 365 call plans.

Reason(s)**Mobile Telephony Services**

- The Council's Contract with EE is currently within an extension period and needs to be replaced.

- To meet the Council's need to provide mobile connectivity for staff, ensure the workforce remains flexible and can respond to the public, members and Officers in a timely manner.
- In addition, this will enable the Council to continue in its support for a flexible workforce in achieving New Ways of Working.
- To ensure this procurement meets the Business Mobile Telephony requirements at best terms to the Council

Contact Centre as a Service (CCaaS)

- The Elevate East London LLP (Elevate) joint venture between the Council and Agilisys was formed on 10th December 2010 and at the same time the Council entered into a seven-year contract with Elevate for a range of services which included delivering and managing Call Centre Services.
- It was agreed at Cabinet in January 2019, LBB Customer Services which includes the Council's Call Centre will be delivered primarily in-house with the option of specialist areas, such as the out-of-hours and Careline services, being delivered via an outsourced arrangement.
- It has been agreed the Call Centre Team will come back In-house on 3rd February 2020, and the current technology which supports the Call Centre consists of disparate and antiquated systems.
- The Council has an opportunity to reduce these system costs by seeking a cloud hosting service which delivers these services as part of its provision.

Microsoft Teams Telephony

- The Council's existing desk-top based telephony system is at a stage where significant further investment is needed to sustain it and the use of the service is in decline This provides an opportunity to review current telephony delivery and consider a future strategy.
- The Alcatel-Lucent desktop phone system has been in place for 10 years and has reduced in use over this period as a result of reducing headcount and changing work practices.
- The desk-top base phone system does not support the agile working culture introduced by the New Ways of Working Programme, limiting the flexibility of workers as they are reliant on their desk-based telephones.
- The Council has an opportunity to reduce these costs by seeking a Microsoft cloud hosting service which delivers phone system PBX capabilities in Office 365. This provision would replace the Alcatel-Lucent desk-top-base phone system.

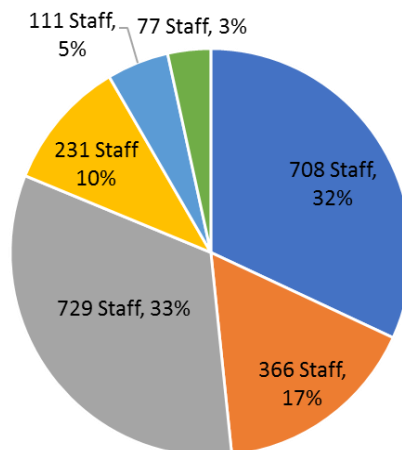
1. Introduction and Background

New Ways of Working (NWoW) was part of the Council's transformation Programme to modernise working practices, refurbish offices and implement an IT system that allowed staff to work more flexibly, such as working from home, out in the community or from any Council office or building. The proposed overhaul of the Council's telephony as outlined in this report is a key part of the programme which will also deliver savings compared with the annual maintenance costs of the current system. Furthermore, there's scope for potential future savings with the new telephony system if the level of user numbers fall and under-usage is minimised.

1.1. Background - Mobile Telephony Services

- 1.1.1. The Council currently has over 2000 mobile handsets which are supported by two main call and data packages, allowing staff to make and receive calls as well access MS Office 365 Application such as emails, calendars the internet etc. whilst on the move. This capability enhances the workforce and will help the Council move towards becoming a digital workplace.
- 1.1.2. The main areas that are covered by this service are - Handsets and Sim Cards - Sim Only Services for Traffic Cameras - Sim Only Services for Door Entry Systems.
- 1.1.3. EE is the current provider of Mobile Telephony and Ancillary Services to the Council, which enables staff to work safer, be more mobile and has assisted with meeting key objectives of the New Ways of Working Programme.
- 1.1.4. The existing EE Service is a 2-year contract with an option to extend for 1 year. From July 2019, the Council will exercise the option to extend for 1 year, with a notice period of 3 months. This will allow enough time to procure for a Business Mobile Telephony Solution.
- 1.1.5. 1 years' worth of Mobile Data has been analysed to determine how much Gigabytes (GB) is being used across Council Mobile Devices – over 80% of staff use less 0.5GB of data per month. The current monthly data allowance is set at 4GB per user - the Council's monthly total data allowance is significantly underused.
- 1.1.6. The Pie Chart and Table below sets out the breakdown of the mobile data usage among staff.

Average Mobile Data Usage Per Month



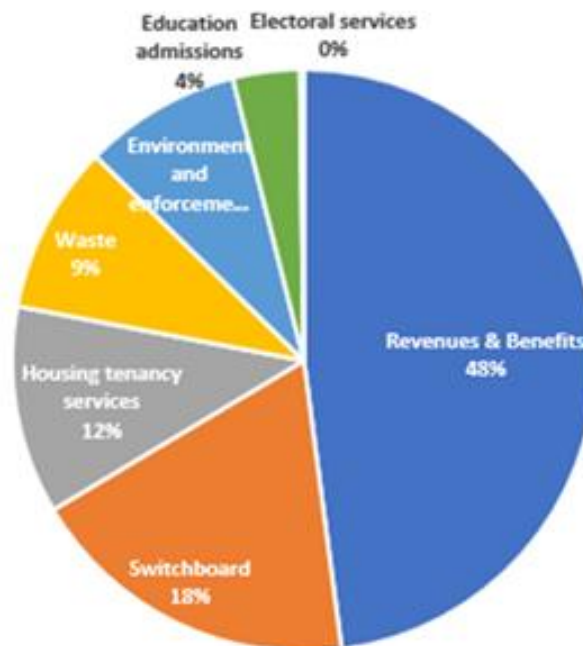
More than 2GB per month	Very High
Under 2GB per month	High
Under 1GB per month	Medium
Under 0.5GB per month	Low
Under 0.1GB per month	Very Low
0GB per month	Nil

