

18 March 2024		ITEM: 11
Cabinet		
Contact Management: Procurement of Voice Automation Software and Customer Relationship management (CRM) system		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Deborah Arnold, Portfolio Holder for Transformational Change, Communications and Governance		
Accountable Assistant Director: Andy Best, Head of Digital and ICT		
Accountable Director: Daniel Fenwick, Executive Corporate Director, Corporate Services		
This report is Part Exempt – Appendices 1, 2, 3 and 4		
Version: Final		

Executive Summary

The Contact Management Operating Model (CMOM) full business case was approved at Cabinet on 21 February 2024 as part of the report on 24/25 savings. The Full business case is attached at Appendix 2.

The benefits detailed in the business case are significant and to be achieved, require the implementation of multiple new systems/software solutions (namely, enhanced voice automation technology to interface with our current telephony systems, and an at-scale Customer Relationship Management system implementation). To deliver these new technologies, the Council must undertake a comprehensive procurement exercise for each system/implementation partner. This paper seeks delegated authority to undertake those procurement exercises and award the contracts, in a manner appropriate to the elements being procured and to our obligations and requirements as a public authority.

Commissioner Comment:

Commissioners have been consulted on the content of this report and agree with the recommendations made.

1. Recommendation(s)

1.1 Approve the commencement of the best value procurement of Voice Automation software using the GCloud-13 Framework.

Version Control (delete as appropriate)

Version 1 - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

- 1.2 **Approve delegation to the Executive Director of Corporate Services in consultation with the Chief Finance Officer and Portfolio holder to award the Voice Automation contract up to (and not above) the value specified in the business case, articulated in appendix 1 tables 1-3 (figures are exempt from publication as they are commercially sensitive).**
- 1.3 **Approve the commencement of the procurement of an Implementation Partner to supply and implement a CRM system using best value procurement and contract value protocols.**
- 1.4 **Approve delegation to the Executive Director of Corporate Services in consultation with the Chief Finance Officer and Portfolio Holder to award the CRM/Implementation Partner contract(s), up to (and not above) the values specified in the business case, articulated in appendix 1, tables 1-3 (these figures are exempt from publication as they are commercially sensitive).**

2. Introduction and Background

- 2.1 As this paper only pertains to the procurement exercises to be undertaken for the relevant systems, for further information about the full Contact Management business case, please see the full business case (appendix 2).
- 2.2 The procurement approach being proposed will involve separate procurement exercises to procure various elements of our total requirement separately, thereby ensuring that the most appropriate system/partner is obtained for each element of the Contact Management Programme as required.
- 2.3 After discussions with colleagues in the procurement team, it has been determined that procurement of the Voice Automation software should be undertaken using the GCloud-13 Framework. The G-Cloud 13 framework will enable the most efficient and defined solution for the Voice Automation element to be procured in a time and cost-efficient manner and is the most appropriate avenue for this element.
- 2.4 The CRM element of the Contact Management Programme is more technically complex, and we do not have all the required skills internally to undertake an end-to-end implementation exercise. Additionally, it is not in the Council's best interest to stand up a large implementation function for the duration of this exercise as this would be extremely costly and would have a number of non-financial disbenefits.
- 2.5 It is therefore clear that the most appropriate route for implementation is to procure an implementation partner to supply and implement the CRM system in partnership with the Council, utilising our subject matter expertise and their systems knowledge to design the correct solution for the Council. This would also involve an element of knowledge transfer to the Council, to ensure that we will have the required skills in house so that we can manage the system and required development on an ongoing basis.
- 2.6 In order to deliver the CRM system in a time and cost-efficient manner an implementation partner will be required, and work is underway with teams across the Council including finance

Version Control (delete as appropriate)

Version 1 - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

and procurement colleagues, to determine the appropriate route to market for this procurement exercise.

3. Issues, Options and Analysis of Options

- 3.1 To procure the Voice Automation element, two options were considered, utilising the G-Cloud13 framework, or undertaking a Restricted Tender. After reviewing these options with colleagues in the Procurement Team, it became clear that the Restricted Tender option required inherently longer timescales whilst providing no additional benefit, in addition this approach would significantly increase the administrative burden on the Council. There is an accepted need to release savings starting in July 2024, and this extended timeline would have been at odds with the savings requirement.
- 3.2 The remaining option, which was chosen as the preferred procurement method, is the G-Cloud 13 Framework. The G-Cloud 13 Framework option has the benefit of offering a centralised marketplace of pre-vetted suppliers, with contract documentation in place for use once a supplier is selected, giving a proven governance framework which allows suppliers to be deployed rapidly, allowing the Council to deliver the savings target in the required timeframe.
- 3.3 For the CRM procurement exercise, three routes to market were considered, the tables 1, 2 and 3 below, set out the pros and cons of each method in more detail.

