

NORTH LINCOLNSHIRE COUNCIL

POLICY AND RESOURCES CABINET MEMBER

UNIFIED COMMUNICATIONS STRATEGY & TELECOMS PHASE 2 PROCUREMENT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To seek approval of a unified communications strategy for the council's voice and data telephony infrastructure and to outline an initial supporting delivery plan.
- 1.2 The key points in this report are:
- A technical strategy has been produced to update the council's current voice and data infrastructure to reduce costs and provide a modern technical platform going forward.
 - A phased approach is recommended to deliver financial savings and introduce transformational technology at affordable cost.
 - Approval is sought to progress phase 2 of the telecoms procurement following the success of the phase 1 connectivity exercise.

2. BACKGROUND INFORMATION

- 2.1 A technical unified communications strategy has been produced in conjunction with Damovo, a nationally recognised telephony specialist. Its purpose is to help identify opportunities to reduce costs and provide a modern and resilient technical platform that will support council-wide business transformation going forward.
- 2.2 Unified Communications (UC) is the term used to describe a set of communication services bundled and delivered together as a single cohesive solution. UC enables the use of voice, data, Internet, video and other communication services through integration of products. Softphones are a good example of these technologies (telephony via laptops, tablets etc).
- 2.3 The strategy identifies that the existing fragmented telephony architecture, by its design and overall capability, represent a significant barrier to business transformation. A modern integrated communication system with increased functionality will improve communication both internally and externally, to support modern working practices and improve the experience of customers.
- 2.4 Essentially the strategy proposes the following key actions:
- invest through a series of initiatives in the existing core telephony system

- reduce the number of telephony servers and potentially allow the virtualisation of the telephony capability
- streamline the number of telephony connections
- consider the introduction of softphones to enable flexible working
- invest in the IP backbone capability to reduce maintenance and support costs
- consider bringing mobile handsets into the fixed line environment
- optimise use of “on-net” i.e. toll free systems
- migrate from traditional BT telephone lines to VoIP (Voice over Internet Protocol) technology
- remove single points of failure/strengthen business continuity
- underpin the above through good IT governance and staff/customer engagement

2.5 Transformational technology such as Softphones has been piloted within the council’s revenues and benefits section. This has proven to be a success enabling remote worker telephony access using the council 29 system and keeping calls “on net” which has reduced call charges.

2.6 Our existing telecoms contract with Daisy combines both connectivity and telephony services. As reported previously, as part of a PSN compliant procurement process, a decision informed by market knowledge was taken to split the requirements into two contract packages: connectivity and telecoms. This will enable the council to achieve greater savings from the procurements by contracting with the best value providers in both market sectors. The procurements are being undertaken as two discrete phases:

Phase 1 - Connectivity (procurement completed):

- data network circuits such as 2mb, 10mb 100mb links
- internet connectivity providing our connection to the internet enabling us to host services such as the website and self-service portal
- broadband connections for smaller sites - ADSL
- links that connect sites to the infrastructure
- VoIP connectivity for secure on network calls

Phase 2 Telecoms (to commence) covers:

- traditional phone lines, PSTN lines and rentals.
- ISDN lines used for centralised call breakout on the 29 system
- call charges
- premium rate numbers
- non geographic numbers such as 0300 number used for disaster recovery
- alarm lines

2.7 The Daisy contract has been extended to September 2014 for the telecoms element only in order to provide continuity of service pending the phase 2 procurement.

2.8 The recent phase 1 procurement exercise successfully introduced a new PSN connectivity contract, delivering significant savings for the council and schools. This

new infrastructure is currently being rolled-out to replace our existing network provision under the expiring Daisy contract.

- 2.9 The phase 2 procurement is now necessary to provision the council's telecoms requirements from 20 September 2014.

3. **OPTIONS FOR CONSIDERATION**

- 3.1 **Option 1** – In line with the strategy and key actions outlined in paragraph 2.4, enhance the current telephony platform; upgrade the existing system to a modern centralised platform, increase business continuity and supplement with additional UC technology where appropriate, retaining the majority of the existing handsets.

Build on our existing investment by introducing the latest VoIP technologies to deliver savings and the ability to implement UC where required. Legacy telephony will be replaced with new technology as it fails or requires replacement. Carryout a phase 2 procurement for VoIP services to replace our traditional BT connectivity via a national framework.

