

To: Finance, Resources and Customer Services Policy Board

On: 8th November 2017

Report by: Chief Executive and the Director of Finance and Resources

Heading: Contract Authorisation Report: Telephony as a Service (TaaS)

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 Telephony as a Service (TaaS).
 - 1.2 This procurement exercise has been tendered in accordance with Public Contracts (Scotland) Regulations 2015 and the Renfrewshire Council's Standing Orders Relating to Contracts as an above EU Threshold Open Procedure for Services.
 - 1.3 A Contract Strategy was prepared by the Corporate Procurement Unit and was approved on 2nd August 2017 by the Head of ICT and the Corporate Procurement Manager.
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2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise the Head of Corporate Governance:
 - a) To award the Contract for Telephony as a Service (TaaS) under Option A to British Telecommunications PLC conditional upon disclosure of relevant insurance cover documentation

- b) To award the Contract for five (5) years with the option (at the discretion of the Council) to extend for up to twelve months on two separate occasions. The commencement date is anticipated to be 8th December 2017 with the contract duration running until 7th December 2022 with an option to extend up to 7th December 2024 if all extension periods are utilised. The exact dates will be confirmed in the Council's letter of award.
 - 2.2 It is recommended that the Finance, resources and Customer Services Policy Board authorise both:
 - a) The contract value for five years of £4,633,230.00, excluding VAT; and
 - b) The total contract value should the extension options be taken of £6,486,522.00, excluding VAT.
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3. **Background**

- 3.1 The budget allocation for telephony is currently held collectively across all council services. This project (Telephony as a Service (TaaS)) will involve the centralisation of these budgets and future management of this budget and project requirements will fall within the remit of ICT, this includes: all financial aspects, the installation, maintenance, repairs and service delivery of all telephony requirements at various locations throughout the Renfrewshire Council corporate and educational estate.
- 3.2 A contract notice advertising the opportunity was published on the Official Journal of the European Union (OJEU) on 3rd August 2017. Tender documentation was available for immediate download through the Public Contracts Scotland – Tender system.
- 3.3 During the tender period, fifty two (52) companies expressed an interest in the contract. By the closing date set for return of electronic tenders of 5pm on the 15th September 2017, six (6) companies had submitted a response.
- 3.4 The six (6) tender submissions were initially evaluated against a set of predefined bid selection criteria in the form of the European Single Procurement Document (ESPD) by representatives from Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety.
- 3.5 All six (6) tenderers met the minimum selection criteria were then evaluated against a set of award criteria which was based on 70% Technical and 30% Commercial. Two priced options could be submitted by tenderers. Tenderers could respond to one or both options, as noted below:

Option A - Provision of cloud based telephony to the entire telephony estate and a cloud based contact centre.

Option B - Provision of the most cost-effective proposal to update the current corporate service provision to a cloud delivery for telephony with an as is non cloud delivery for the educational telephony estate.

Given the options and responses ICT services and Corporate Procurement Unit agreed (based on requirements and tender offerings) that to offer best service support moving forward and in line with ICT strategy that Option A be evaluated and progressed for award. Rejection of Option B eliminated 1 bidder as they could not provide for Option A

- 3.6 The scores relative to the award criteria of the five (5) remaining tenderers are noted below:

	Quality (70%)	Price (30%)	Total (100%)
British Telecommunications plc	50.94	25.74	76.67
Capita IT Services Limited (Trading as Capita IT Enterprise Services)	46.33	29.34	75.67
Virgin Media Business Ltd	46.29	25.99	72.28
Freedom Communications (UK) Ltd	33.42	23.21	56.62
Esteem Systems Ltd	24.08	30.00	54.08

- 3.7 The evaluation of tenders received for Option A identified that the tender submitted by British Telecommunications Plc is the most economically advantageous.

- 3.8 Community benefits were sought as part of this Contract and British Telecommunications Plc advised within their tender submission that the following Community Benefits would be delivered:

Area of Community Benefit	No of Community Benefits to be delivered
Further Education Visits	6
Work Experience Placements (14-16 years of age)	3
School Visits	10
Careers Event	2
Non-financial support for a Community Project	5

Implications of the Report

1. **Financial** - The financial status of British Telecommunications Plc was assessed by undertaking a Dun and Bradstreet evaluation and it confirmed that the company satisfied the Council's requirements in relation to financial stability.
2. **HR & Organisational Development** – No TUPE implications have arisen or are anticipated
3. **Community Planning** – The community benefits submitted under this contract are listed within section 3.8 of this report
4. **Legal** – The procurement of this contract has been conducted in accordance with the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts using the above EU tender procedure for Services.
5. **Property/Assets** – All property and assets utilised within this contract will be leased from the awarded supplier as part of a fully managed service.
6. **Information Technology** – The outcome and delivery of this contract will ensure alignment with the Council's ICT strategy.
7. **Equality & Human Right** -
 - (a) 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 the Contract
9. **Procurement** - The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.

10. **Risk** – The Contract is conditional upon British Telecommunications Plc providing all Insurance documentation and insurances requirements as stated in the tender
11. **Privacy Impact** - No Privacy Impact Assessment requirements were identified within this procurement.
12. **Cosla Policy Position** – N/A

List of Background Papers

- (a) None

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