

REPORT TO CABINET

20 March 2019

Subject:	Inform 360 Self-Serve Service Contract for Contact Centre
Presenting Cabinet Member:	Councillor Steve Trow – Leader of the Council
Director:	Executive Director - Neighbourhoods – Alison Knight
Contribution towards Vision 2030: 	
Key Decision:	Yes
Forward Plan (28 day notice) Reference:	SMBC09/03/2019
Cabinet Member Approval and Date:	Councillor Steve Trow – Leader and former Cabinet Member for Culture and Core Council Services
Executive Director Approval:	Executive Director - Neighbourhoods – Alison Knight
Reason for Urgency:	Urgency provisions do not apply.
Exempt Information Ref:	Exemption provisions do not apply.
Ward Councillor (s) Consulted (if applicable):	This is a boroughwide initiative
Scrutiny Consultation Considered?	Scrutiny have not been consulted
Contact Officer(s):	Sue Knowles Head of ICT and Revenues and Benefits 0121 569 6211 Nicky Denston Service Manager – Business Excellence 0121 569 2925

DECISION RECOMMENDATIONS

That Cabinet:

1. authorises the Executive Director – Neighbourhoods to award the contract for self-service telephony provision to Inform Communications Ltd for a period of two years, with an option to extend for a further one year, covering the period 1st April 2019 to 31st March 2022.
2. approves an exemption to the Council's Procurement and Contract Procedure Rules 2018-2019 to allow the Executive Director - Neighbourhoods to directly award the contract for self-service telephony provision to Inform Communications Ltd without seeking three tenders;
3. subject to 1. and 2. (above), authorises the Director – Law and Governance and Monitoring Officer to enter into the appropriate contracts for self-service telephony provision with Inform Communications Ltd.

1 PURPOSE OF THE REPORT

- 1.1 This report seeks approval to make a direct award for the contract for the delivery of the hosting and management of the self-service telephony system for a period of two years plus the option to extend for a further one year, covering the period 1st April 2019 to 31st March 2022.

2 IMPLICATION FOR THE COUNCIL'S AMBITION

- 2.1 The awarding of this contract will enable our customers to continue to receive an excellent customer service, increase numbers of resolutions at first point of contact and drive forward our target of increasing the amount of transactions customers can undertake online.

3 BACKGROUND AND MAIN CONSIDERATIONS.

- 3.1 Sandwell Council has been using the Inform 360 Integrated Voice Response (IVR) and texting (SMS) service in Revenues and Benefits since 2011. From 2016, the service was extended to cover: environmental; housing; registrars and waste customer contacts via the Contact Centre. As a combined service, since 2011 1.75m calls have been answered using the Inform 360 product 24 hours, 365 days a year.
- 3.2 The “Inform 360 Self Service” system has a series of menus, through which customers specify their enquiry type and, where available, are offered an SMS with a link to the appropriate online form, to save the customer from waiting and encourage channel shift. This is optional, and customers can still choose to speak to an advisor. The system also provides an information service, so customers can find answers to simpler questions without waiting for an advisor.
- 3.3 The self-service system provided by Inform Communications Plc has proved to be easy to use, robust and reliable with 99% uptime. It has supported the reduction in abandoned rates and call waiting times across both contact centres.
- 3.4 A 12-month contract further to the original 2-year contract commenced on the 1st April 2018 due to the impending work by ICT on the telephony strategy. This report seeks to request a direct award of contract is made based on Regulation 32(2)(b)(iii) of the Public Contracts Regulations 2015 which permits direct award where the supplies of services must be purchased from a particular economic operator for reasons connected with exclusive rights including intellectual property rights. In this case the system is already in place and the service charge payable is only available from this supplier. The work on the telephony strategy and unified communications is a much larger piece of work than first anticipated and requires alignment with the Digital Strategy which was approved by Cabinet in January 2019.
- 3.5 The current exemption report to directly award the current contract identified that a full procurement exercise would be required, including pre-market engagement, for the renewal of the self-service telephony provision. This was dependent on the work commencing on the strategic telephony project.

Following a review of the work required for the telephony provision and the need to align requirements with the Digital Strategy approved by Cabinet in January 2019, the timescale for this project have extended to 24-36 months. This will ensure sufficient time to conduct pre-market engagement, procurement and implementation of a new system. This has resulted in the need for continuation of current self-service telephony provision.

- 3.6 The Council is seeking to appoint Inform Communications Ltd to supply the self-service telephony service for a contract period of two years plus the option to extend for a further one year, covering the period 1st April 2019 to 31st March 2022.
- 3.7 The value of the new contract is £367,824 (£122,608 per annum) for a period of up to potentially three years. The supplier has reflected our previous custom and the proposed new term of 2-3 years and reduced the annual service charges for April 2019 – March 2021 by £4,741 and not increase annual charges for a further 12 months. If the work on the strategic telephony strategy is completed earlier, there may be an opportunity to reduce the contract length and cost. It is therefore proposed to award the contract on a two year plus one basis. This also provides assurance that if there is any delay in the telephony implementation there is continuation of service.

4 THE CURRENT POSITION

- 4.1 The current contract for Inform 360 Integrated Voice Response (IVR) and texting (SMS) services expires of the 31st of March 2019.
- 4.2 This provides a 24-hour automated customer response service across the voice, email and texting channels, which is supporting channel shift and improving the customer experience.
- 4.3 The current contract is used across the Revenues and Benefits and the Corporate contact centre.
- 4.4 There is an immediate requirement to review the Council's strategic approach to telephony and its use across all areas of the business. This work requires an independent appraisal of the current system and identification of the future requirements to support the day to day activities of the Council, improve access to customers and support increases in channel shift. It is anticipated that this work, including implementation of new products and infrastructure, will take approximately 24 to 36 months.