- 1.1.7. In March 2019, the Council conducted a Prior Information Notice (PIN) which was not a call for competition. It was carried out to determine if there were enough suppliers who could supply the products and services the Council requires.
- 1.1.8. The Council was clear on what the key requirements are and they would form part of the future Business Mobile Telephony Solution - 16 Suppliers responded expressing an interest.
- 1.1.9. Given the significant underuse of monthly data, the Council would like the ability to aggregate data across all devices. This will reduce data plan costs and allow heavier data users to continue their service without incurring monthly penalties for using data outside of their allowance.
- 1.1.10. The existing Crown Commercial Service – Network Services (RM 1045) Framework will expire in July 2019 – it has been in use for nearly 4 years and is being replaced by the new Mobile Network Services 2 – (RM 3808) Framework in July 2019 and should be available as of August 2019.

1.2. **Background - Contact Centre as a Service (CCaaS)**

- 1.2.1. The Elevate East London LLP (Elevate) joint venture between the Council and Agilisys was formed on 10th December 2010 and at the same time the Council entered into a seven-year contract with Elevate for a range of services which included delivering and managing Call Centre Services.
- 1.2.2. It was agreed at Cabinet in January 2019, LBBB Customer Services which includes the Council's Call Centre will be delivered primarily in-house with the option of specialist areas, such as the out-of-hours and Careline services, being delivered via an outsourced arrangement.
- 1.2.3. It is proposed the Call Centre Team will come back In-house on 3rd February 2020.
- 1.2.4. The current technology which supports the Call Centre consists of disparate and antiquated systems
- 1.2.5. LBBB's main Contact Centre handles approximately 460,000 calls per year and has around 35.4 Full Time Equivalent (FTE) agents to cover the hours between 8am and 6pm
- 1.2.6. A further 150,000 calls with our Housing Repairs Contact Centre (approx.17 FTE)
- 1.2.7. Our Out of Hours service handles 20,000 General emergency calls plus 13,000 Repairs emergency calls (approx. 7 FTE)
- 1.2.8. Careline supports 4000 clients for 24/7-365 emergency alarm monitoring (approx. 12 FTE agents) and handle approx. 120,000 alarm calls (on an alarm system with separate phone lines) and handle approx. 3,600 incoming enquiry calls on the main phone system

1.2.9. The chart below is a split of services supported by the main Contact Centre



1.2.10. The provision of a Cloud Contact Centre as a Service (CCaaS) has become a mature and reliable service offering and is defined by Call Center software hosted in the cloud instead of hosted on-premise.

1.2.11. At the beginning of 2019, a number of LBB and Elevate Stakeholders attended CCaaS presentations to understand what capabilities and functionality exists within market and were very satisfied with CCaaS as a strategy for Council.

1.2.12. On 2 July 2019, a new Crown Commercial Services G-Cloud 11 Framework was established. This procurement framework will satisfy the requirements of the services needed and provide best cost and value to the Council.

1.3. **Background – Microsoft Teams Telephony**

1.3.1. The Council's existing desk-top based telephony system is at a stage where significant further investment is needed to sustain it and the use of the service is in decline. This provides an opportunity to review current telephony delivery and consider a future strategy.

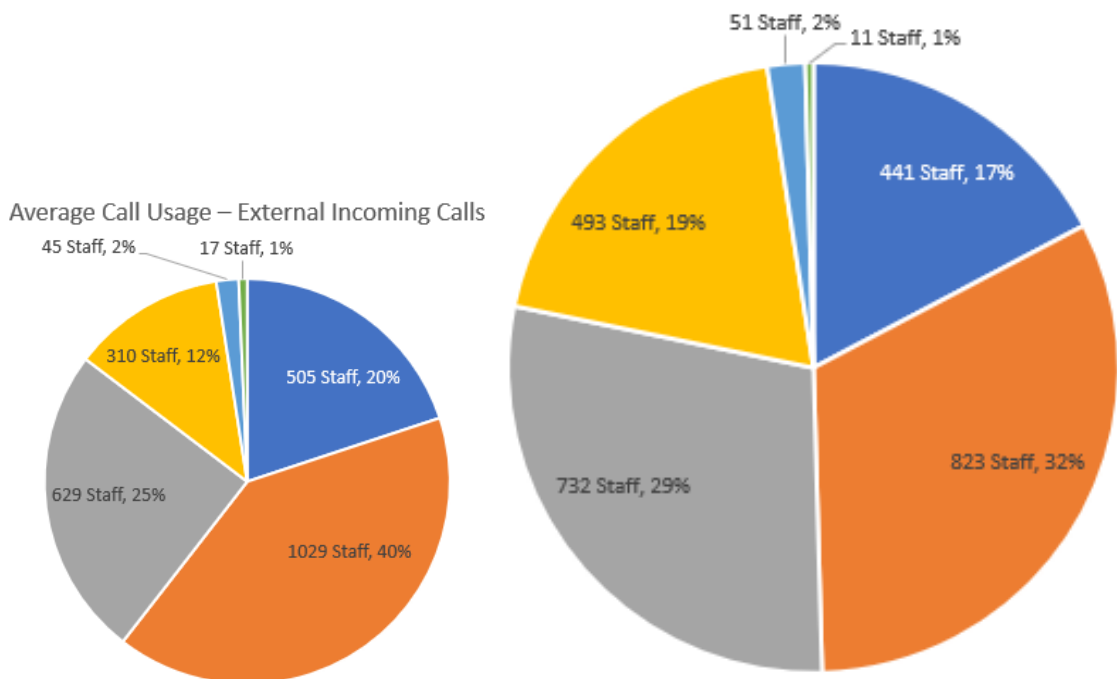
1.3.2. The Alcatel-Lucent desktop phone system has been in place for 10 years and has reduced in use over this period as a result of reducing headcount and changing work practices.

