

London Borough of Hammersmith & Fulham

LEADERS URGENCY REPORT

JUNE 2019



Procurement Strategy and Business case in respect of Telephony for duty numbers 2019/2020

Report of the Leader of the Council

Open Report with exempt appendix

The appendix A is exempt from disclosure on the grounds that it contains information relating to the **financial or business affairs of a particular person (including the authority holding that information) under paragraph 3** of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Classification - For Decision

Key Decision: Yes

Consultation

Directorates are being consulted on their telephony requirements through the Desktop Strategy programme of work.

Wards Affected: All

Accountable Director: Veronica Barella, Chief Information Officer

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Reasons for Urgency:

The recommended solution needs to be in place before teams begin to decant as part of the West King Street Regeneration programme in June 2019. For business continuity purposes, staff need appropriate telephony in place and a decision needs to be taken before the next Cabinet meeting to purchase the required products.

Date by which decision is required:

31st May 2019

AUTHORISED BY:

The Leader has signed this report.

DATE: 7 June 2019

1. EXECUTIVE SUMMARY

- 1.1. The Council last updated the telephony network equipment at the heart of its service in 1999, with a major refresh funded by capital spend. This means telephony hardware is now over 20 years old, antiquated and end-of-life.
- 1.2. IT Services are working on several strategic areas as part of the Desktop Strategy (Tech- tonic) to support the council's ambition to be *The Best*. Whilst looking at an improved and exciting digital roadmap ahead, we are also reviewing best value from existing and future IT contracts to replace and improve telephony equipment being used across the Council.
- 1.3. A previous cabinet paper "ICT Transition - Assuring service continuity Phase 4 - Telephony Network Services Upgrade" was approved in January 2018 to refresh desktop telephony at 4 key Council sites whilst providing focus to remove reliance on old and expensive infrastructure.
- 1.4. A further Cabinet paper in September 2018 "Mobile Telephony Strategy" was approved to implement a subset of new desk phones for duty purposes and to provide staff with mobile phones. Cabinet approved the use of the RB Kensington & Chelsea framework for network services awarded in 2015 for the purchase of mobile phones and desk phones.
- 1.5. As a result of the West King Street Regeneration (WKSR) Programme and the anticipated pressures on desk space, the approach to continue using fixed desk phones for duty is no longer fit for purpose.
- 1.6. Accordingly, this report seeks approval for the necessary decisions to implement a strategy where teams use a software-based phone and a headset to take duty calls instead of desk phones.

2. RECOMMENDATIONS

It is recommended that the Leader:

- 2.1. Approves the total funds required over 7 years for the Telephony Duty Number strategy as set out in the exempt appendix.
- 2.2. Approves the spend for one-off costs and 1st year support to be funded from existing budget from Programmes as set out in the exempt appendix.
- 2.3. Notes that the spend for on-going annual support from year 2 onwards will be met by operational efficiencies.
- 2.4. Approves a waiver of the requirement to have an approved Business Case and Procurement Strategy set out in Contract Standing Order (`CSO`) 8.12 for the purchase of softphone software licences on the grounds that this is in the overall interests of the Council.
- 2.5. Approve the purchase of up to 700 Openscape Personal Edition software licences and ongoing support for up to 7years by way of a call-off contract from the RB Kensington & Chelsea framework for network services for the

purchase of mobile phones and desk phones with British Telecom plc, and delegate authority to the Strategic Director for Finance and Governance, in consultation with the Chief Information Officer and the Cabinet Member for Finance and Commercial Services to select the BT sub-contractor that will fulfil the Council's requirement. The contract value is stated in the exempt appendix.

- 2.6. To approve the waiver of CSOs 10.2 (table 10.2a) of the requirement to seek competitive bids in respect of the purchase of headsets, on the basis that it is in the council's overall interest to make a direct award.
- 2.7. To delegate authority to the Strategic Director for Finance and Governance, in consultation with the Chief Information Officer and the Cabinet Member for Finance and Commercial Services, to make a direct award to Vodaphone for the purchase of suitable headsets at a value of approximately £45,000 following a quotation exercise.

