

Report title

## Hosted telephony – procurement

Report to	Date
Corporate Services Board	25 May 2021
Commissioner's Board	16 June 2021
Deputy Mayor's Fire and Resilience Board	6 July 2021
London Fire Commissioner	

Report by	Report number
Chief Information Officer	LFC-0534

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I agree the recommended decision below.



**Andy Roe**  
London Fire Commissioner

Date **This decision was  
remotely signed on  
21/09/2021**

### Executive Summary

This report seeks approval to accept a tender for the supply of a hosted (cloud-based) telephony service for the London Fire Commissioner (LFC) subject to the completion of a successful procurement exercise.

As telephony services have evolved over the life of the existing contract, the LFC is now looking to move away from fixed telephony for office staff and exploit the advantages of cloud and virtual services, through the wider adoption of Microsoft Teams functionality.

### Recommended decisions

For the London Fire Commissioner

That the London Fire Commissioner approves expenditure up to ██████ for the provision of a hosted telephony service, for a contract term of five years, with options to extend by a further two years, subject to completion of a successful procurement exercise.

The London Fire Commissioner delegates authority to Assistant Director Technical & Commercial to award a contract for a hosted telephony service up to a value of [REDACTED].

### **Introduction and background**

1. In common with many organisations, all LFC (non-emergency) telephony infrastructure has historically been installed on our premises. This included Brigade HQ at Union Street, the London Operations Centre (non-emergency) at Merton, all other core area office sites and fire stations. The maintenance contract includes support for corporate voicemail, operators help desk and reception consoles as well as the 'auto attendant' (greeting message and interactive 'switchboard' facilities).
2. This new procurement is for a replacement hosted telephony system (the system will be predominantly hosted in the cloud rather than on LFC premises). However, the LFC still has some remaining on-site telephony infrastructure. As part of the new tender, the LFC will ask suppliers for options to replace its remaining on-site telephony infrastructure, whilst stating our requirement to retain existing telephone handsets for use with any new system. Until these options are presented and evaluated, we will not have any indication as to cost and so part of the contingency identified in the table in paragraph 11 relates to this requirement.
3. BT have proposed to cease the public switched telephone network (PSTN) and integrated services digital network (ISDN) services in 2025. This planned change will have a significant impact on organisations throughout the country, as everyone moves to a 'voice over IP' (VoIP) protocol. In anticipation of this change, we will ask the selected supplier to undertake a complete review of all incoming/outgoing telephony links to the LFC. This review will consider the technology change, the customers' requirements for continued Microsoft Teams integration and look at circuit ingress and egress points, whilst planning for service resilience.
4. The intention of the above review is for the LFC to utilise new technology wherever possible, to ensure that we are operating as efficiently as possible. This may involve the removal or replacement of the remaining telephony infrastructure or replacement with modern alternatives and a change in the number of incoming / out-going telephony links. However, it is not possible to be more specific in terms of what changes may be recommended and subsequent funding required, until the review has been undertaken. In this respect part of the contingency identified in paragraph 11 relates to this requirement.
5. Although this procurement is for non-emergency telephony, the review will need to take into account that the LFC will need to retain the ability to divert incoming 999 calls (in rare cases where primary 999 lines fail) to other LFC locations, via the non-emergency telephony system. This has been written into the statement of requirements for the new system.

### **Scope of the replacement contract**

6. The specific facilities required are:
  - Provision of non-emergency telephony for headquarters, area and other offices, London Operations Centre and fire stations
  - Provision of a voicemail facility (for physical telephone handsets retained – approx. 150 users).
  - Integration with Microsoft Teams.
  - Provision of a concierge facility for reception (i.e. to take incoming calls from the public and route them to staff).
  - Provision of a telephony moves / changes service.

- Interconnection with BT for PSTN services.
7. As part of the tender, LFC will request that some additional service options to be costed. This is in response to requests from some departments for specialist telephony facilities. These are:
1. **Call logging functionality** – The lack of any basic information about the volume of callers, the length of calls, and overall use of the service, is not ideal and it was agreed to reinstate call logging functionality in the new tender at the request of users.
  2. **Ability to record a limited number of chosen extensions** – There have been some requests to ICT to provide a facility to introduce the recording of some inbound calls to the LFC. Such recording would be for the recording of abusive calls. Of course, the LFC will ensure that such recording, including access to and storage of the recordings is compliant with data protection law.