1.3.3. The desk-top base phone system does not support the agile working culture introduced by New Ways of Working Programme, limiting the flexibility of workers as they are reliant on their desk-based telephones.

1.3.4. The Council has an opportunity to reduce these costs by seeking a Microsoft cloud hosting service which delivers phone system PBX capabilities in Office 365. This provision would replace the Alcatel-Lucent desk-top-base phone system.

- 1.3.5. New Ways of Working (NWoW) was part of the Council's transformation Programme to modernise working practices, refurbish offices and implement an IT system that allowed staff to work more flexibly, such as working from home, out in the community or from any Council office or building.
- 1.3.6. The Council launched Skype for Business in August 2017, this is increasingly being used for internal communications, mainly through text based instant messaging, internal point-to-point calls and conference calls with internal and external partners.
- 1.3.7. The Council carried out a 3-month Proof of Concept (PoC) for Skype for Business to assess the viability of a Microsoft soft-telephony capability. The PoC was successfully and enhanced flexible working and allowed staff to work from anywhere, seamlessly.
- 1.3.8. Skype for Business is being superseded by Microsoft Teams which can connect into the public telephone system. This will allow users to make public access telephone calls via Microsoft Teams in Office 365 in a very similar way to the desk-based telephone system with additional benefits.
- 1.3.9. There are just over 2,500 fixed phone extensions with approx. 50% of staff receiving or making nil of less than 5 calls per month on average – please see the pie chart below.

Average Call Usage – Outgoing Calls



>160 calls per month	Very High
81-160 calls per month / between 20 – 40 calls per week	High
20-80 calls per month / between 6 – 20 calls per week	Medium
6-20 calls per month / between 2 – 5 call per week	Low
< 5 calls per month / average 1 per week	Very Low
0 Calls per month	Nil

1.3.10. The Council is in the process of migrating all team files (12 Terabytes) into the cloud, where files will be saved, shared and accessed using Office 365 Microsoft Teams. Transitioning from using desk-based phones to Microsoft Teams telephony functionality will not be problematic as staff will already be familiar with this application and interface.

2. Proposed Procurement Strategy

2.1. Outline specification of the works, goods or services being procured.

2.1.1. The service requirement is to provide the following:

- Service only contract, no handsets or devices.
- Self Service Administration Portal, which will allow the Council to manage the account and report on data\voice usage, view bills and order Sims etc.
- Ability to restrict\manage international roaming.
- Warrant good service provision in the borough and excellent provision within core Corporate buildings.
- Data, Voice and SMS normally required for mobile devices.
- Data only services with suitable SIM for 2G, 3G, 4G and 5G devices as needed. (accepting that 5G is not yet available but no cost penalty when it does become available)
- Ability to have Wi-Fi calling and free use of network provider hotspots wherever they exist (public spaces, underground etc.)
- Single aggregated data block for the entire council
- Unlimited calls (PSTN, UK) If this element of service cannot be provided aggregation of data will be required.
- SIM only service provision for Circa 800 services

2.1.2. It is proposed the Council to set-up a Dynamic Purchasing System (DPS) to facilitate the purchase of mobile devices and any associated consumables. A Dynamic Purchasing System (DPS) is a procurement tool similar to a Framework Agreement but is a completely electronic competitive procurement process which new suppliers can join at any time. Creating a DPS will therefore enable the Council to have the flexibility of product and the ability to add and remove suppliers over the lifecycle of the DPS, this also allows for packages of handsets/Consumables being offered to a wider supply chain to drive value for money.

2.2. Proposed Procurement Strategy – Contact Centre as a Service (CCaaS)

Outline specification of the works, goods or services being procured.

2.2.1. The service requirement is to provide the following:

- Inbound and Outbound Cloud Contact Centre
- Omnichannel Routing
- Automatic Call Distribution (ACD)

- Interactive Voice Response (IVR)
- Workforce Management
- Quality Management
- Quality Management Analytics
- Performance Management
- Analytics
 - Interaction Analytics
 - Reporting
 - Customer Services
- Integration
- CRM Integration
- Microsoft Teams Integration
- Voice as a Service (VaaS)

2.3. Proposed Procurement Strategy - Microsoft Teams Telephony

Outline specification of the works, goods or services being procured.

2.3.1. The Council currently has a Microsoft Enterprise 3 plan which is a complete, intelligent, collaborative solution that provides a powerful suite of licensing for Office 365 Enterprise, Enterprise Mobility and Security and Windows 10 Enterprise.

2.3.2. An uplift to the existing Enterprise 3 plan is required for the following:

- Microsoft Teams Domestic Calling Plan 120 Minutes per month
- Microsoft Teams Domestic Calling Plan 240 minutes per month
- Microsoft Teams International Calling Plan
- Audio Conferencing licenses
- Phone system license is needed

2.4. Estimated Contract Value, including the value of any uplift or extension period

Mobile Telephony Services

LBBB's mobile airtime bill is approx. £400,00 per annum over 3 years would total circa £1.2M.

