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**CONTACT CENTRE TELEPHONY**

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**Responsible Cabinet Member -  
Councillor Stephen Harker, Efficiency and Resources Portfolio**

**Responsible Director -  
Catherine Whitehead, Assistant Chief Executive**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To seek approval of Council to waive Contract Procedure Rules under Rule 18.

**Summary**

2. It is proposed to purchase a new Contact Centre telephony system.
3. Siemens Openscape is the current Contact Centre telephony system and cannot be expanded to meet identified need. Support for the current system is due to end March 2015.
4. The Council would like to procure the MacFarlane Contact Centre telephony system as this system is currently used by Stockton Council in their contact centre and it integrates successfully with the Lagan Customer Relationship Management (CRM) system. Xentrall support and develop MacFarlane on behalf of Stockton and there are additional benefits to having the same systems.
5. The Contract Procedure Rules would ordinarily require the Council to tender for this work, but given the previous experience of Xentrall is proposed to make a direct award to MacFarlane Telesystems Ltd to implement and support a Contact Centre telephony system for the Council.
6. The Council agreed when it established the Xentrall partnership that opportunities for delivering efficiencies in the support to systems would be explored whenever systems came up for renewal to utilise the experience of Xentrall in implementing and supporting similar systems in Stockton. In this case Stockton Borough Council uses the Lagan Customer Relationship Management System which is the same as the system that Darlington already uses. This means that the expertise already exists within Xentrall to support the integration of Macfarlane with Lagan and this also aligns Darlington with Stockton which would increase opportunities for further joint working or procurement in the future.

7. A detailed analysis has been undertaken to ensure that the proposed system will meet the operational needs of the centre. In particular there is a requirement that telephony systems comply with future security requirements in relation to the recording of credit card details for taking payments. The Macfarlane system will enable the Council to meet these new requirements through an additional arrangement detailed in the report, which the current system is unable to do.
8. The Council has been able to make a realistic assessment of the cost of the system based on provision to other local authorities and has already negotiated a price detailed within the report.
9. Rule 18 of the Contract Procedure Rules Council allows Council to waive the rules. This will only apply in cases where the proposed expenditure is below that required by European procurement requirements. In this case the value of the contract is below the EU threshold.

### **Recommendation**

10. It is recommended that Council waive the Contract Procedure Rules to enable a direct award to be made to MacFarlane Telesystems Ltd to implement their Contact Centre telephony system.

### **Reasons**

11. The recommendation is supported by the following reason :-
  - (a) This will ensure that the Council can gain the benefits of dealing with a single company that has the technical and operational experience of the particular issues that relate to the implementation of a contact centre telephony system that integrates with the Lagan Customer Relationship Management (CRM) system.

**Catherine Whitehead**  
**Assistant Chief Executive**

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### **Background Papers**

- (i) Darlington Borough Council's Contract Procedure Rules

S17 Crime and Disorder	There are no implications for crime and disorder.
Health and Well Being	There are no specific implications for health and wellbeing.
Carbon Impact	Improved telephony will avoid the need for face to face visits, but there are no specific carbon impacts from the proposals.
Diversity	There are no specific diversity implications of the new system.
Wards Affected	All wards are affected equally.
Groups Affected	Positive outcome for all groups contacting the Council.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	Decision to waive contract procedure rules.
Urgent Decision	Imminent renewal of the Siemens ISDX (exchange) maintenance £31,000.
One Darlington: Perfectly Placed	The proposal in the report will ensure the Contact Centre is fit for purpose and meeting its requirements for One Darlington Perfectly Placed.
Efficiency	The system has been budgeted for and provides essential upgrades to ensure legal compliance. Improved telephony will give the contact centre greater scope to manage additional calls and improve efficiency and provides the basic infrastructure for future savings projects.

