

Report of: John Gash, Network & Voice Team Leader

Report to: Dylan Roberts, Chief Officer – ICT Services

Date: 11th October 2016

Subject: Waiver of CPR's 8.1 and 8.2 to allow a new 1 year support contract for MX-One TSW (Ericsson PABX) system to be awarded to Weston Communications Ltd.

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. The contract with The Weston Group for supporting the MX-One TSW (Ericsson PABX) system is due to expire on the 31st October 2016. There are no options to extend.
2. It was initially envisaged that the MX-One TSW (Ericsson PABX) system would be fully decommissioned by the end of the current contract. This is not the case, and there is now a requirement to support this system until 31st October 2017.
3. As the system is undergoing decommissioning, it would not be practical or cost effective to carry out a full procurement exercise.
4. Negotiations have taken place with The Weston Group (the incumbent servicer provider) who has submitted a quotation of £18,998.00 as the cost for a further 1 years support. The quoted price represents a £2k reduction on 2015/2016 support costs.

Recommendations

1. It is recommended that Chief Officer approves the waiver of CPR's 8.1 and 8.2 to allow a new 1 year contract to be awarded to The Weston Group to provide support for the MX-One TSW (Ericsson PABX) for the period 01/11/2016 to 31/10/2017.

1 Purpose of this report

- 1.1 The purpose of this report is to explain the rationale behind the request to award a new 1 year contract to The Weston Group to provide support for the MX-One TSW (Ericsson PABX) system, and to explain how this provides value for money.

2 Background information

- 2.1 The MX-One TSW (Ericsson PABX) system has for many years been the key component of the voice network. It is a legacy system and is currently in the process of being decommissioned.
- 2.2 The current support contract (YORE-98MK5W: LCCITS130006) was awarded in 2013 for 3 years without no options to extend. The 1st year costs were £38,350.00, the 2nd year costs were £29,452.00 and 3rd year costs were £20,675.00. The reduction in year on year costs reflects the reducing level of support required as the system shrinks in size.
- 2.3 Negotiations have taken place with The Weston Group (the incumbent supplier) to request a 1year contract extension. Their quotation for 1 year support shows a £2k saving on 2015/2016 support costs.
- 2.4 It is essential the MX-One TSW (Ericsson PABX) system is retained to support full decommissioning of all remote LIM's and provide remote call forwarding, change number announcement for critical service numbers.

3 Main issues

- 3.1 The costs to carry out a full procurement exercise would be significant.
- 3.2 It isn't possible to provide a new or alternative solution.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.2 Not applicable.

4.3 Equality and Diversity / Cohesion and Integration

- 4.3.1 There are no issues relevant to Equality and Diversity / Cohesion and Integration with this decision.

4.4 Council policies and City Priorities

- 4.4.2 Not applicable.

4.5 Resources and value for money

- 4.5.3 Negotiations have taken place to request a 1 year extension; this has provided a saving of £2k on the current years support costs.

4.6 Legal Implications, Access to Information and Call In

- 4.6.1 This contract is not subject to Call In under the provisions made in the Council Constitution.

4.7 Risk Management

- 4.7.1 There is a slight risk that the planned decommissioning may extend beyond October 2017. This risk is judged as being very low, and if support is required after October 2017 it will be managed by in-house resource. The MX-One TSW (Ericsson PABX) system will reach its end of life in December 2017.

5 Conclusions

- 5.1 The current contract with The Weston Group for maintenance and support of the MX-One TSW (Ericsson PABX) system expires on 31st October 2016. As the system is in the process of being decommissioned, the level of support required will diminish over time. To carry out a new competitive procurement exercise would not represent good use of Council money or resources.
- 5.2 It was always intended the MX-One TSW (Ericsson PABX) would have been decommissioned by the end of the current contract. The decision to exclude contract extension options was taken based on EU financial regulations and proposed decommissioning.
- 5.3 The award of a new contract to The Weston Group provides best value for money by avoiding a full procurement exercise, retaining an incumbent supplier familiar with all sites and services.

6 Recommendations

- 6.1 It is recommended that approval be given to waive CPR's 8.1 and 8.2 and award a 1 year contract direct to The Weston Group to provide maintenance and support for the MX-One TSW (Ericsson PABX) system at a cost of £18,998.00.

7 Background documents¹

- 7.2 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.