Contact Centre as a Service (CCaaS)

The new Cloud Contact Centre will need approx. 50 staff and call agents – per seat license costs £150 per month. 50 licenses would cost £7,500 per month and

Microsoft Teams Telephony

1200 Microsoft Phone system licenses - £52.20 each. Total per annum £62,640

1000 Microsoft Teams Domestic Calling Plans -

<p>Mobile device cost over 3 years would total circa. £300,000</p>	<p>£90,000 per annum over 3 years total circa £270,000.</p>	<p>£92.16 each for 1200 minutes per user per month. Total per annum £92,160</p>
<p>SIM-only provision for 776 points (£2 per SIM per month) - £55,872</p>		<p>180 Microsoft Teams Domestic Calling Plans - £46.32 each for 240 minutes per user per month. Total per annum £8,337.60</p>
		<p>20 Microsoft Teams International Calling Plans – 184.32 each. Total per annum £3,686.40</p>
		<p>30 Audio Conferencing licenses - £30.72 per annum. Total £921.60</p>
		<p>1000 Microsoft Teams Headsets - £50 per unit. Total £50,000</p>
		<p>200 Microsoft Teams Desk-based Phones - £200 per unit. Total £40,000</p>
		<p>Total annual Microsoft Telephony cost £105,105.60</p>
		<p>Total 2-year contract £335,491</p>

3. Duration of the contract, including any options for extension

Mobile Telephony Services	Cloud Contact as a Service (CCaaS)	Microsoft Teams Telephony
<p>24 months plus 2 optional extension periods of up to 12 months each.</p>	<p>24 months plus 2 optional extension periods of up to 12 months each</p>	<p>24 months contract</p>

4. Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?

4.1. Yes, the contract would fall under PSR 2015 under services

5. Recommended procurement procedure and reasons for the recommendation

5.1. Mobile Telephony Services

- 5.1.1. The Prior Information Notice (PIN) demonstrated the potential to consider an mini-competition on a Crown Commercial Services Framework. However, there is a new Crown Commercial Service Networking 2 Framework which has now replaced Network Services (RM1045) The new Framework is highly competitive with all Suppliers pre-vetted and commercial agreements used among suppliers to increase quality and value.
- 5.1.2. The framework will also include secondary services designed to enhance, supplement or support the delivery of the main primary services.
- 5.1.3. The Council will arrange with Crown Commercial Services pre-market engagement via the new Network Services 2 – (RM 3808) Framework which will come into effect in August 2019.
- 5.1.4. There are 776 SIM-only services such as door entry systems, school gates, CCT cameras which are provisioned by the current EE Contract – to Direct Award this element of the service would provide best cost and value for the Council rather than swapping out these SIMs with a new supplier. It should be noted not all suppliers which may bid could necessarily provide this service.
- 5.1.5. A brief will be provided for the pre-market engagement and the output from this process will help inform and refine the Service Specification. Once this has been completed best value will be achieved by using (mini) competition via Crown Commercial Services.
- 5.1.6. Once this has been completed best value will be achieved by using (mini) competition via Crown Commercial Services.

5.2. Contact Centre as a Service (CCaaS)

- 5.2.1. As of 3 July 2019, a new G-Cloud 11 Framework (RM1557.11) came into effect on Crown Commercial Services. A mini-competition will be run between all of the suitable suppliers on this framework.
- 5.2.2. The new Framework is highly competitive with all Suppliers pre-vetted and commercial agreements used among suppliers to increase quality and value.
- 5.2.3. The Council will arrange with Crown Commercial Services pre-market engagement via the G-Cloud 11 Framework (RM1557.11)

5.3. Microsoft Teams Telephony

- 5.3.1. The Council entered into a 3-year exclusive Microsoft Enterprise Subscription Agreement on 01 June 2019 to 01 June 2022, with Softcat PLC via Elevate East London LLP (Elevate). The procurement of Microsoft Teams calling plans is an uplift to this existing Microsoft Enterprise.
- 5.3.2. Elevate East London LLP (Elevate) through knowledge and experience, expertise within the ICT sector and discussions with vendors selected Softcat Plc to provide Microsoft licensing on behalf of LBBD.

