Telephony

IT Working Group, item 4

Committee:	**IT Working Group**	**Agenda Item 4**
Date:	**12 June 2006**	
Title:	**Telephony**	
Author:	**Adrian Webb, Head of IT and Geoff Rich, Icosys Computers and Communications Ltd**	

Summary

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

Recommendations

1. Members approve the proposal for OGC to provide a managed telecommunications service (MTS) to Uttlesford District Council.

2. Members opinions are sought as to the additional items as outlined in paragraph 14.

Background Papers

ICM project file.

Impact

Communication/Consultation	There are no specific communication/consultation implications contained in 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	No additional revenue spend
Human Rights	There are no specific human rights implications contained in this report
Legal implications	The terms of the Mts service level agreement will be subject to ratification by Corporate Governance
Ward-specific impacts	All
Workforce/Workplace	There are no specific workforce/workplace implications contained in this report

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Situation

1. Operations Committee on 9 February 2006 approved capital expenditure of £250,000 and an on-going revenue increase of £11,000 for a replacement telephony system.

2. A review of current spending identified that the council pays £140,940 per annum in telephony communication (this figure excludes broadband charges and councillor telephone lines). This is made up as follows:

	£
Telephone call charges	61,450
Mobile call charges	28,800
Fixed lines for Dunmow and Museum	16,200
Annual support for existing telephony	22,140
Revenue increase agreed 9 February 2006	11,000
Disaster Recovery	1,350
	140,940

3. Officers employed a telephony consultant, Geoff Rich the Managing Director of IcoSys Computers & Communications Ltd, to assist the council in the procurement process.

4. Initial work on options available to the council identified two possible solutions:

Option 1 – Purchase of a corporate telephony package

- This would involve a competitive tender process and would necessitate the spending of the £250,000 capital, to purchase a system that would operate in a similar way to how the council works now.

- There would be little opportunity to reduce or reallocate the existing annual spend.

Option 2 – Purchase of a managed telephony service

- This option would involve annual revenue cost with only minimal capital outlay.

- Ownership of the system remains with the leasing company and therefore future upgrades would be at little or no cost.

- Options exist to reallocate or possibly reduce the existing annual spend.

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5. Working with the Procurement Agency for Essex (PAE) it was identified that a managed telephony service existed within the Office of Government Commerce Buying Solutions (OGC) framework. This would have the advantage that full tender evaluation had already been done and customers could sign up to the service in the knowledge that value for money had already been obtained.

6. Officers met with OGC and Global Crossing, the PFI service delivery partner for the managed telephony service (MTS), to enable an initial proposal to be tabled for consideration. This document is attached for information.

7. From the initial documentation it was apparent that a new telephone system could be obtained for no additional revenue cost and only small capital outlay. Given this a further meeting was held with Global Crossing to explore in detail the proposal. A second document is attached being the supplementary questions and answers from that meeting.

8. The current contract between OGC and its PFI partner Global Crossing ran for 10 years commencing in December 1996. OGC has agreed an extension of the contract for a further 2 years, with a view to extend again until 2011.

9. Whilst the PFI extension is only for two years, our contract would be with OGC, who have a number of fallback positions should Global Crossing go out of business or withdraw from the partnership. The primary one, whilst finding a new partner, is with Siemens who would takeover the existing contract until a new partner is found.

10. The short contract extensions for Global Crossing can be seen as advantageous for the council as each break enables a price review to occur. The new extension has seen the price for a standard analogue phone reduce from £240 to £225 per annum.

11. The three year contract that the council would sign with OGC has no break clause, and therefore should the council prematurely withdraw from the agreement, payment for the full term would still be due.

12. Following further meetings between the council and the consultant the MTS solution has been fully evaluated and the following conclusions reached:

Advantages

a. The service would deliver almost everything that the council needs at present. Slight changes in working practices may be required to accommodate any shortfall.

b. The contract is for a period of 3 years. This means that the council has no long term commitment and could respond to changes in service delivery, such as enhanced partnership working, without incurring significant contract termination costs.

c. The council will only be charged for the number of handsets used at the beginning of each quarter. This allows scope for numbers of handsets to rise and fall over the 3 years without penalty.

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    d. There is only a small capital outlay thereby saving a significant amount of the capital sum made available.

    e. Global Crossing can meet the required timetable of a new system in place and working by the end of September 2006. A purchase option and tender process would make this date unachievable.

    f. The new system can be delivered within existing revenue budgets.

    g. The council will have contact centre technology at no additional revenue expense.

    h. Voicemail notifications can be sent by email thereby enabling Blackberry users to be notified of telephone messages. Voicemail can then be retrieved remotely.

    i. Improved reporting and statistical information.

    j. All land line telephone calls would be included within the extension rental charge (excluding premium rate calls). This enables better budget management as there is a fixed charge and no variation through telephone charges.

    k. All remote sites will maintain their current external numbers, thereby giving continuity to customers. For example the Newport Depot number will remain – this number is well known to tenants for arranging repair times.

    l. The proposed Disaster Recovery is a significant improvement on present arrangements. Currently if a disaster occurs a new switch is shipped and has to be configured to our requirements when it arrives. The MTS solution requires one telephone call to transfer, within minutes, all extensions to a pre-configured disaster plan.

    m. All sites, including sheltered units, depots, Tourist Information Centre and Community Information Centres and the Museum would become part of the corporate telephony system.

