

Report of: Chief Officer (Customer Access)

Report to: Assistant Chief Executive (Citizens and Communities)

Date: 10/11/2014

Subject: Approval to enter into a contract for the provision of inbound / outbound telephony

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Kcom Group Plc currently supplies telephony services to the Council including inbound/outbound calls within the Contact Centre and other Avaya telephone systems.
2. Spend on these services in financial year 2013/14 was £278,000
3. The council is currently undertaking a programme of works to move our inbound/outbound calls to the recently awarded PSN services contract with Virgin Media Business Ltd. Due to the technical nature of the Avaya implementation this cannot currently be transferred to the PSN service.

Recommendations

The Assistant Chief Executive (Citizens and Communities) is recommended to approve the award of contract to Kcom Group Plc for the provision of inbound/outbound telephony for a period of 12 months with an option to extend by 2 further periods of 12 months. (1+1+1)

1 Purpose of this report

- 1.1** The report seeks approval to enter a new 1 year contract with Kcom Group Plc with the option to extend by 2 further periods of 12 months. (1+1+1), in accordance with CPR 10. The contract will be awarded using EU Negotiated Procedure without prior publication of a contact notice.

2 Background information

- 2.1** The Contact Centre is at the heart of the Council's approach to Customer Services. It receives 1.5m calls per annum as well as being at the forefront of channel shift.
- 2.2** Kcom Group Plc currently supplies telephony services to the Council including Inbound/outbound calls within the Contact Centre and other Avaya telephone systems. Spend on these services in financial year 2013/14 was £278,000
- 2.3** The current contract is primarily used by the Contact Centre for use on Avaya phones at the following locations:
- Hough Top
 - Apex
 - BSC
 - Leeds Watch
 - Town Hall – Emergency room
 - Some phones in Housing Leeds = old ALMO's
 - Carriage works
 - DEC Planning Leonardo Buildings
 - Compton Joint service centre
 - Various locations CSS – Business Centre
- 2.4** The bulk of the costs are the Freephone 0800 numbers which are recharged to Housing Leeds.

3 Main issues

- 3.1** The council is currently undertaking a programme of works to move our inbound/outbound calls to the recently awarded PSN services contract with Virgin Media Business Ltd. Due to the technical nature of the Avaya implementation this cannot currently be transferred to the PSN service.
- 3.2** If and when the business decides to move this critical traffic off KCom and across to PSN there is significant work and cost required to make Avaya SIP compliant. This means that a significant number of changes are required to the SIP Protocol. The SIP protocol is an open source programming language set of commands.
- 3.3** The upgrade to a SIP-compatible version of the Avaya Call Manager is taking place at the end of January. However, there would be additional hardware and configuration required to connect SIP trunks to it.
- 3.4** Costs quoted in 2013 to connect SIP trunks to the Avaya telephony were around £46,000 one off payment and ongoing support of around £2,700p.a, in addition to these costs there would be a great deal of configuration work to do and due to current upgrade and expansion of the contact centre there will not be required resources available for the foreseeable future.
- 3.5** The Council has negotiated with Kcom Group Plc for a reduction in current costs which would save the council in the region of 15% p.a. (£42k based on spend in financial year 2013/14)

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Consultation with the following key stakeholders was undertaken as part of the negotiation.

- *Head of Contact Centre, Citizens & Communities*
- *Operations Manager, Citizens & Communities*
- *ICT Service and Infrastructure Manager*

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There are no Equality and Diversity / Cohesion and Integration issues associated with this decision.

4.3 Council Policies and City Priorities

4.3.1 This proposal impacts on the Council priority for becoming a more efficient and enterprising council – improving our organisational design, developing our people and working with partners to effect change. With a focus on:

- Getting services right first time and improving customer satisfaction
- Improving how we're organised and making the best use of our assets
- Creating flexibility and the right capacity and skills in our workforce
- Becoming more enterprising
- Generating income for the council

4.4 Resources and Value for Money

4.4.1 Costs quoted in 2013 to migrate to a SIP network and connect SIP trunks to the Avaya telephony around £46,000 one off payment and ongoing support of around £2,700.a, in addition to these costs there would be a great deal of configuration work to do and due to current upgrade and expansion of the contact centre there will not be required resources available for the foreseeable future.

4.4.2 The proposal quoted by Kcom Group Plc for renewal of the contract offers a reduction in call charges which would save the council 15% p.a. (£42k based on spend in financial year 2013/14)

4.5 Legal Implications, Access to Information and Call In

4.5.1 The value of this service does fall within the scope of the Public Contract Regulations.

4.5.2 The award value is a Key Decision and subject to call in.

4.6 Risk Management

4.6.1 Risk will be managed as part of ongoing contract management.

5 Conclusions

- 5.1** To ensure the continued provision of telephony services to the Contact Centre and to minimise the overall cost to the council, the contract should be awarded to Kcom group Plc for a further period of 1 year with the option to extend by 2 further periods of 12 months. (1+1+1)

6 Recommendations

- 6.1** The Assistant Chief Executive (Citizens and Communities) is recommended to approve the award of contract to Kcom Group Plc for the provision of inbound/outbound telephony for a period of 12 months with an option to extend by 2 further periods of 12 months. (1+1+1)