5.3.3. The table below sets out what the existing Enterprise Agreement Level-3 comprises of:

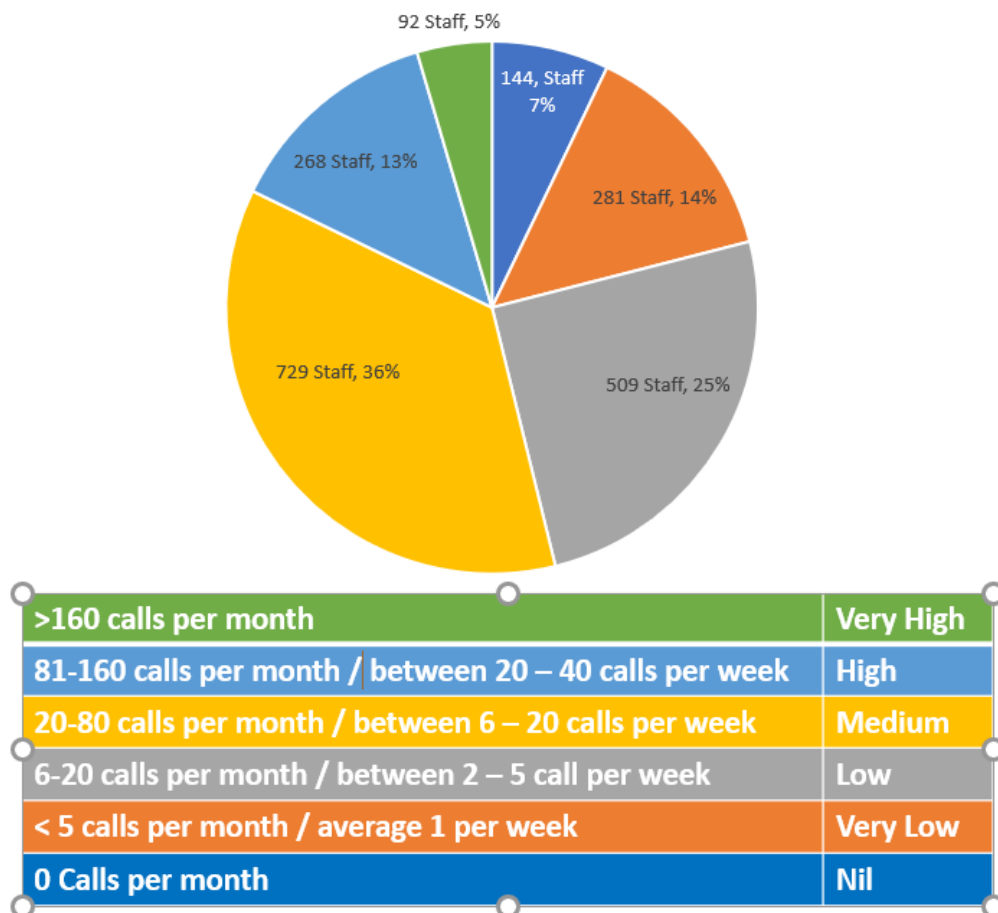
- Enterprise Cloud Suite - this is an old name for what has been replaced by "M365" in line 3 below
- Project Online Professional
- Microsoft 365 E3 - contains Office 365, Enterprise Mobility and Security (EMS) & windows licence
- M365 E5 step up from E3. Gives E5 functionality on top of E3 license above
- Office 365 F1. A basic stripped-down Office 365 licence
- Microsoft 365 F1. Similar to above but with EMS and windows functionality
- Visio Online Plan 1 (there are 2 plans available, plan 1 and 2)
- Phone System
- Visio Online Plan 2
- Power Bi Pro
- Windows Server External Connector

6. Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract

6.1. Mobile Telephony Services

- 6.1.1. Fit for purpose provision of Business Telephony Services for Council Staff and Services.
- 6.1.2. A price reduction from £3 to £2 per month has been negotiated for the 776 EE SIM-only services. Over 3-years, this is a saving of Circa £30,000. More importantly, the Council will achieve 'cost avoidance' by not replacing these SIMs with a new supplier and continuing with EE.
- 6.1.3. If the Council were to Direct Award to EE, the potential double 'contact management' effort would be minimal. The 776 SIM services are not phones, which are usually subject to wear and tear, getting lost and needing replacement.
- 6.1.4. Separating the purchase of mobile devices from the Network Service Provider gives the Council an option to offer Council staff an allowance to use their own devices which could save a circa up to £390,000. over a 3-year period.

6.1.5. Below is a Pie Chart showing how many mobile minutes are used each day among staff across the Council:



- 6.1.6. Nil, very low and low users (934 staff) account for approx. 50% of calls made. If the Council offered staff who are very low / low users an allowance of £5 per month over a 3-year period this would cost LBBB £142,200.
- 6.1.7. Handset and line rental savings on 934 units over 3 years would be £532,380, deducting allowances of £5 per month £142,200 would realise a saving of £390,180
- 6.1.8. Existing Handsets will be unlocked and new SIMs provided.
- 6.1.9. A Self-Service Administration Portal will allow the Council to manage the account and report on data\voice usage, view bills and order Sims. This will significantly increase efficiencies in service and provisioning.
- 6.1.10. Data aggregation will reduce data costs and prevent penalties (approx. £1,000 per month currently) being incurred as a result of using data outside of the monthly allowance.
- 6.1.11. Provision of 2G, 3G, 4G and 5G (accepting 5G is not yet available but no cost penalty when it does become available)
- 6.1.12. Ability to have Wi-Fi calling and free use of network provider hotspots wherever they exist (public spaces, underground etc.)
- 6.1.13. Unlimited calls (PSTN, UK) and unlimited SMS

6.1.14. The Council has a number of dependent subsidiary businesses, the Council wishes to be able to provide the same service available to Council to these businesses.