Restricted Tender – Table 1

Pro's	Con's
Only required to evaluate a limited number of bids deemed appropriate after an initial selection questionnaire process is undertaken	No ability to vary requirements/specification once tender has been issued
Process has a focus on quality assurance of bids	Inflexibility of the process may result in a solution that is not fit for purpose, requiring a re-run of the process
	May result in contract expansion post procurement if modifications to the existing contract are required but have not been costed at the point of specification
	Should changes be made after the procurement process, the Council may be at risk of breaching of regulation 72 of PCR 2015 or having an inadequate implementation
	The elongated administrative process would lead to longer timescales which would not facilitate 2024/25 savings targets

Version Control (delete as appropriate)

Version 1 - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

Framework – Table 2

Pro's	Con's
Pre-determined list of vetted suppliers	No ability to change requirements/specification once Tender had been issued
Existing governance framework in place with contract terms pre-agreed	May result in a solution that is not fit for purpose, requiring a re-run of the process or post procurement negotiation
Fixed rates are established by way of a rate card with a ceiling cost	May result in contract creep – modifications to the existing contract that have not been costed
Quicker than traditional Tender processes (Competitive Dialogue/Restricted Tender) owing to utilisation of pre-agreed structures	Escalation of costs from original submitted pricing, may result in breach of regulation 72 or PCR 2015
Some quality assurance of bids owing to framework structure	

Competitive Dialogue – Table 3

Pro's	Con's
Enables best fit solution and enhances Council understanding of complex technology, leading to the development of an improved specification	Increased timescales compared to the Framework option (but still within savings timeframe)
Process has a focus on quality assurance of bids	Engagement with suppliers will take more internal resource
Allows for market innovation which the Council may be otherwise unaware of	Whilst there is an option to utilise standard documentation, negotiation with suppliers is to be expected
Only required to evaluate a limited number of bids deemed appropriate after an initial selection questionnaire process is undertaken	
Recommended for complex IT projects	

- 3.4 The Restricted Tender procurement method (Table 1) was discounted primarily due to the time the process would take whilst providing no significant benefit in return. The two other routes to market, Framework Agreement and Competitive Dialogue, are described in Table 2 and Table 3 above.
- 3.5 Both remaining options offer similar levels of benefit but for differing reasons. At this stage the preferred approach is to undertake Pre-Tender Market Engagement to explore both procurement options in more detail. This will provide the additional benefit of establishing an awareness of the current market environment and capabilities and offerings of software

Version Control (delete as appropriate)

Version 1 - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

solutions and Implementation Partners which will be crucial in selecting the right method for such a technically complex and high value procurement.

4. Reasons for Recommendation

- 4.1 The recommendations listed above have been arrived at in consultation with subject matter experts and colleagues in the procurement team to discern the most appropriate procurement route(s) given our internal requirements, following a review of the various procurement options (detailed above), and the required outcomes set out in the Contact Management business case (appendix 2).

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 The full business case for Contact Management was considered by Overview and Scrutiny of 14 February 2024 as part of the 24/25 Savings Proposals and approved by Cabinet on 21 February 2024.

6. Impact on corporate policies, priorities, performance, and community impact

- 6.1 Whilst the procurement exercise itself will not have any direct impact on corporate policies, priorities, performance and the community, the systems which will be implemented as a result of this will open the door to large scale improvements across the Council both internally, to our systems, people, processes and data, and externally, by improving the breadth and intelligence of the services we are able to offer residents and service users including when and how they interact with us, and what information will be available to them when they do to.

7. Implications

7.1 Financial

Implications verified by: **Jo Freeman**
Assistant Director Financial Management & Procurement
6 March 2024

This procurement exercise is linked to the Contact Management business case proposal which intends to deliver £1.125m net base budget reduction by 2026/7. This was agreed at Full Council on 28 February 2024 as part of the Revenue Budget 2024/25 report which assumes £0.520m will be delivered in 2024/25. There is the risk that slippage in the implementation of the project may reduce the level of savings that can be realised in 2024/25, if this is the case alternative savings will need to be identified to mitigate the impact.

One-off implementation costs will be required in 2024/25 and 2025/26, as detailed in Table 2, Appendix 1, which will be met from the Transformation budget.

Any one-off redundancy costs incurred as a result of implementing the business case plans and subsequent release of staff will be met from the Transformation budget.

Version Control (delete as appropriate)

Version 1 - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

The contract(s) awarded should take into account the impact of inflation across the life of the contract(s).

The value of the contract(s) awarded must not exceed the costs set out in the business case without seeking further Cabinet approval.

All spend over £25k is required to follow the internal Expenditure Control Process and be presented to the Strategic Approval Panel to ensure value for money principles continue to be followed.

7.2 Legal

Implications verified by: **Jayne Middleton-Albooye**
Interim Head of Legal and Deputy Monitoring Officer
27 February 2024

When making decisions in relation to these proposals the Council is required to have due regard to the Public Sector Equality Duty (PSED) as set out under section 149 of the Equality Act 2010.