3. REASONS FOR DECISION

- 3.1. Due to tight WKSR programme timescales, the paper requires Leaders approval to proceed with, purchase and begin implementing the revised solution before June 2019. Following normal Cabinet approval procedures would not be viable within the timescales required.
- 3.2. Leaders approval is required to award contract in order to implement the Duty Number strategy which will ultimately impact all service areas, their front-line telephony services and the way in which teams communicate with residents over a call. A Leader's Urgent Decision is required as a solution needs to be in place before teams begin to decant as part of the West King Street Regeneration programme in June 2019.

4. PROPOSAL

- 4.1. The renewal of desk phones was approved as part of the "Mobile Telephony Strategy" September 2018 Cabinet paper to ensure service continuity. The reasons outlined in the preceding Cabinet papers to replace end of life infrastructure are still valid and the work outlined is required to replace or decommission end of life infrastructure. Part of the funding has already been used to install new desk phones at Cobbs Hall and in meeting rooms in 145 King Street.
- 4.2. Analysis undertaken since the September 2018 paper was written has shown that:
 - 4.2.1 Services areas are looking to adopt the mobile working strategy which involves making arrangements to allow staff to work flexibly from any location. This includes having the ability to take duty calls from any office, home or a remote location.
 - 4.2.2 A small subset of teams will need to retain a desk phone to manage duty numbers and day to day work. For example, statutory services

cannot rely on softphones or mobiles and must have a direct line via desk phones to their services and or emergency response teams.

- 4.2.3 Throughout the Council, service areas use up to 110 duty numbers within 145 King Street, Hammersmith Town Hall and the Extension. An estimated 700 staff answer duty calls on desk phones at some point throughout the week.
 - 4.2.4 Service areas need to retain their call centre numbers, hunt groups or pickup groups for operational purposes. Services are also reviewing their calling needs and getting rid of duty numbers which are no longer required as part of the consultation process.
 - 4.2.5 Duty calls from residents cannot be taken on mobile phones without a middle-tier platform. These platforms have proven to be expensive and do not offer a value for money solution. Given the volume of calls being taken and functionality required by Service areas, this solution would add a layer of complexity and go beyond our business requirements which is to have a simple routing platform and an endpoint to take duty calls on. These platforms tend to be better suited for full contact centres rather than medium to smaller sized teams taking duty calls. The Council has its own Netcall solution for existing Contact Centres and it is not proposed to change that solution as part of this proposal.
 - 4.2.6 Market analysis for suitable softphone products, where phone calls are managed via software, has been completed by IT Services and several vendors were identified and assessed for technical viability, compatibility with IT infrastructure, cost of implementation, ease of use and dependant projects post roll out.
 - 4.2.7 After careful consideration, Openscape Personal Edition was identified as a suitable product meeting the Council's current and future requirements and ways of working.
 - 4.2.8 Openscape Personal Edition is a softphone solution which offers value for money and meets our technical/functional requirements. The software works on a laptop or PC and provides staff with the same functionality as a desk phone e.g. ability to transfer calls, put calls on hold etc. The software also allows calls to be taken anywhere with a stable internet connection.
 - 4.2.9 Staff will need a headset to take calls on and make sure call quality is maintained when working in the office or at other locations. Headsets need to be comfortable and wired for the best user experience.
 - 4.2.10 Running a full tendering process for headsets is not possible due to time scales from the WKS R Programme. Competitive quotes have been received and the supplier offering best value has been selected.
- 4.3** Following this analysis, a revised Duty Numbers strategy has been adopted which involves:

- I. Using a softphone as a replacement for desk phones to handle duty calls. Namely a software product called Openscape Personal Edition to be used on the new laptops being rolled out through the Desktop Programme (Tectonic).
- II. Minimising the use of desk phones in the decant sites and only making them available by exception to those service areas that cannot adopt a softphone.
- III. Reviewing and streamlining the public facing or internal duty numbers being used by teams.

