

Telephony Procurement Progress Report

IT Working Group

Committee: IT WORKING GROUP
Date: 4 APRIL 2006
Title: TELEPHONY PROCUREMENT
PROGRESS REPORT
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Agenda Item

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Item for note

Summary

This report provides details on the progress of the procurement of the new telephone system.

Recommendations

Members comment on and note the progress of the new telephone system procurement.

Background Papers

ICM project file.

Impact

Communication/Consultation	Please refer to paragraph 11 of this report
Community Safety	There are no specific community safety implications contained in this report
Equalities	There are no specific equalities implications contained in this report
Finance	Please see paragraph 1 and 8 below
Human Rights	There are no specific human rights implications contained in this report
Legal implications	There are no specific legal implications contained in this report
Ward-specific impacts	All
Workforce/Workplace	There are no specific implications contained in this report

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Situation

1. Operations Committee resolved on 9 February 2006 to replace the current telephone system and approved capital and revenue budgets of £250,000 and £111,000 respectively for this purpose.
2. Owing to the amount of time available to procure the new system in readiness for the implementation of the customer service centre in November 2006, a meeting was convened with the Procurement Agency for Essex and the Office of Government Commerce (OGC) with a view to truncating the tendering process. At that meeting, the option of a managed telephone service (Mts) instead of outright purchase was discussed. The benefit of the latter is that it would be a more suitable solution if the council were to eventually embark on a shared (hosted) telephony service with other councils.
3. The Office of Government Commerce (OGC) is an independent office of the Treasury and works with public sector organisations to help them improve their efficiency, gain better value for money from their commercial activities and deliver improved success from programmes and projects. OGC's priorities are to support the delivery of:
 - The public sector's £21.5bn annual efficiency gains by 2007/08;
 - £3bn saving by 2007/08 in central Government procurement;
 - Improvement in the success rate of mission critical projects.
4. OGCbuying.solutions is an Executive Agency of the OGC and offers products and services to the public sector through a number of framework agreements contained in a portfolio catalogue. The agreements cover some 500,000 pre-tendered products and services. Each framework agreement is established through a rigorous procurement process and suppliers have already demonstrated their ability to be the most economically advantageous.
5. OGCbuying.solutions offers Mts through a partnership with Global Crossing and is therefore fully compliant with current procurement guidelines. Global Crossing has provided the same service for over 10 years to other UK Government departments. The Mts framework contract enables any public sector organisation to procure managed voice, data bandwidth and value added telecom services without the need to undertake a formal competitive procurement as per EU/GATT regulations.
6. Global Crossing provides the Mts telecom services to OGCbuying.solutions, which acts as a broker for the 600+ Government offices, and departments that are now users of Mts. The service is currently provided to over 120,000 telephone extensions, 600 voice PBXs and 300 on-site IP routers. In acting as broker, OGCbuying.solutions uses the collective bargaining power of its user base to

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secure more advantageous tariffing than a single user organisation may otherwise secure on its own.

7. There are clearly advantages of procurement using Mts and these are listed below: -
 - A single point of contact for all voice requirements available 24 hours a day;
 - A fully updated IP ready infrastructure adhering to the latest standards enabling the integration of voice, video and data technologies;
 - Validated fast track procurement method;
 - Removal of technology risks for the customer, with technology obsolescence risks being carried by Global Crossing;
 - Economies of scale which reduces unit operating costs;
 - Low management overheads for Uttlesford District Council;
 - Service flexibility and scalability with the ability to add and remove new users (and indeed sites) when required;
 - A simple, single point of invoicing for all telephony services with an all inclusive service charge enabling easy budgeting;
 - Guaranteed service quality with conformance to an agreed service level;
 - Access to technical design and support facilities for current & future services. Global Crossing is committed to making new services and technologies available on an ongoing basis;
 - Risks associated with capital investment transferred to Global Crossing;
 - 24 hour proactive service management & fault resolution;
 - Enabler for new ways of working with seamless communications for workers on the move;
 - Business continuity and disaster recovery service features;
 - Value for money derived from the use of Global Crossing's own infrastructure and support services.
8. In view of the potential business benefits of a managed service arrangement, meetings were held with OGC and Global Crossing on 14 and 28 March 2006 to discuss possible options for future telephony services. Global Crossing has been provided with technical data, which will enable them to supply costings for the managed service arrangement.
9. Although full and final details of the costs for the managed service are still awaited, it is anticipated that capital and revenue savings will be realised through

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the Mts procurement route.

10. Global Crossing has proposed that the Council uses a Siemens telephone system. A visit to the Siemens demonstration unit in Milton Keynes is currently being arranged by Global Crossing so that Members and officers of the IT Working Group along with some Executive Managers can view the system.
11. At the last meeting of the IT Working Group, the Executive Manager (Customer Services) was asked to provide a specification for the engagement of a consultant to assist with the tender drafting and evaluation for the new system. In view of the fact that a tendering process would not be required using Mts, a specification has not been produced.

Targets

12. The telephone system will be implemented in time for use in the new customer service centre when it opens on 30 November 2006.

Options

13. The alternative procurement option is outright purchase.

Pay-Offs/Penalties

14. The financial and business benefits of procuring the telephone system through Mts are explained above.