6.2. Contact Centre as a Service (CCaaS) & Microsoft Teams Telephony

6.2.1. CCaaS solutions provides enhanced capabilities in contrast to on-premises traditional Call Contact Centers

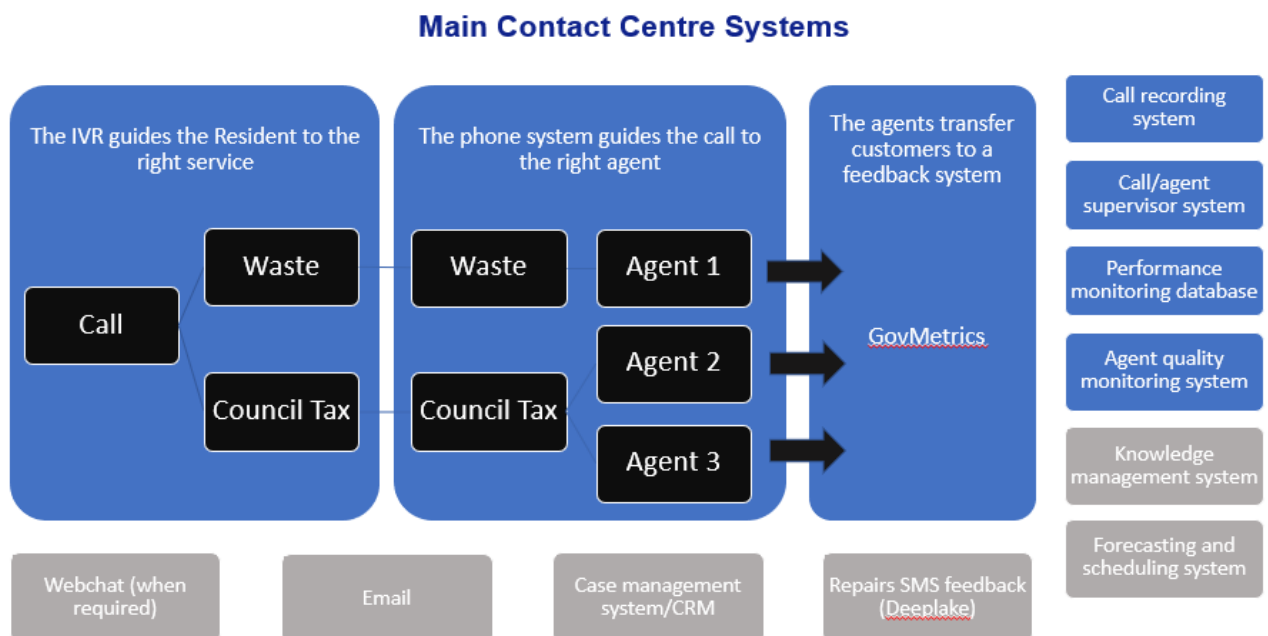
6.2.2. There will be no on-going costs for maintenance and upgrades

6.2.3. The provider owns and operates the systems including software and makes them available on a per-user monthly subscription basis

6.2.4. Provides flexibility to scale-up or down call agent capabilities

6.2.5. Removes the need for a physical location in case of Disaster Recovery

6.2.6. Below is a diagram showing how many systems are currently integrated (7 blocks in blue) and have annual maintenance costs associated with them.



6.2.7. A CCaaS solution and using MS Teams Telephony eliminates the above disparate systems and complex integration.

6.2.8. Employing a cloud contact center will ensure the Council always have the latest technology, real-time scalability and flexibility, business continuity, disaster recovery and robust features.

6.2.9. Microsoft licensing costs increase annually and a quantity of 1 license for the following plans were purchased to locked-in 2019 prices.

- Microsoft Phone system License
- Microsoft Teams Domestic Calling Plan 120 Minutes per month
- Microsoft Teams Domestic Calling Plan 1200 minutes per month
- Microsoft Teams International Calling Plan

- Microsoft Teams Audio Conferencing licenses

6.2.10. The current telephony systems which supports the Council's desk-based phones and the Contact Centre is at a stage where significant further investment is needed to sustain it and the use of the service is in decline - below is a breakdown of capital and revenue costs if the Council replaces its current systems.

Item	Cost	Description
New Private Branch Exchange (PBX) System	£200,000	PBX phone system which allows users to communicate internally and externally
Maintenance fee	£140,000	Per Annum Covers core elements in the platform and any add on features, e.g. conference bridges, voicemail servers, call centre reporting servers. Inclusive of free software updates. Major software upgrades are free, although resources for implementation are not.
Soft phones	£72,000	£60 per license – 1200 units
Soft phone support	£15,000	20%
SIP trunk lines	£42,000	2 trunks providing a capacity for 360 calls at any one time Inclusive of 720,000 minutes to UK mobiles or landlines Enough inclusive minutes that no call costs incurred. Includes line rental for all phone numbers used by the Council (£0.90 one off cost for establishing a new number)
Call variable charges	£12,000	there are call variable charges outside the free calls (non geo, international etc), these tend to be around £1k per month but will go above/below this based on monthly demand.
Gov Metric	£8,000	Gov Metrics is a customer feedback questionnaire
Score Buddy	£2,500	This is a Call Agent quality monitoring system

Call recorders	£5,000	This is used for quality and monitoring purposes allowing Managers to listen to a proportion of calls checking for call handling skills, subject expertise and to investigate complaints
Netcall IVR	£50,000	An Interactive Voice Response System which allows callers to select from a menu of automated prompts in order to be routed to the most appropriate resource
Programme Implementation	£100,000	Funding for this has already been secured from an ICT budget
Total	£646,500	Year-1 costs
Total	£259,500	On-going Annual Maintenance

6.2.11. 41 LBBB Schools use the Council's Alcatel-Lucent Telephone System. Recharges for 2018/19 were circa £75,000, which defrays the Council's annual maintenance costs to £184,000 per annum.

6.2.12. The table below reflects capital and subscription costs for the new recommended solutions for desk-based telephony and Contact Center telephony.

Item	Cost	Description
Various Microsoft Teams Calling Plans	£167,745.60	<p>1200 Microsoft Phone system licenses - £52.20 each per annum. Total per annum £62,640</p> <p>1000 Microsoft Teams Domestic Calling Plans - £92.16 each for 1200 minutes per user per month. Total per annum - £92,160</p> <p>180 Microsoft Teams Domestic Calling Plans - £46.32 each for 120 minutes per user per month. Total per annum £8,337.60</p> <p>20 Microsoft Teams International Calling Plans – 184.32 each. Total per annum £3,686.40</p> <p>30 Audio Conferencing licenses - £30.72 per annum. Total £921.60</p>

Microsoft Teams Headsets	£0	1050 units (this is a capital costs and will be picked up from Programme Implementation cost) £52,500
Microsoft Teams Desk Phones	£0	200 units (this is a capital costs and will be picked up from Programme Implementation cost) £40,000
Contact Centre	£90,000	50 staff and call agents – per seat license costs £150 per month. 50 licenses - £7,500 per month x12 £90,000
Programme Implementation	£300,000	Funding for this has already been secured from an ICT budget
Total	£557,745.60	Year-1 costs
Total	£257,745.60	Yearly Subscription

6.2.13. The recommended approach is Lower in year-1 costs, broadly cost neutral in subsequent years, allows the Council far more flexible operation, facilitates the Council's Cloud strategy. The Recommended solution also gives the Council the most flexibility in supporting it's devolved business partners in their development ambitions.