Disadvantages

    a. For remote sites (i.e. sheltered units) to obtain free calls, an 0800 number must be dialled first. Whilst this is programmable into a speed dial button users must remember to press the button otherwise call charges will apply. There is no way under the current provision to completely automate the call routing through the 0800 number.

    b. Global Crossing has advised that the 'Agent Desktop' software will work for remote sites through the existing Citrix MSAM solution. However further exploration work is needed as Citrix MSAM is not currently in use at other MTS sites.

    c. Should the council decide to extend the customer service centre opening hours by utilising homeworkers, the system at present will not provide full agent functionality to the desktop, nor will it be able to produce full statistical information as it would if the user were based in the council offices.

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d. At present there is no ADSL solution offered under the managed service. To achieve full remote agent functionality in the future it may require 3rd party ADSL/equipment provision. The council is continuing to explore alternative provision for less contended ADSL.

e. The main call data is stored centrally by Global Crossing. At present online reporting via a portal is not available for security reasons. Until this is resolved it does mean additional resource time downloading an interrogating the data.

f. Initial discussions indicated that there would also be the opportunity to have free mobile calls thereby saving the council £28,800 per annum in call charges. Whilst in principal this is true in reality it is harder to achieve. Again the user will have to dial in a 0800 number, or use a speed dial key, to obtain a dial tone. They then have to manually type in the number to call, choosing contact information will not work as it suspends the first call and starts another chargeable one. Discussions with Orange, our mobile phone provider, have confirmed that there is no way round this problem. Whilst free calls are achievable it is inevitable that some call charges will be incurred. Officers will be asked to change their contact telephone numbers to begin with the relevant 0800 number to ensure most frequently dialled numbers are free.

13. The full year annual revenue expenditure for the MTS package totals £140,111 compared to the existing revenue spend of £140,940 per annum. A full breakdown is provided as Appendix One.

14. There are three additional extras that could be included in the MTS package. However there is no existing budget for these items. If it is felt that these would enhance the service, 2007/08 revenue budget growth item bids could be made. The three items are:

a. Call Recording – cost £18,228 per annum

   The ability to record calls, both for training and for abusive callers. The council would need to lease the Wordnet Series 2 recording software (page 9 of the supplementary questions attached).

b. Wall board – cost £1,582 per annum

   Wall mounted display board showing a variety of information relating to telephone contact centre call handling.

c. Ticker Tape Wall Board 100cm – cost £1,020 per annum

   A ticker tape wall mounted board promoting key information.

Conclusion

15. In the opinion of the evaluation team, it is possible for the council to purchase a telephony system which would meet more completely with the councils ideal specification. However, this would involve the expenditure of the capital monies (possibly in excess of the current allocation). On balance, it is the

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opinion of the evaluation team that the limited additional benefits that could be achieved in doing so are outweighed by the significant capital cost.

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Appendix One – MTS Costs

	Fixed Pipe £	Analogue Phones £	Digital Phones £	IP Phones £	Service Centre Phones £	Line Rental £	Total £
Saffron Walden	0	41,175	15,400	0	5,321	140	62,036
Great Dunmow	3,000	0	0	2,673	0	140	5,813
Newport Depot	3,000	0	0	1,782	0	140	4,922
Shire Hill Depot	0	225	0	0	0	140	365
Dunmow Depot	0	225	0	0	0	140	365
Thaxted CIC	0	225	0	0	0	140	365
TIC	0	675	0	0	0	140	815
Museum	0	1,800	0	0	0	140	1,940
Sheltered Units							
Walden Place	0	225	0	0	0	140	365
John Dane Player Court	0	225	0	0	0	140	365
Four Acres	0	225	0	0	0	140	365
Bromfield	0	225	0	0	0	140	365
Parkside	0	225	0	0	0	140	365
Newcroft	0	225	0	0	0	140	365
Hatherley Court	0	225	0	0	0	140	365
Vicarage Mead	0	225	0	0	0	140	365
Alexia House	0	225	0	0	0	140	365
Alan Hasler House	0	225	0	0	0	140	365
Pulford Place	0	225	0	0	0	140	365
Holloway Crescent	0	225	0	0	0	140	365
The Close	0	225	0	0	0	140	365
Barkers Mead	0	225	0	0	0	140	365
Priorswood Court	0	225	0	0	0	140	365
Mead Court	0	225	0	0	0	140	365
Norman Court	0	225	0	0	0	140	365
Reynolds Court	0	225	0	0	0	140	365
Telephony Homeworker							
Homeworker 1	0	0	0	297	0	140	437
Homeworker 2	0	0	0	297	0	140	437
Sub-Total							**84,065**
Hi-Path Pro Centre Site Licence							15,046
Hi-Path Pro Centre 25 User							10,140
Disaster Recovery							2,060
Mobile Phones							28,800
Total Cost per annum							**140,111**

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