Consideration needs to be given to the CEIA (appendix 4) to explore the impact on the Council's ability to meet the general requirements of the PSED in relation to employees affected by these proposals who fall within the protected Equalities Groups, to establish whether certain groups of staff will be disproportionately affected by the proposals and if so, whether alternative options are available.

The proposals are likely to impact on customers, including those with protected characteristics. Each proposal may vary in relation to its impact. To comply with the Council's PSED, a CEIA has been completed to assess the impact on vulnerable customers and those unable to self-serve due to digital exclusion, including older people, people with disabilities, people who have English as a second language who may find it challenging to understand/follow online and/or automated instructions. The Council will need to establish whether appropriate assistance and support can be put in place to enable them to access the services they need.

The new digital services will need to comply with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018, to improved accessibility by residents or service users with a disability or with English as a second language.

If the proposed service redesign involves the processing of personal data, the ICO considers it good practice to do a Data Protection Impact Assessment.

The full business case (appendix 2) indicates that redundancies may arise as a result of the introduction of the new technology. Redundancy is a fair means of dismissal provided it follows fair and transparent processes, including a fair selection process. The Council must be mindful where it proposes to dismiss 20 or more employees as redundant within a period of 90 days or less that there are certain legal obligations to collectively consult with which they must comply. (Trade Unions and Labour Relations (Consolidation) Act 1992 s. 188). Failure to do

Version Control (delete as appropriate)

Version 1 - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

so can lead to claims to an employment tribunal for a protective award. The Council should factor in the statutory timescales for consultation which increase when the level of potential redundancies increases. Consultation must be proper and meaningful.

Following issue by the Council of a s114 notice, the Council must ensure that its resources are not used for non-essential spending. The contracts at issue here are essential and the provision of them assist the Council in meeting its statutory duties. In procuring the services outlined, the Council must observe the obligations upon it outlined in national legislation and in its internal procurement rules. The proposed procurement approach should fulfil these requirements, but Officers are recommended to keep Legal Service fully informed as they progress through the procurements to ensure compliance.

7.3 Diversity and Equality

Implications verified by: **Natalie Smith**
Head of Community Development

27 February 2024

An initial CIEA was prepared and is attached as an appendix. In general the CEIA did not identify a negative impact for our customers with the exception of the older population or those that are digitally excluded. Customers with sensory disabilities or those who do not have English as a first language may experience difficulties interacting with the new technology. Information on how this effect is minimised is contained within the CEIA. The CEIA will be developed and updated as more is understood about the impact and opportunity for mitigation through implementation.

The Council currently has around 334 routes which the public use to make contact including 296 routes which go direct to service areas having received no triage from the Contact Centre. Direct and ad-hoc contacts often have incomplete details and require re-keying of data multiple times giving rise to an inefficient process and poor service for residents. Implementation of automatic processes and the ability for customers to self-serve will eliminate many of the failed contacts experienced by users and will support the Council to “get it right first time”.

Voice automation is a technology that understand, process and respond to human language – whether spoken or typed and is tried and tested across councils, and the wider public and private sector. Customer Relationship Management (CRM) software allows processes to be streamlined and better management of relationships with residents throughout their entire interaction with the Council. The creation of portals, webforms and new automated workflows will bring council interaction into line with modern practices enabling residents to digitally self-serve.

As existing specialist services (language translation, video sign call etc) will remain in use, and call handling assistants will be in place behind every contact should they be needed, this project minimises any disadvantages for vulnerable groups whilst providing the council with an opportunity to greatly enhance contact management so that information only needs to be provided once, contacts can be dealt with correctly first time, and efficiencies can be brought

Version Control (delete as appropriate)

Version 1 - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

to the service leading to fewer call failures. Regular monitoring and review is already embedded in the service showing a high caller satisfaction rate of 98%. This will form the benchmark for future services which will continue to be monitored in the same way.

Behind the automated system, traditional call handlers will be in place ready to take over the more complex calls. Facilities in Libraries and Community Hubs will continue to provide support in the community.

The Council's equalities obligations will form part of the specification sent out to potential providers during procurement of the Voice Automation and CRM systems and will form part of the evaluation process.

7.4 **Risks**

The procurement exercise does not in and of itself represent a risk to the Council, however there may be risks associated should the procurement exercise not be approved, or fail to identify a suitable service provider/product then there would be a significant risk that the benefits/savings identified in the business case would be at risk of non or partial delivery in financial year 2024/2025 or until a suitable procurement process is delivered.

7.5 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

There are no other significant implications.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

9. **Appendices to the report**

- Appendix 1 Contact Management Financial Summary (Exempt)
- Appendix 2 Contact Management Full Business Case (Exempt)
- Appendix 3 Stage 1 Form Voice Automation (Exempt)
- Appendix 4 Stage 1 Form Implementation Partner/CRM (Exempt)
- Appendix 5 CEIA

Report Author:

Lorraine Surrey

Senior Project Manager

Programme and Project Management Office

Version Control (delete as appropriate)

Version 1 - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision