

Report of: ICT & Telephony Manager

Report to: Chief Officer Customer Access

Date: 29 January 2016

Subject: Approval to extend the Contact Centre Systems Support Contract for a period of 24 months.

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| 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 type="checkbox"/> Yes | <input checked="" 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. The current support contract for the contact centre's telephony and support technology expires on 31 March 2016. This report seeks approval to utilise the option to extend the relationship with the current provider, Sabio, by a further 24 months. This is the final extension permitted by the current contract.
2. The council has been able to secure a price reduction from Sabio for the following 24 months, through co-ordinated work by Customer Access and ICT Strategic Sourcing. This represents significant improvement in value for money. In order to protect the council from any significant price increase, the new terms state that the council can leave the contract after the initial twelve months if there is a significant cost increase (i.e. more than 10%).
3. A full procurement of telephony and support technology will be required and incorporated into the council's plans for the City Centre Office at Merrion House.

Recommendations

4. The Chief Officer, Customer Access is recommended to approve the extension of the Contact Centre Systems Support Contract (YORE-936GPJ) with Sabio Ltd from 31 March 2016 for a period of 24 months.

1 Purpose of this report

- 1.1 The purpose of this report is to show that that, given the range of options considered, extending the contract with Sabio represents best value for money as providers of the support for the contact centre telephony and support technology.

2 Background information

- 2.1 The current contract commenced on 1 April 2013 for a period of three years, with the option to extend for a further two twelve month periods. The contract covers the following telephony and technical support for the council, primarily in the contact centre, but also in a range of other council sites, totalling around 300 users across the city.
- AVAYA telephony estate
 - AVAYA voice portal
 - Verint Workforce Planning & Management
 - Verint Customer Feedback
 - Avaya Call Management System
 - Verint Speech Analytics
 - Verint Quality Assurance
 - Sabio Interactive Voice Recognition (IVR) and information capture
 - Verint Contact Store (Call Recording) and Pause & Resume
- 2.2 The support covers three main areas:
- User licences for council staff to use the products listed in 2.1;
 - Specialist technical support (bug fixes, upgrades, version control) for the Avaya, Verint and Sabio products listed in 2.1; and
 - Specialist IVR support and development.
- 2.3 The contract is due to expire on 31 March 2016, and following Customer Access' and ICT Sourcing Solutions' evaluation of different options, the recommended approach is to extend the contract for a period of 24 months.

3 Main issues

- 3.1 Contact centre telephony and support has been identified by the council for more than ten years as a business critical requirement. The contact centre receives over a million telephone calls a year, around four or five thousand calls a day, and the telephone teams in Business Support Centre, IT helpdesk and LeedsWatch which benefit from this support contract, also receive many thousands of telephone calls a year.
- 3.2 It does not represent good value for money for the council to employ its own staff who are technical experts in the products listed in section 2.1. Like many other customer facing organisations, the council buys in specialist expertise and support from support providers who share their support across a range of clients.
- 3.3 A proposal to extend the current support contract was received from Sabio, with an initial estimated cost of £185k for twelve months. The last three years have cost between £150k and £170k per year, owing to the expansion of the contact centre Avaya and Verint estate (telephone lines and telephone equipment). Following early options appraisal and successful negotiation, Sabio have offered the council a new price at £133k PA. This new price is for a period of twenty four months, with the option to end the contract after the initial twelve months if there is a significant price increase that Leeds City Council are not willing to accept.

The new price structure represents significant savings (£100K) over the twenty four months period, providing there is no significant expansion of the estate and we can agree a suitable cost at year two.

- 3.3 The projected costs are within the council's contact centre budget, which passes on a share of the support costs to those other council teams who use the Avaya and Verint systems.

4 Corporate considerations

4.1 Consultation and engagement

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

Adam Quesne, Head of Contact Centre, Citizens & Communities

Andrew White, Exec Officer Client & Customer Relations, Citizens & Communities

Laura Batley, IT and Telephony Manager, Citizens & Communities

Robert Greaves, Strategic Sourcing Senior Manager, ICT Services, Strategy & Resources

Roy Banks, Principal Sourcing Officer, ICT Services, Strategy & Resources

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The decision to continue delivery of support arrangements with Sabio Ltd will not have any adverse impact on any equality group.

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 (in this case, other council services and Sabio) to effect change.

- 4.3.2 This proposal also aligns the technical support for the contact centre with the council's plans to bring together a range of customer facing services in the City Office, located at Merrion House.

4.4 Resources and value for money

- 4.4.1 The proposal quoted by Sabio does show a commitment to significantly reduce the cost both at year one and year two providing we can reach a satisfactory agreement at year two. The overall savings will be in excess of £100k, providing we do not expand the estate significantly.

4.5 Legal implications, access to information and call in

- 4.5.1 This decision is a significant operational decision and is not subject to call in.

4.6 Risk management

4.6.1 Risk will be managed as part of on-going contract management.

4.6.2 The risk of not approving this decision would leave the contact centre and other council services with an unsupported telephony platform and accompanying technology. If a fault then occurred where customers could not contact us this would have a significant impact on the services, for the reasons set out in section 3.1, and particularly on our emergency telephone lines.

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 option to extend the current contract by a further 24 months should be utilised.

6 Recommendations

6.1 The Chief Officer of Customer Access is recommended to approve the extension of the Contact Centre Systems Support Contract (YORE-936GPJ) with Sabio Ltd from 31 March 2016 for a period of 24 months.