



Leeds
CITY COUNCIL

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Report of **Telephony & IT Development Officer, Customer Access**

Report to **Chief Officer, Customer Access & Welfare**

Date: **23rd August 2018**

Subject: **Approval to waive Contract Procedure Rules 8.1 and 8.2 and award a contract to Netcall Telecom Limited for the provision of an Interactive Voice Recognition System**

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 Council's Contact Centre is looking to install a new Interactive Voice Recognition (IVR) system which will reduce customer call waiting times and improve customers experiences when calling the Council Golden Number telephone service.
2. The procurement of an IVR system will also lead to cost savings in staff time by having the capability to use "virtual agents" to respond to calls. This will mean that existing Customer Service Officers can be freed up to focus on more complex customer enquiries.
3. The business has reviewed and evaluated the solutions available in the marketplace against its requirements, and has identified the IVR system provided by Netcall Telcom Limited (Netcall) as the most suitable solution to meet its needs.

Recommendations

4. The Chief Officer, Customer Access & Welfare is recommended to approve the waiver of Contract Procedure Rules 8.1 and 8.2 and awarded a contract to Netcall for the provision of an IVR system, for a period of three years with the option to extend for a further period of 2 x 12 months.

1 Purpose of this report

- 1.1 This report seeks approval from the Chief Officer, Customer Access & Welfare to waive Contract Procedure Rules 8.1 and 8.2 and award a contract to Netcall for the provision of an IVR system, for a period of three years with the option to extend for a further period of 2x 12 months.

2 Background information

- 2.1 The Contact Centre is looking to improve customers' experiences when calling the Leeds City Council Golden Number as well as creating operational efficiencies. The installation of a new IVR system will support these aims.
- 2.2 The Council utilises a single telephone number, 0113 222 4444, known as the Golden Number, for all general telephone enquiries.
- 2.3 During normal working hours, the Contact Centre receives approx. 170,000 calls per year. Due to the volume of calls, customers often have to wait to be put through to the appropriate person or department. Because of this, customers often abandon their calls.
- 2.4 Contact Centre staff spend a lot of time answering simple enquiry calls which in turn means they have less time to deal with more complex enquiries.
- 2.5 The purchase of a new IVR system capable of handling high volumes of simultaneous calls would reduce mean customers would no longer have to wait to be put through to a person or department, reducing customer waiting times to zero, thereby reducing customer abandon rates, leading to greater overall customer satisfaction. Contact Centre staff will then have time to address more complex customer enquiries.
- 2.6 The Council already operates an IVR system for choice-based-lettings, however this IVR system is not capable of supporting the Golden Number service, so an alternative solution must be purchased.
- 2.7 This project is a standalone project with few dependencies, however, it is part of the wider push to upgrade the Avaya telephone system the Council uses, to modernise it in line with customer expectations and drive efficiencies through technological change.

3 Main issues

- 3.1 The Contact Centre is looking to reduce customer call waiting times, thereby improving the customers' experiences when calling the Leeds City Council Golden Number as well as creating operational efficiencies. The installation of a new IVR system will support these aims.
- 3.2 An automated IVR system can answer many calls simultaneously, which would mean customers no longer have to wait to be put through to a person or department. This will mean a dramatic drop in customer abandon rates leading to greater overall customer satisfaction.
- 3.3 A number of alternative IVR systems have been assessed against the Council's requirements for suitability and compatibility with the Council existing telephony system, and the IVR system from Netcall was found to offer the best overall solution to meet the Council's requirements.

- 3.4 To carry out a full procurement exercise to award a contract of this value, £48,486 (with c. £8,000 p/a support) would be costly and time consuming, and would not represent best use of Council money and resources. It would also delay implementation, which in turn would impact the Council's ability to make immediate savings and improve customer service.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Contact Centre management team have been consulted and support the decision to procure a new IVR system as soon as possible, which will support the immediate generation of cost and time savings, and improve customer experience. Digital and Information Service have been consulted and support the decision to award a contract to Netcall.

- 4.1.2 To carry out a full procurement exercise to award a contract at this low value would be costly and time consuming, and would not represent best use of Council money and resources. It would also delay implementation, which in turn would impact the Councils ability to make immediate savings and improve customer service.

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; an impact assessment for the project as a whole has been produced separately.

4.3 Council Policies and City Priorities

- 4.3.1 This project supports:

- 4.3.2 The Best Council Plan by spending money wisely through a 'spending to save' approach. Once the money is invested we will be able to recoup the costs in staff time savings reducing our overheads and being able to deploy people elsewhere.

- 4.3.3 Customer Access wish to modernise the customer experience, creating a similar experience to that which a customer may get when calling other local authorities.

- 4.3.4 Giving customers a faster and more accessible means of reaching the Council service they require.

4.4 Resources and Value for Money

- 4.4.1 The procurement of an IVR system will provide value for money, by delivering cost savings in staff time as well as reducing customer waiting times and improving customer experience.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The decision to award a contract to Netcall is subject to a waiver of the Contract Procedure Rules 8.1 and 8.2. At this value, this is a Significant Operational Decision, and not subject to call-in. There are no grounds for treating the contents of this report as confidential under the Council's Access to Information Rules.

- 4.5.2 Whilst the risk of legal challenge is considered low, awarding the contracts direct to the providers in this way could leave the Council open to a potential claim from other providers to whom this contract could be of interest. In terms of transparency it should be noted that case law suggests that the Council should always consider whether contracts of this value could be of interest to other providers.

- 4.5.3 Although there is no over-riding legal obstacle to preventing the waiver of CPRs 8.1 and 8.2 by putting contracts in place, the contents of this report should be noted. In making the final decision, the Chief Officer, Customer Access & Welfare should be satisfied that the course of action chosen represents best value for money.

4.6 Risk Management

- 4.6.1 All risks associated with the implementation of the IVR system will be managed by the business, who will develop a Contract Management Plan and Risk Register to support this. Any contract risks which are highlighted during the term of the contract will be managed and mitigated through regular account management/supplier review meetings.

5 Conclusions

- 5.1 The procurement of an IVR system from Netcall supports the Council aims to reduce both customer waiting times and staff times, generating costs savings and improving customer experience.

6 Recommendations

- 6.1 The Chief Officer, Customer Access & Welfare is recommended to approve the waiver of Contract Procedure Rules 8.1 and 8.2 and awarded a contract to Netcall for the provision of an IVR system, for a period of three years with the option to extend for a further period of 2 x 12 months.

7 Background documents

- 7.1 None.