

To: Finance, Resources and Customer Service Policy Board

On: 18 April 2024

Report by: Director of Finance and Resources

Heading: Contract Authorisation Report for the Provision of an Automated Assistant for Customer Services (Reference: RC-CPU-23-330)

1. **Summary**

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award a Contract for the Provision of an Automated Assistant for Customer Services to ICS.AI Ltd.
- 1.2 The recommendation to award the Contract follows a procurement exercise conducted in accordance the Crown Commercial Services G-Cloud 13 Framework Agreement RM1557.13 Framework Schedule 5: Award Procedure and the Customer Guidance issued for Lots 1-3 and the Council's Standing Orders Relating to Contracts for an above Threshold Services contract.
- 1.3 A Contract Strategy was approved by the Head of Digital, Transformation and Customer Services and the Corporate Procurement Manager on the 21 March 2024.
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2. **Recommendations**

It is recommended that the Finance, Resources and Customer Services Policy Board authorise:

- 2.1 the Head of Corporate Governance to award the Contract for the Provision of an Automated Assistant for Customer Services to ICS.AI Ltd, being a Call-Off Contract made under the Crown Commercial Services G-Cloud 13 Framework Agreement RM1557.13, in accordance with the award procedure for this Framework.
 - 2.2 The initial term of the Contract of 3 years with the Council's option to extend the Contract (extension period) for up to 12 months. The proposed Start Date is 13 May 2024. However, the actual date will be formally confirmed in the Crown Commercial Services G-Cloud 13 Framework Agreement RM1557.13 Call-Off Contract (Order Form).
 - 2.3 The Contract value for the initial 3-year term will be £433,590 excluding VAT. Where the option extension period is utilised, the total contract value will be £560,000 excluding VAT.
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3. **Background**

- 3.1 The Council has a new requirement for the Provision of an Automated Assistant for Customer Services. As part of the Council's Customer Strategy approved in November 2023, there is an action to adopt an Automated Assistant to further enhance the choice the Council offers its customers via the Customer Service Centre, and expand the service currently provided to a truly 24/7 operation for routine transactional services. A successful implementation of an automated assistant will support further reduction in telephone demand to the Council and has the potential to release recurring savings from the Customer Operations team.
- 3.2 The Council identified the Crown Commercial Services G-Cloud 13 Framework Agreement RM1557.13 (the Framework) as a suitable route to market. The Framework consists of 4 Lots and Lot 2 of this Framework offers a suite of cloud provisioned software and associated services.
- 3.3 Following the Framework Schedule 5: Award Procedure and the Crown Commercial Services RM1557.13 G-Cloud 13 Lots 1-3 Customer Guidance Buying Process, the Council followed the steps 1-3 using search criteria and filters as detailed below:

Search Criteria Number	Search criteria and filter applied	Search Result (Suppliers)
1	Chatbot	240
2	Not a reseller	123
3	Pre-trained	25
4	Council	1

3.4 After applying all relevant filter and search criteria, only ICS.AI Ltd were identified. ICS.AI Ltd's service offering was reviewed against the Council's requirements and were deemed to have met all those requirements.

3.5 ICS.AI Ltd has committed to deliver the following Community Benefits as part of this Contract:

Community Benefit	Number of People / Activities
Business advice/support to an SME /Social Enterprise/ Voluntary organisation	1
Non-financial support for a Community Project/Group	1

Implications of the Report

1. **Financial** – the costs associated with this contract will be met from the Finance and Resources Capital and Revenue budgets. The Contract value for the initial 3-year term will be £433,590, excluding VAT. Where the option extension period of one year is utilised, the total contract value will be £560,000 excluding VAT. These figures include one-off implementation costs of £60,000.
2. **HR & Organisational Development** - No HR & Organisational development implications have arisen or are anticipated.
3. **Community/Council Planning** – Working together to improve outcomes – this Contract will implement Artificial Intelligence Software to improve the service the Council provides to all who call the Council and to move to a 24/7 operation.

4. **Legal** - The procurement was carried out in accordance with Framework Schedule 5: Award Procedure and Customer Guidance issued for Lots 1-3 of the Crown Commercial Services G Cloud 13 Framework Agreement RM1577.13 and the Council's Standing Orders Relating to Contracts.
5. **Property/Assets** - No property/assets implications have arisen or are anticipated.
6. **Information Technology** – ICT Staff have been involved in this procurement exercise as the outcome of this contract involves the implementation of new software that must be compatible with the Council's current infrastructure.
7. **Equality & Human Rights** -

The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - There are no health and safety implications associated with the award of this Contract.
9. **Procurement** – The procurement exercise was conducted in accordance with Framework Schedule 5: Award Procedure and the Customer Guidance issued for Lots 1-3 of the Crown Commercial Services G-Cloud 13 Framework Agreement RM1557.13 and Renfrewshire Council's Standing Orders Relating to Contracts.
10. **Risk** - The insurance cover held by ICS.AI Ltd were assessed as part of their appointment on to the Framework.
11. **Privacy Impact** – ICS.AI Ltd are required to adhere to the Framework conditions and Call-Off terms which include provision for Data Protection and GDPR and will also be reviewed by the Council's Information Governance team as part of the award process and agree to the Data Protection requirements as noted within the Order Form and Call-Off Contract Schedule 7.

12. **Cosla Policy Position** – No Cosla Policy Position implications have arisen or are anticipated.
13. **Climate Risk** – The level of impact associated with provision of this service has been assessed using the Scottish Government Sustainability Test and is considered to be low risk.

List of Background Papers

None

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