7. Criteria against which the tenderers are to be selected and contract is to be awarded

8. How the procurement will address and implement the Council's Social Value policies

8.1. This has been considered and does not directly impact the Council's Social Value policies.

9. Contract Management methodology to be adopted

9.1. The initial contract management schedule is set out in the table below, but will be subject to change after the initial implementation stage and the service has bedded in:

Service Element	Initial Frequency
Mobile Telephony Services	Monthly then 3/6 monthly after implementation
Mobile Devices	As required as single packages will be contracted with multiple suppliers
Sim Only	Monthly then 6 monthly after implementation
CCaas	Monthly then 3/6 monthly after implementation
Microsoft Teams Telephony	Monthly then 6 monthly after implementation

- 9.2. At the point of this paper being drafted the contract management ownership is being agreed and is subject to the integration back into the Council of the services currently being provided by Elevate

10. Options Appraisal

10.1. Do nothing – EE Existing Contract

- 10.1.1. This option has been rejected – The initial 2-year contract expired in July 2019, the Council is now in a 12 month extension period. If Mobile Telephony Services are not provided this would become business critical and will result in inefficiencies and ineffectiveness for many users carrying out their roles. In addition, some Council services are dependent on mobile telephony; such as Traffic Cameras, over 700 Door Entry Systems, Lifts and Automatic Sliding Gates for Schools.

10.2. Do nothing – Contact Centre Telephony

- 10.2.1. This option has been rejected – The Contact Centre Service is reliant on the Alcatel-Lucent Telephone System. This telephony systems is at a stage where significant further investment is needed to sustain it and the use of the service is in decline. A Telephony solution is required to support the Contact Centre Service. It is essential for Barking & Dagenham residents to contact the Council and make enquiries on a range of services

10.3. Do nothing - Alcatel-Lucent Desk-Based Telephones

- 10.3.1. This option has been rejected – The Alcatel-Lucent Telephone System is at a stage where significant further investment is needed to sustain it and the use of the service is in decline and a solution is required to allow Council Officers the ability to make external phone calls to resident, partners, partner organizations and various authorities. The same is true of residents and organisations needing to call and speak with Services or Officers from the Council

10.4. Direct Award – Mobile Telephony Services & Contact Centre as a Service (CCaaS)

- 10.4.1. This option in the main has been rejected for the major aspect of Business Telephony Services - The pace of change in technology and services offered by Mobile Telephony Providers is always improving. A Direct Award approach has been partially discounted as it could restrict the solutions the Council requires and potentially newer service offerings
- 10.4.2. However, there are 776 SIM-only Services such as door entry systems, school gates, CCT cameras which are being supported by the current EE Contract – to Direct Award this element of the service would be very cost-effective to the Council rather than swapping out these SIMs with a new supplier.

10.5. Direct Award – Microsoft Teams Telephony

- 10.5.1. This option has been rejected – However, the Council entered into a 3-year exclusive Microsoft Enterprise Subscription Agreement on 01 June 2019 to 01 June 2022, with Softcat PLC via Elevate East London LLP (Elevate). The procurement of Microsoft Teams calling plans is an uplift to this existing agreement.

10.6. **Mini-competition CCS Framework - Mobile Telephony Services**

- 10.6.1. This is the preferred approach - The Prior Information Notice (PIN) which was not a call for competition, was carried out to determine if there were enough suppliers who could supply the products and services the Council requires
- 10.6.2. This resulted in a good response and demonstrated the potential to consider an mini-competition approach. A new Crown Commercial Service Networking 2 Framework has replaced the Network Services (RM1045) which expired on 16 July 2019. The Framework is highly competitive with all Suppliers pre-vetted and commercial agreements used among suppliers to increase quality and value

10.7. **Mini-competition CCS Framework – Contact Centre as a Service (CCaaS)**

- 10.7.1. This is the preferred option – on 3 July 2019, a new Crown Commercial Service G-Cloud 11 Framework was introduced. The new Framework is highly competitive with all Suppliers pre-vetted and commercial agreements used among suppliers to increase quality and value. The procurement timeline with a mini competition will align with Council's strategy and timescales of moving the Call Contact Centre back in-house.

10.8. **Existing Microsoft Subscription Enterprise Agreement**

- 10.8.1. This is the preferred option - the Council entered into a 3-year exclusive Microsoft Enterprise Subscription Agreement on June 1st 2019 to June 1st 2022, with Softcat PLC via Elevate East London LLP (Elevate). The procurement of Microsoft Teams calling plans will ban uplift to this existing agreement.

11. **Waiver**

- 11.1. Not applicable.

12. **Consultation**

- 12.1. Consultation for this procurement has taken place through circulation of a report and the main proposal was considered and endorsed by the Customer Information Board on 15th May 2019.

13. **Corporate Procurement**

Implications completed by: Francis Parker - Senior Procurement Manager

- 13.1. The proposed routes to market are all compliant with the Council contract rules and the PCR2015
- 13.2. Central government contracts offer excellent rates for these goods and services and the volume discounts offer better value for money than the Council could likely achieve in an open tender.
- 13.3. If mini-competitions are run between framework suppliers then value for money will be achieved or where required the use of direct award.
- 13.4. The DPS will give flexibility to the purchase of hardware and will allow for local and SME suppliers to be engaged with, which would not be the case on a full service wrap.