### **Support for Union Street transformation and staff flexible working**

8. In support of the changes being made at Brigade HQ at Union Street to assist staff flexible working, the telephony provision will be adapted to meet the new requirements. Following a review, the number of fixed telephone handsets on desks is expected to be significantly reduced once HQ is re-occupied. There are no plans to change telephony use at stations.
9. Microsoft Teams will be integrated with the telephony infrastructure so that staff will have the ability to make / receive calls via their device (laptop or tablet with earphones), therefore removing the requirement for a desktop telephone. This functionality will also be available wherever the member of staff is working (whether at another LFC location, or from home). ICT are currently in the process of procuring large numbers of devices and ancillary equipment to be issued to staff in accordance with the agreed proposal "*Facilitating flexible working for staff at Union Street HQ*", LFC-0429z, 11 March 2021).
10. A decision has not yet been taken in relation to how many handsets will be removed from HQ and where from. Certainly, at present we do not feel there will be any desire to share desktop handsets and this feeling will no doubt endure post Covid return to office working. There will be a review later this year to inform this decision. It is recognised that there are some areas (reception, specialist service desks such as property and ICT) that may need to retain a physical telephone. There may be other areas with similar requirements and the review will determine this. However, the 'mobility function' (which currently allows staff to log-on to any desk handset to make /receive calls) will be removed as this function will be provided via MS Teams. This will result in a reduction in costs of the telephony contract, which may offset some of the costs of extending the MS Teams licences. The mobility function was not popular, and many staff often failed to login which caused real problems for reception staff in contacting people.

### **Costs**

11. As the procurement has not yet been completed, costs have been estimated for budgetary purposes based around market intelligence. These costs are based upon a contract term of seven years, consisting of an initial contract for five years, with options to extend by a further two years. In addition, a contingency of 10% has been added to allow some flexibility, as we are seeking to modernise the telephony service which may involve replacing some existing on-premise infrastructure components and to provide support for new ways of working at Union Street.

12. Expected costs have been set out in the table below;



### Budget Implications

13. The current annual telephony budget is [REDACTED] and a growth bid will be submitted through the 2022/23 budget process to cover the costs of the additional services identified as part of the requirements process. These additional costs relate to the provision of call logging and recording and are set out in paragraph 11 as "additional services" This bid will also include any contingency funding for unexpected cost should that be require.
14. The implementation services costs ([REDACTED]) can be met from the existing ICT infrastructure support budgets. The [REDACTED] implementaton cost will be paid once implementation has been successfully completed. The consultancy costs of [REDACTED] relating to infrastructure replacement will be paid during the contract, as migration to any new infrastrcuure is completed.

### Alternative options considered and consultation

15. The LFC relies on the non-emergency telephony provision to fulfil a range of important functions and act as a fall back to the incoming 999 service. As part of the specification the LFC has invited suppliers to perform an assessment of LFC's existing telephony environment and to propose alternative options, if appropriate, based on improving the efficiency and effectiveness of the environment.
16. The integration of the existing hosted telephony with MS Teams will provide additional functionality, in support of the transformation of Union Street, and support staff working flexibly in the office or at home. Issuing all office-based staff with mobile phones, instead of pursuing with MS Teams integration, was considered, but this option was found to be cost prohibitive and, therefore, discounted.

### Collaboration

17. Under the Policing and Crime Act 2017, the LFC has a duty to keep collaboration opportunities (with police and ambulance services) under review and, where it is in the interests of efficiency or effectiveness, to put those collaboration opportunities into practice. Colleagues in procurement have examined a number of collaborative frameworks right across the public sector. The most

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<sup>1</sup> Includes voicemail, call recording and reporting options

appropriate having been identified as the Crown Commercial Service (CCS) Network Services 2 (RM3808, Lot 10) Framework.

18. Details of the proposed procurement have been shared to all fire and rescue services via the NFCC ICT Managers group and the NFCC Procurement group. In addition, the procurement was raised with the GLA Collaborative Procurement group. No collaboration partners have been identified at this time.

### **Objectives and expected outcomes**

19. The objective of this procurement is to equip the LFC with a modern telephony infrastructure that meets our needs, for up to the next seven years (five years with an option to extend for a further two years). As part of the procurement, options will be presented that allow the LFC to replace the remaining aging on-site telephony infrastructure to meet the challenges of the next five years, and other external BT changes that we know will take place (end of ISDN and PSTN services).
20. Once deployed, the telephony infrastructure will allow staff to work in a flexible manner, supporting the Union Street transformation initiative. The integration with MS Teams will provide staff with the ability to work anywhere at Union Street and other LFC locations or at home, being able to be contacted by their LFC extension number wherever they work. In addition, specialist needs for particular teams will be met by the new telephony service, negating the need for any further specialist telephony functions to be procured by other departments.

### **Project approach and future timelines**

21. A project will be established, and a project manager allocated from within ICT Department, and appropriate project management governance arrangements will be put in place. The project will be managed in line with LFC established project management guidelines and progress regularly reported at project board meetings to ensure any new service is delivered in line with LFC expectations and timescales.
22. The new contract will need to be operating by July 2022 and so all governance, procurement and transition activities will need to have been completed in time for seamless service transition.

