

# Birmingham City Council

## Report to Cabinet

15<sup>th</sup> December 2020



---

**Subject:** Provision of Corporate Telephony VoIP Service  
**Report of:** Director of Digital and Customer Services  
**Relevant Cabinet Member:** Cllr Tristan Chatfield, Finance and Resources  
Cllr Brigid Jones, Deputy Leader  
**Relevant O &S Chair(s):** Cllr Sir Albert Bore, Resources  
**Report author:** Bipin Parmar, Head of Networks  
Telephone: 07775024758  
Email: Bipin.parmar@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If relevant, provide exempt information paragraph number or reason if confidential: Please refer to Appendix 1 for exempt information. The accompanying exempt appendix contains confidential market and financial information which could impact on the tender process for reason stated below: Schedule 12A of the Local Government Act 1972 as amended- paragraph 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information).		

## **1 Executive Summary**

- 1.1 The Council currently receives a telephony service from Capita Birmingham as part of the remaining services contract. This provides the Council with approximately 8,000 handsets on desks, i.e. “hard phones”.
- 1.2 The current contract expires on the 31st March 2021 and will need to be replaced. While a significant number of staff are working remotely up to 3,000 handsets through this current contract are in still use across the City.
- 1.3 As the Council adapts to increased levels of remote working the replacement service will need to support an increased number of ‘soft phones’ as opposed to physical “hard phones”.

## **2 Recommendations**

- 2.1 Notes the content of Exempt Appendix 1.
- 2.2 Under Standing Order Part D2 para 2.5iv, approves the commencement of single contractor negotiations by the Director, Digital and Customer Services, with the recommended supplier, Capita Birmingham Ltd, for the provision of a Telephony Services for up to 2 years as detailed in para 7.3.2 commencing in April 2021.
- 2.3 Delegates authority to the Director, Digital and Customer Services in conjunction with the Assistant Director, Development and Commercial Finance (or their delegate), the Interim Chief Finance Officer (or their delegate) and the Acting City Solicitor (or their delegate) to award a contract to Capita Birmingham Ltd, subject to the satisfactory outcome of negotiations.

## **3 Background**

- 3.1 The Planned Procurement Activity Report submitted to Cabinet on the 8<sup>th</sup> September 2020 and subsequently approved outlined the Council’s intention to procure a replacement telephony service. The PPAR approach was to procure a replacement telephony service through the Crown Commercial Service – Network Services 2 framework agreement via a further competition exercise was based on the position of the service in July 2020.
- 3.2 **The continuing impact of Covid-19, and specifically the ongoing impact to workplace-based working (i.e. second lockdown and advice to continue home based working), has affected the service requirements to the point where the original PPAR approach reported in September is no longer valid and necessitates procurement of a short-term solution under Single Contractor Negotiation.**
- 3.3 Cabinet also approved a new delivery plan on the 10<sup>th</sup> November 2020. This articulated that “....there is the opportunity to make a permanent shift from a situation where 15-20% of our workforce works in an agile and flexible manner to one where 80-85% do so. In so doing we shift our focus from a desk-based accommodation strategy and a culture of presenteeism to one that champions

flexibility and outcomes-based management – not least because working in this way is crucial to underpinning our approach to workforce equalities and talent management”. Through the refreshed Citizen Access Strategy there are changing needs for customer contact to also incorporate. The New Ways of Working programme is expected to further define and develop the requirements for the strategic corporate telephony and unified communications platform.

- 3.4 Therefore, a new contract to maintain the current telephony service is required to maintain continuity of service and prevent disruption during this period of uncertainty. As the period of uncertainty cannot be accurately estimated a 12 month contract, with the option to extend on a single occasion for an additional 12 months, will provide BCC the flexibility to be able to manage the service should the impact of the pandemic continue to be felt.
- 3.5 The basis for the negotiations will be to agree the pricing and social value commitments and also to confirm the terms and conditions the contract will be delivered under.

#### 4 Options considered and Recommended Proposal

- **Do Nothing** – This is not an option. Leaving the Council without a Telephony Service would severely impact the Council’s ability to deliver its services to Citizens.
- **OJEU Procurement** – This is not an option. There is insufficient time to run a full OJEU tender due to the uncertainty of the Council’s requirements due to the ongoing impact of the pandemic.
- **Framework Call-off** – This is not an option. There is insufficient time to run a Framework Call-off due to the uncertainty of the Council’s requirements due to the ongoing impact of the pandemic.
- **New contract with existing provider (Recommended)** – This option is recommended as it ensures the continuity of the Telephony Service, and therefore Council services. This option gives the Council time to consider its requirements and account for the impact of the pandemic, allowing for a strategic and agile approach in developing the future contract.

#### 5 Justification for Single Contractor Negotiations

- 5.1 The following justification is being applied: *There is an unforeseen priority i.e. a situation where there is an overwhelming and immovable requirement to complete an item of work, such requirement could not have been foreseen within sufficient time to have allowed a competitive procurement, and the adverse consequences of delaying the completion of such work significantly outweigh the consequences of not securing effective competition.*

- 5.2 The application of this justification comes from the implementation of new measures by the Government to combat the Covid-19 pandemic, this has directly impacted the timescales for the return to workplace-based working which has subsequently affected the scope of requirements for the Councils telephony needs.

## **6 Consultation**

- 6.1 None

## **7 Risk Management**

- 7.1 There is a potential risk of challenge related to the direct award of this contract without competition. This is mitigated by the extenuating circumstances brought about by the pandemic but cannot be entirely eliminated.

## **8 Compliance Issues:**

### **8.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

8.1.1 The contract supports the Council's ICT and Digital Strategy by supporting the delivery of ICT services.

8.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

8.1.3 Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of this contract. Capita Birmingham Ltd will be required to submit an action plan that will be evaluated in accordance with the procurement strategy and the action plan will be implemented and monitored during the contract period.

### **8.2 Legal Implications**

8.2.1 Under Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report, which are within the remit and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.

### **8.3 Financial Implications**

8.3.1 The Budget for this contract comes from the Network Services budget code RF003.

8.3.2 The contract will be for a period of 1 year with the option to take a further 12-month term at our convenience without penalty.

### **8.4 Procurement Implications (if required)**

8.4.1 This report concerns the requirement to enter into single contractor negotiations and to award a contract as set out in paragraph 4.

### **8.5 Human Resources Implications (if required)**

8.5.1 None.

**8.6 Public Sector Equality Duty**

8.6.1 The requirements of Standing Order No. 9 in respect of the Council's Equal Opportunities Policy will be incorporated into the Contract.

**9 Appendices**

9.1 Exempt Appendix 1.

**10 Background Documents**

10.1 Cabinet Paper of 8<sup>th</sup> September 2020 – Planned Procurement Activities Report.