14. Financial Implications

Financial Implications, Kofi Adu, Group Finance Manager

- 14.1. The proposed overhaul of the Council's telephony is expected to cost £557,745.60 which is £88,754.40 less than the £646,500 it would cost to replace it. This would be a one-off cost funded from IT, project code FC03052, telephony refresh task 15.
- 14.2. The estimated ongoing annual subscription for the telephony support will be £257,745.60, which is £1,754.40 cheaper than the annual maintenance cost of the current system. Furthermore, there's scope for potential future savings with the new telephony system if the level of user numbers fall and under-usage is minimised. The new telephony system also provides scope for user flexibility and enhances user experience and promotes the council's new ways of working. We do not envisage additional cost burden to the council as a result of this new system, and the implementation cost and ongoing subscription will be managed within the existing budget provision.

15. Legal Implications

Legal implications completed by Graham Marlow, Contracts and Procurement Solicitor

- 15.1. The Public Contracts Regulations 2015 ("the Regulations"), LBBB's constitution and its contract rules permit LBBB to outsource services, subject to meeting certain requirements.
- 15.2. However, there is no obligation upon LBBB to outsource service and so it may provide them in-house and may bring previously outsourced services back in-house, as is proposed for part of the services covered in this report.
- 15.3. Mobile Telephony Services. Circa £1.5m. The Regulations and LBBB's contract rules require that a procurement of this financial value should be subject to a competitive tender.
- 15.4. Letting the contract via a pre-existing approved framework contract as is proposed in this report meets these requirements.
- 15.5. As the value is over £500,000, LBBB's contract rules require that the authority to award the contract be approved by Cabinet.
- 15.6. SIM-only provision for 776 services. £55,872. A proposed procurement of this size does not ordinarily require legal comments; however the proposed procurement route is compliant with the Regulations and LBBB's contract rules.
- 15.7. The contract award must be approved by the Chief Officer.
- 15.8. Contact Centre as a Service (CCaaS). Circa £270,000. The Regulations and LBBB's contract rules require that a procurement of this financial value should be subject to a competitive tender.
- 15.9. Letting the contract via a pre-existing approved framework contract as is proposed in this report meets these requirements.
- 15.10. A procurement of this financial value must be approved by the Chief Officer.

- 15.11. Microsoft Teams Telephony. £335,491. Awarding this proposed procurement through an uplift of the current contract is permissible under the Regulations and LBBD's contract rules.
- 15.12. Due to the potential risk that the procurements outlined in this report could be seen as being one procurement exercise, it is recommended that all are considered by Cabinet at one time and all are approved or rejected as one procurement.

Other Implications

16. Risk and Risk Management

16.1. Mobile Telephony Services

- 16.1.1. The Council continues to support Ways of Working Now (WoWNoW) the risk of non-deployment means the Council will not be able to fully adopt and utilise flexible working practices, this would go against the principles of developing a digital mobile workforce

16.2. Contact Centre as A Service (CCaaS)

- 16.2.1. As part of the Core Programmed, the Contact Centre staff are planned to move back in-house to the Council from 3 February 2020. A fit-for-purpose solution must be in place and ready for staff to begin training and familiarisation with the new (CCaaS).
- 16.2.2. The implementation of a (CCaaS) will be after the staff move in-house to reduce any further disruption.

16.3. Microsoft Teams Telephony

- 16.3.1. Significant discovery work will need to be carried out to ensure Council Services and buildings do not suffer a loss of telephony services when the Alcatel-Lucent desktop phone system is de-commissioned.

17. TUPE, other staffing and trade union implications

- 17.1. Not applicable – this is a technology focused Programme. There is a parallel Core Services Transformation Programme which is dealing with staff coming back in-house from Elevate East London LLP (Elevate).

18. Corporate Policy and Equality Impact

18.1. Mobile Telephony Services

- 18.1.1. This does not impact on equalities; however, the continued supply of smartphones and devices means that the Councils workforce is fluid and can respond to the public, members and officers in a timely manner. Smartphones and devices play a major part in communication which enhances the customer experience from both an internal and external view

18.2. Contact Centre as a Service (CCaaS)

- 18.2.1. Citizens rightly expect to have the ability to contact the Council. The cloud contact center strategy will give LBBD constituents the ability to contact the Council through multi-channel communication on a timeline that makes sense for them – a critical element for Millennials as they will soon make up 75% of the workplace and tax base.

18.3. **Microsoft Teams Telephony**

18.3.1. Microsoft Teams Telephony allows you to make and receive calls from any device, including phones, PCs, Macs and Microsoft Teams Rooms. This will allow staff to work from any location and still be contactable which will ultimately deliver a more efficient service from an internal and external customer perspective.

18.4. **Mobile Telephony Services & Microsoft Teams Telephony**

If the Council wishes to dispose of any further corporate Assets, it is crucial flexible working and building a digital workforce continues to be supported to reduce the staff footprint across current buildings.

18.5. **Contact Centre as a Service**

The CCaaS strategy removes the need for a designated disaster recovery site and associated costs which is currently at Pondfield House in Dagenham. The provision of hosted service means call agents can work remotely if required.

Public Background Papers Used in the Preparation of the Report:

- Prior Information Notice (PIN) Requirements and Cabinet Report dated 17th January 2017
- Contract for Provision of Mobile Telephony and Ancillary Services
- Core Support Services post-Elevate - Design Options Appraisal – Cabinet Report 22 January 2019.

List of appendices: None