### **Local Digital Declaration (LDD)**

23. In May 2019, the Commissioner signed the Local Digital Declaration (LDD) on behalf of the LFC. The LDD which is signed by national and local government bodies, is seeking to co-create the conditions for the next generation of local public services, where technology is an enabler rather than a barrier to service improvements, and services are "a delight for citizens and officials to use". It is acknowledged that one size doesn't fit all, but by developing common building blocks, local authorities and other public services will be able to build services more quickly, flexibly and effectively.
24. The LDD ambition requires both a culture shift and a technology shift, and the LDD sets out five principles to help do this. In particular, and relevant to any new or replacement computer systems is principle 1 which is *"We will go even further to redesign our services around the needs of the people using them. This means continuing to prioritise citizen and user needs above professional, organisational and technological silos."*

## Impacts

### Equality impact

25. The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when taking decisions.
26. It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
27. The protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour or nationality), Religion or belief (including lack of belief), Sex, Sexual orientation.
28. The Public Sector Equality Duty requires the LFC, in the exercise of all his functions (i.e. everything the LFC does), to have due regard to the need to:
  - (a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.
  - (b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
  - (c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
29. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:
  - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
  - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
30. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
31. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to—
  - (a) tackle prejudice, and
  - (b) promote understanding.
32. An Equality Impact Assessment (EIA) has been completed and the procurement of a new telephony system is expected to have a neutral impact on groups with the protected characteristics. The integration of the telephony with Microsoft Teams promotes inclusion by providing staff with the ability to use tablets for telephony (thereby utilising accessibility tools on the device and Microsoft 365). However, some staff (such as those with neurodiverse conditions)

may prefer not to use tablets for telephony and therefore reasonable adjustments will be made to retain the desktop telephone.

### **Procurement and sustainability**

33. The intention is to utilise the Crown Commercial Service (CCS) Network Services 2 (RM3808, Lot 10) Framework. There are 44 suppliers in the lot of which 60 percent are Small or Medium Enterprises. The framework allows flexible contract lengths – up to seven years, offers flexibility to support technology upgrade programmes during the term of the contract if required. This is particularly beneficial due to the issues outlined above in relation to BT's intention to cease the PTSN and ISDN services during the term of the contract.
34. Any new procurement activity will need to be undertaken in line with the GLA group Responsible Procurement policy. As part of delivery of this policy, the GLA group have affiliated with Electronics Watch, which requires the inclusion of additional terms and conditions for contracts with significant hardware purchases. The terms aim to improve the transparency of the supply chain and management of any non-compliance with labour standards identified with the support of Electronics Watch. Where hardware replacement of considerable value forms part of the requirement for any of the options proposed, additional terms covering ethical sourcing will need to be included in the tender or re-negotiation.
35. Discussions have taken place with the GLA group Responsible Procurement Team to explore opportunities to work with supply chain partners to help improve our sustainability aims particularly in the area of circular economy for hardware items. This is at a very early stage; however, it is hoped that ReLondon will be able to work with the winning tenderer to facilitate the reuse of the telephone handsets.
36. Consideration of other Responsible Procurement requirements will also be undertaken as standard process as part of the retender, this includes ensuring suppliers are compliant with the Modern Slavery Act with a published statement. Due to the projected contract value and the renewed focus in this area to support London's recovery aims around employment, the skills and apprenticeships requirement will be built into the retender.

### **Strategic Drivers**

37. This is a procurement for the replacement of an existing important service with a more modern and cost-efficient alternative. It would contribute to the delivery of the strategic pillar "Delivering Excellence".
38. The procurement of the hosted telephony service will allow the LFC to continue to ensure that a both operational and FRS staff are able to carry out their roles, to serve and protect the people of London.
39. The services support the transformation of Union Street by enabling staff flexible working so that staff may be contacted on their regular LFC extension number anywhere in Union Street, at any LFC location or while working from home.

### **Workforce impact**

40. The procurement of the telephony system will have no direct impact upon staff. A change of supplier should not impact users. The procurement does provide the technical capability to interface the telephony service with Microsoft Teams. This will provide the ability for staff at Union Street to use tablets instead of desktop phones at Union Street, pending a review of desktop telephony later in the year.

### Finance comments

41. This report recommends that revenue expenditure of up to £1,347k is agreed for the provision of a hosted telephony service over a five-year contract, with options to extend by a further two. The contract will need to be operating by July 2022.
42. The expected annual revenue cost of the contract is █████, including a 10% contingency. This will be funded through an existing budget for telephony of █████, with the remaining █████ to be requested through a growth bid as part of the budget process for 2022/23.
43. The revenue implementation cost for the contract is expected to be █████ including a 10% contingency. This can be met from existing ICT infrastructure support budgets over the life of the contract.

### Legal comments

44. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
45. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").
46. Paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".
47. The Deputy Mayor's approval is accordingly required for the Commissioner to award a contract for hosted telephony services to the successful bidder, up to a value of £1,347K after completion of a compliant procurement exercise.
48. The statutory basis for the actions proposed in this report is provided by section 5A of the Fire and Rescue Services Act 2004, under which the London Fire Commissioner, being a 'relevant authority', may do 'anything it considers appropriate for the purposes of the carrying out of any of its functions'.
49. The General Counsel also notes that the proposed procurement route for the hosted telephony service is in compliance with the Public Contracts Regulations 2015. The Crown Commercial Service (CCS) Network Services 2 (RM3808, Lot 10) Framework, which the LFC intend to utilise, has been set up in accordance with section 33 of the Public Contracts Regulations 2015.

### List of Appendices

Appendix	Title	Protective Marking
1.	None	