- 4.5 To deliver a quality service during this period for customers and to maintain current levels of good performance across the two areas during the work on the telephony strategy, it is identified that continuing with the current Provider would also be beneficial. However, this would require a new contract to be entered into as the existing contract arrangements end on the 31 March 2019.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The ICT Services Manager has been consulted and their advice is that there are no ICT implications relating to the proposed new contract. The provision of this contract supports the digital outcomes of the digital strategy, in particular; Transformation of Services, which is the extensive adoption of digital tools, solutions and processes into service delivery models to make better services and ensure best value for money. The use of the self-serve telephony system improves customer access to services and provides value for money for the council. One of the three themes of the digital strategy is access to services and self-serve technology is one of the tools which will enable increased self-service opportunities including for those people with disabilities or who require support.
- 5.2 An external 3rd party has been appointed to advise and support on the development of a specification which will be used to select a vendor and telephony technology which is right for the future of the council. This will involve consultation with key contact centre managers across the council and other stakeholders to develop the strategic direction. It is anticipated that there will be a two-phase implementation of a selected solution, the first phase being the core telephony platform followed by the implementation of an appropriate contact centre solution. The adoption and change of new or upgraded systems will be a major change for the council and as such will take up to three years.
- 5.3 The Procurement Services Manager has been consulted and their advice is that given the future plans regarding the corporate provision of this service, the programme to conduct a full procurement exercise and potential implementation of a new system, then a direct award to the incumbent supplier is appropriate at this time.

6 ALTERNATIVE OPTIONS

- 6.1 There are two alternative options available: to conduct a procurement exercise based on current requirements or to cease the current contract.
- 6.2 If use of the Inform self-service products is stopped, the performance of the two contact centres will be negatively impacted in respect of increasing call waiting times and abandoned calls. The positive direction the Council is taking on channel shift will be severely impacted and will be difficult to recover quickly from.
- 6.3 Running a procurement exercise based on current requirements could potentially result in a change of provider being awarded the contract. If this happened, time would be required to implement a new system leading to service disruption. Services would then be disrupted again once the wider procurement exercise has been completed for a corporate telephony solution and a new contract awarded covering all the council's requirements.
- 6.4 Therefore, neither of these two alternative options are viable.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The proposed contract for £367,824 (£122,608 per annum over three years) to supply self-service telephony services is included within approved budgets.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 All contracts will be awarded in accordance with the council's Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015.
- 8.2 Legal Services have been consulted and their advice is that to be considered a new contract and not an extension there must be a material change. Material changes are those which demonstrate the intention of the parties to renegotiate the essential terms of the original contracts.

The new contract must:

- Introduce conditions which, had they been part of the initial award procedure, would have allowed for the admission of tenders other than those initially admitted or would have allowed for the acceptance of a tender other than the one initially accepted. The new contract conditions are such that should it be advertised now it would be an OJEU procurement and would be advertised as such. Because of the wider scope of service requirements more tenders would be received than those initially admitted and other tenderers would be considered. One of the original contracts was procured via the G Cloud where competition was limited to a select list.
- Extend the scope of the contract considerably to encompass services not initially covered. The scope of the new contract has been extended considerably to include all neighbourhood call centres and all of the revenues and benefits call centre.
- Change the economic balance in favour of the contractor in a manner not provided for in the terms of the original contract. The terms of the contract have altered in the favour of the economic operator. One of the previous contracts procured via the G-Cloud framework is very rigid and there is no room for negotiation or to alter the terms in any way. The new contract allows for the supplier to base discounts on usage volumes to benefit both the supplier and the customer.

Commissioners must ensure that the new contract is not an extension of the previous contracts by ensuring the above points are met.

8.3 The ICT Services Manager has been consulted and their advice is that there are no ICT implications relating to the proposed new contract.

8.4 An exemption under Rule 8.7 of the Council's Procurement and Contract Procedure Rules is required in order to make a direct award of this contract.

9 EQUALITY IMPACT ASSESSMENT

9.1 An Equality Impact Assessment was not undertaken as this is a renewal of an existing contractual arrangement. The contract will be monitored to ensure compliance.

10 DATA PROTECTION IMPACT ASSESSMENT.

10.1 The sharing of any relevant data for the delivery of this contract will be in compliance with the General Data Protection Regulations (GDPR).

11 CRIME AND DISORDER AND RISK ASSESSMENT

11.1 There are no crime and disorder issues needed to be considered as part of this report.

12 SUSTAINABILITY OF PROPOSALS

12.1 The proposal to extend the self-service telephony system will provide consistency and quality of service during a period of transition through the strategic telephony project.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE).

13.1 There are no significant implications on health and wellbeing to be considered as part of this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 The loss of self-service products may extend the time taken to report and resolve issues which affect council managed properties or land.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The current contract was granted an exemption for a period of 12 months via delegated authority by the Director – Law and Governance & Monitoring Officer which ends on the 31st March 2019.

15.2 A contract is still required for Sandwell MBC to continue to deliver self-service through telephony and to continue to provide a positive customer experience whilst the work on the strategic telephony project is undertaken.

15.3 Therefore, it is recommended that Cabinet approve the award of the contract for self-service telephony to Inform Communications Ltd.

16 BACKGROUND PAPERS

16.1 None

17 APPENDICES:

Alison Knight
Executive Director – Neighbourhoods