It is also proposed to:

- 4.3.1 Utilise remaining funding outlined in the “Mobile Telephony Strategy” paper and funding available from the Desktop Strategy budget to purchase up to 700 Openscape Personal Edition and Dynamic licenses which will allow staff to use the softphone product and install some desk phones where required.
- 4.3.2 Purchase up to 700 headsets to be used with Openscape Personal Edition.
- 4.4 The Desktop Strategy programme board will sign off the decision on the final number of desk phones and Openscape Personal Edition licenses to be purchased as part of this project. The board will also sign off the approach to roll out the Duty Number strategy and the headsets to be purchased.

5. ISSUES

- 5.1. The quality of calls will fall if officers have poor Wi-Fi connections at home or remote locations. IT services recommends using Openscape Personal Edition with a cabled network connection in office or at home with Wi-Fi usage as a secondary option.
- 5.2. To avoid a fall in call quality and caller/user experience, the Council will need to invest in an appropriate cabled network and Wi-Fi solution at all sites where staff will be using Openscape Personal Edition. Options for improving the cabled and Wi-Fi network are being assessed by IT Services and the West King Street Regeneration Programme.
- 5.3. IT services are investigating a suitable solution for expanding Wi-Fi capacity at non-WKSR sites which will deliver a good value for money solution.
- 5.4. The full impact of staff using the software remotely or at home on Wi-Fi is currently unknown. Initial tests have indicated acceptable performance. However, performance in all remote locations will only be truly known as the solution is rolled out. It will depend on the Internet coverage at those locations and services may need to adjust their service operations accordingly.
- 5.5. Deployment of Openscape Personal Edition will need to take place before teams decant to other office spaces. This puts increased pressure on IT

services to migrate all duty numbers to the new software before teams are expected to move offices. This is essential for business continuity and to avoid re-work once relocated. This will also make sure teams are using fit for purpose equipment allowing staff to work flexibly and meet office space needs at the decant locations.

- 5.6. Officers will be required to monitor the softphone for duty call purposes and their work mobile phone for individual calls. This may cause staff some inconvenience.
- 5.7. Service areas will need to make operational changes to meet desk occupancy requirements in the decant buildings. Adopting a soft phone solution will enable staff to work from anywhere and supports the new office space strategy.
- 5.8. Additional Telecoms resource may be required to support the roll out of Openscape Personal Edition while delivering operational services. IT are introducing a new application across the Council and this requires technical support to implement and support after go-live. IT are monitoring resource capacity and will raise separate request for approval if additional resource is needed.

6. OPTIONS AND ANALYSIS OF OPTIONS

Four options were considered:

- 6.1. **Option 1:** Do nothing. Under this option the Council will not be able to implement the Duty Number Strategy. This would ultimately require the retention of expensive and end of life legacy infrastructure during a complicated decant and renovation programme of work. **This option is not recommended.**
- 6.2. **Option 2:** Procure the licences for new desk phones through a call off contract from an existing single-supplier framework agreement set up by the Royal Borough of Kensington and Chelsea on a pan-London basis for Information Technology and Communication Services. This option allows the Council to get rid of legacy infrastructure and let teams carry on using the same duty number set up with a new desk phone. However, given desk occupancy pressures at the decant sites and the importance of mobile working, this solution would force teams to have fixed desk spaces and be in office to take duty calls. **This option is not recommended.**
- 6.3. **Option 3:** Expand the use of Netcall and use with corporate mobile phones. The expansion of Netcall would allow staff to divert duty calls to any device e.g. corporate phones, home phones or a desk phone. Having reviewed this solution, it is too expensive given our business requirements and the availability of better value for money solutions. We would also have to invest further to address mobile signal issues in buildings with weak signal. **This option is not recommended.**