Option 2 - Replace the council's current telephony platform with a new UC platform such as Microsoft Lync or IBM Sametime. Replace all handsets and move to PC/laptop telephony deployment such as softphones. Carryout a procurement for VoIP services to replace our traditional BT connectivity.

- 3.2 **Option 3** – Do nothing and continue with the existing telephony platform and services. Carry out a procurement for line rentals and call charges to support our existing telephony platform.

4. **ANALYSIS OF OPTIONS**

4.1 **Option 1 – Enhance the existing telephone platform**

Advantages:

- enables the council to implement VoIP technology
- reduce telecoms costs
- optimises existing investments
- less disruption to users
- simpler to implement
- able to integrate UC technologies where appropriate
- ability to implement more toll free calls – on net
- less investment required
- remove single points of failure
- ability to integrate schools phone systems

Disadvantages:

- UC technology not available to all users
- existing digital and analogue desk phones will remain for most users

4.2 **Option 2 – Replace telephony platform:**

Advantages:

- UC technology available to all users
- enables the council to implement/VoIP technology
- reduce telecoms costs
- ability to implement more toll free calls – on net
- remove single points of failure
- replace all desk phones for new IP handsets or softphones
- ability to integrate schools phone systems

Disadvantages:

- significant up-front investment required (circa £450k)
- significant disruption for users
- does not optimise previous investment

4.3 **Option 3 – Do nothing:**

Advantages:

- no investment required
- no disruption to users and services

Disadvantages:

- unable to migrate to VoIP and deliver savings
- unable to implement UC technologies where required
- unable to remove single points of failure for business continuity
- unable to integrate school phone systems and requirements
- does not strengthen our commercial portfolio
- will be out of contract for essential telecom services

4.4 A business case to fully replace the existing council telephony systems is not a viable option. Although some services in the council would benefit from the use of UC technology to enable greater efficiencies, there are still large areas of the council that do not have a strong business need for the new technology.

4.5 Option 1, investment in the current telephony platform would enable us to deliver longer term savings on telecoms costs and introduce UC where the business would benefit. This would see us utilise our previous investment and also enable us to implement new technology where the business would see true benefits.

4.6 The investment in VoIP technology will enable us to integrate schools more effectively strengthening our commercial portfolio and reducing costs for schools.

4.7 It is expected that the phase 2 telecoms procurement will deliver savings of circa £40k a year with option 1.

- 4.8 Option 1 would be procured against a national procurement framework to provide an assured supply base and best possible commercial terms.
- 4.9 The proposed timetable for option 1 is set out below:

Milestone	Completion Dates
Approval of centralised telecoms report	May 2014
Complete implementation of new PSN network	May 2014
Centralise the telecoms budget	June 2014
Initiate Phase 2 procurement	June 2014
Upgrade to existing telephony platform	June 2014
Procure SIP/VoIP services and PSTN	July 2014
Migrate from ISDN to SIP	Sept 2014
Award of Phase 2 contract	Sept 2014
Reduce telecoms budget for telecoms 2015/16 onwards as agreed	April 2015

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 It is expected that an upgrade to the existing telephony platform under option 1 will be in the region of £55k (capital money available in 14/15). This is a precursor project enabling us to procure the new technology as part of the phase 2 telecoms procurement.
- 5.2 The phase 2 procurement is expected to deliver an annual saving of circa £40k. This will reduce telecoms costs and forms part of the agreed Policy and Resources budget reductions from 2015/16.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 6.1 An Integrated Impact Assessment has been undertaken and indicated no adverse impacts arising from this report.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 7.1 The council's contracted telephony maintainers, leading specialists in the market, have assisted in developing the UC strategy.
- 7.2 User engagement evidenced a business requirement for new transformational technology such as Softphones.
- 7.3 Discussions with Daisy under our existing contract supported the business case to migrate to VoIP technology.
- 7.4 No conflicts of interest have been identified.

8. RECOMMENDATIONS

- 8.1 That option 1 is progressed in line with the presented timetable, commencing with the phase 2 telecoms procurement.

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Background Papers used in the preparation of this report

UC Strategy/Damovo Report
Phase 1 Connectivity/PSN Cabinet Member Report