## MAIN REPORT

### Information and Analysis

12. The current telephony system used within the Contact Centre is Siemens Openscape. The version currently being used is old and support is due to cease at the end of March 2015. We are currently utilising all of the available licences so the Contact Centre cannot expand its functionality to incorporate other services and further licences cannot be purchased due to the version of the system in use.
  
13. Xentrall provide support for the MacFarlane system at Stockton Council. Stockton Council also use Lagan as their CRM system and the systems are integrated. Implementing MacFarlane at Darlington Council will enable the authority to utilise the expertise within Xentrall to support and develop the system. The implementation timescales would also be quicker as there is already knowledge of the system within Xentrall.

14. Darlington Council's Systems and Information Strategy makes it clear that wherever possible we will seek to rationalise and make the best use of our systems, and where possible look to align the systems between Darlington and Stockton Council's. The reasons for this include the better use of Xentrall resources as they are gaining greater expertise in fewer systems, more opportunity to take forward shared system developments and future procurements which will be enablers to future closer working. This will also ensure that the Council is achieving best value on its investment.
15. A specification of requirements has been drawn up based on current and likely future business needs and there are a limited number of suppliers in the market that can meet this.
16. Implementing the same system as Stockton Council will enable the Darlington Council Contact Centre setup up to be replicated at Stockton and vice versa in a disaster recovery scenario. This will ensure business continuity to critical front-line services and ensure that the Council receives best value.
17. Any new Contact Centre telephony system would be required to integrate with the Lagan CRM system. This would enable the relevant scripts to be activated when dialling specific numbers and detailed transactional information to be obtained. As Stockton Council use MacFarlane and Lagan; and these systems are successfully integrated, it is proven to work which is critical to service delivery.
18. When a member of the public phones the Contact Centre they are greeted with a voice recording asking them to press a number corresponding to the service they wish to access. This is called Interactive Voice Response (IVR). The Council needs to be able to expand the number of IVR lines (the number of recordings) that it currently has in order to implement IVR at the Dolphin Centre and to meet Care Act requirements from April 2015. This will enable customers to be signposted to the relevant people and service areas where appropriate.
19. The Council is currently replacing the Siemens telephony system and new CISCO phones are being rolled out. This is due to be completed by March 2015. The financial savings anticipated will not be realised until the Contact Centre phone lines have been switched over to a new system as the exchange will need to be kept. The maintenance of the exchange is £31,000 per year.
20. The Contact Centre takes payments from customers for many different services. Due to this service the authority needs to be PCI compliant when taking payments. The Payment Card Industry data security standard is a set of requirements designed to ensure that all companies that process, store or transmit credit card information maintain a secure environment. When taking card payments over the phone, as calls are recorded, no sensitive authentication data may be stored, in any format, once a transaction has been authorised. Any new telephony system needs to be compliant with these regulations. PCI compliance costs have been included within the costs provided by MacFarlane.

## **Financial Implications**

21. A budget is available from within Xentrall existing resources for this piece of work. This will procure and implement the system. Costs will be £145,700 including PCI compliance plus transaction costs.
22. The ongoing maintenance of the system (£17,000 plus PCI transaction costs) would then be met from existing revenue budgets.

## **Procurement**

23. For contracts that have a value of over £75,000 the Contract Procedure Rules require that a tender process is undertaken before a decision to award the contract is made. The Contract Procedure Rules do however make provision (Rule 18) in for Council to waive this requirement and for a direct award to be made. This is being requested due to the reasons stated within this report.
24. In this case it is being proposed that a direct award is made to MacFarlane Telesystems Ltd to implement their Contact Centre telephony system. This will ensure that the Council can gain the benefits of dealing with a company that has the technical and operational experience of the particular issues that relate to the systems in use within the Contact Centre.

## **Legal Implications**

25. The value of this contract will be below the European Union threshold and the Council is not therefore bound by EU law to follow a formal tender process. The Council has the power to waive the Contract Procedure Rules in appropriate circumstances to enable a direct award to be made.