- 6.4. **Option 4:** Procure the licenses for a suitable softphone product (Openscape Personal Edition) through a call-off contract from an existing single-supplier framework agreement set up by the Royal Borough of Kensington and Chelsea on a pan-London basis for Information Technology and Communication Services. **Recommended option.**

7. CONSULTATION

- 7.1. IT Services have been working with services who use Duty numbers to understand their current and future requirements, and test the proposed solution.
- 7.2. IT services have consulted with business users through the Tech-tonic stakeholder's engagement forum and obtained their views on the softphone solution.
- 7.3. Directors and Heads of Services within all Service areas have been engaged with to identify operational challenges they may face in adopting the softphone solution. No major challenges have been identified.

8. EQUALITY IMPLICATIONS

- 8.1. As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from these proposals.
- 8.2. Implications verified by: Fawad Bhatti, Social Inclusion Policy Manager, tel. 07500 103617.

9. LEGAL IMPLICATIONS

- 9.1 In 2015, the Royal Borough of Kensington and Chelsea (RBKC) as a representative of the tri-borough ICT function, tendered a framework agreement for Information Technology and Communications. This was an EU-compliant process with an OJEU contract notice using the restricted procedure, and the contract notice stated that it was to be available for all London boroughs to use.
- 9.2 British Telecom plc were the successful tenderer and they were appointed by RBKC as the sole supplier in October 2015. The framework agreement was signed in February 2016.
- 9.3 The Council called off this framework in the summer of 2016 by entering into a call off contract for BT to be the Council's telephony service provider for a period of 4 years until 31st October 2020 at a price of £1.7m. This contract did not include for the supply of additional hardware.

- 9.4 In September 2018 a further call-off was authorised in relation to the purchase of mobile phones for all staff and licences for desk phones for duty staff.
- 9.5 It is now proposed that the Council enters into a further call-off arrangement from the RBKC framework for the supply of the required licences for a softphone solution plus associated support. The earlier approval will not be fully implemented because of a change in strategy.
- 9.1. The procurement of the software licences plus support is above the EU threshold for services (software licences are classified as services) of £181,302. However there are no concerns under the EU procurement rules because this is a call off from an EU-compliant framework by a public body entitled to use the framework. The EU contract notice confirms that the framework include the supply of various services and equipment and so a call off contract from this framework is within its scope. This route is also compliant with contract standing orders, because CSO 10 recognises the use of an EU-compliant framework agreement for purchases of this value.
- 9.2. In relation to the proposed purchase of headset, this is valued at around £40,000 and so is below the EU threshold for supplies of £181,302. However under Contract Standing Order 10, this should be subject to a tender exercise. For reasons of speed it is proposed that this is subject only to a quotation exercise.
- 9.3. The recommendations request two waivers, both on the grounds that this is in the Council's overall interests. It is confirmed that this is in accordance with the provisions of Contract Standing Order 3 as one of the 5 grounds which need to be made out for the approval of a waiver.
- 9.4. The service department will need to formalise the call-off contract in accordance with the provisions of the over-arching RBKC framework agreement.
- 9.5. Implications verified/completed by: Deborah Down, Senior Associate with Sharpe Pritchard LLP on secondment to the Council:
drown@sharpepritchard.co.uk

10. FINANCIAL IMPLICATIONS

- 10.1. Cabinet approved the purchase of new telephony hardware and licenses in September 2018 in the paper 'Mobile Telephony Strategy'. This included funding approval for mobile devices, desk phone licenses and professional services.
- 10.2. Part of the funding earmarked for desk phone licenses has already been used. It is proposed that the remaining funding for desk phone licenses is repurposed to purchase Openscape Personal Edition licenses, normal desk phone licenses and support.

- 10.3. The remainder of the year one costs, including the annual support maintenance costs, will be met from approved funding within the Desktop Strategy Programme for telephony project initiatives.
- 10.4. From year two onwards, it is proposed that these annual costs are mitigated through the decommissioning of the existing 4K infrastructure by September 2019 and the removal of the associated support costs for this infrastructure.
- 10.5. It should also be noted that discussions are ongoing to identify the best value for headsets.
- 10.6. Implications completed by: Andre Mark, Finance Manager – Business Partner and Corporate Projects, 020 8753 6729

Implications verified by: Emily Hill, Assistant Director Corporate Finance, Finance Team, 020 8753 3145

11. IMPLICATIONS FOR BUSINESS

- 11.1. There will be minimal impact on local businesses. Rolling out soft phones should in theory make contacting the Council better as staff will be more accessible and able to take duty calls from any location.
- 11.2. Larger multinationals offer better value for money on all fronts compared to local business e.g. buying software, headsets etc. IT have assessed options to promote local businesses however there aren't opportunities to exploit which would benefit the Council.
- 11.3. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583

12. COMMERCIAL IMPLICATIONS

- 12.1. The proposal is in line with CSOs and PCR 2015 as the recommended framework has been procured in line with the Regulations.
- 12.2. The call off contract shall be created on the Contracts Register and monitored in accordance with the established KPIs.
- 12.3. Implications to be verified/completed by: Andra Ulianov, Head of Contracts and Procurement, 07776672876

13. IT IMPLICATIONS

- 13.1. The proposed solution provides additional functionality that is not currently available i.e. the ability to support duty calls remotely. Therefore, the

recommended solution will support the council's strategy to enable flexible working and deliver services at the point they are needed.

- 13.2. There is an on-going requirement to provide some desk phones where quality of service is essential, such as teams with statutory requirements, emergency services and building management teams (reception, security desk etc).
- 13.3. Contact centre teams are expected to use softphones as well. The cost of soft phones will be about the same as a desk phone and we are recommending softphones for these teams as they would receive the same quality of calls in office, same functionality as a desk phone (ability to put calls on hold, transfer etc) and have the option to take calls remotely on their laptops if needed, which they cannot do currently.
- 13.4. This proposal supports the council's strategy to deliver services flexibly from a variety of locations as needed.
- 13.5. IT Services has engaged with services to understand their telephony requirements, and the requirement gathering is being completed through the Desktop Strategy (Tech-tonic) programme. Feedback from services is positive that we are working with them to understand their needs.
- 13.6. The management controls we have in place for application delivery comply with the council's security and support requirements.
- 13.7. *Implications completed by: Veronica Barella, Chief Information Officer, tel. 020 8753 2927.*

14. RISK MANAGEMENT

- 14.1. Annual savings against current support and maintenance costs are in accordance with our council priority, Being Ruthlessly Financially Efficient. Duty numbers are a critical part of the council's commitment to ensuring continuity of service.
- 14.2. Managing information effectively and appropriately is essential to the delivery of secure, seamless and efficient operational services. It provides the basis for quick informed decision making and the platform upon which performance can be measured. Modern, knowledge-based service delivery underpinned by effective information architecture including the use of Mobile Technology will support the council in achieving its objectives.
- 14.3. To connect, mobilise and reduce cost across the service, the council will further exploit mobile technologies, collaboration tools, and video and teleconferencing where these add value and resilience to Services for our Residents. These technologies will equip the workforce with the tools to operate flexibly, providing additional benefits to our customers. Working flexibly will facilitate the rationalisation of the council's large and diverse property estate, reduce travel costs and carbon footprint, and have a beneficial impact on productivity.
- 14.4. Implications verified by Michael Sloniowski, Risk Manager, tel: 020 8753 258

15. OTHER IMPLICATIONS PARAGRAPHS - None

16. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

- 16.1. 180115 EDR ICT Transition Phase 4 Funding for Telephony Network Services Upgrade v1.2
- 16.2. CMD – Mobile Telephony Strategy Sept 2018