

ANGUS COUNCIL

EXECUTIVE SUB-COMMITTEE OF THE  
RESOURCES AND CENTRAL SERVICES COMMITTEE – 30 JUNE 2005

TELEPHONE SYSTEM FOR HOUSING OFFICES AT ORCHARDBANK

REPORT BY THE DIRECTOR OF INFORMATION TECHNOLOGY

**ABSTRACT**

This report seeks approval to purchase a telephony system for the Housing Department at their new Orchardbank premises.

**1. RECOMMENDATIONS**

The Resources and Central Services Executive Sub-Committee is recommended to:

- a) approve the purchase of a telephony system from BT at a cost of £44,081.38 for the phase 1 move of the Housing Department to new offices at Orchardbank;
- a)b) agree that the procurement should be exempt from normal competitive tendering in terms of criteria 16.3.2 (b) of the Council's Financial Regulations because of the specialised nature of the system; and
- a)c) instruct the Director of Information Technology to bring a further report to Committee regarding telephony provision for phases 2 and 3 to relocate to new offices at Orchardbank.

**2. BACKGROUND**

The Department of Information Technology has been charged with providing telecommunication services at the new Orchardbank campus. The department carried out an appraisal of both traditional analogue technology and the new Voice Over IP technology. The appraisal showed that the cost of Voice Over IP was significantly lower than traditional analogue systems for both capital outlay and recurring operational revenue outlay.

Prior to the appraisal two successful pilot Voice Over IP systems had been installed, the first from the data communications manufacturer 3COM serving the Department of Information Technology and the Education ICT centre at Montrose Road, Forfar. The second system was provided by BT for the Social Work site at Carseview, Forfar. Although both were successful users preferred the BT system which provided all the features available in traditional analogue systems plus the newer features. Accordingly the Director of Information Technology feels that adoption of this technology would be appropriate in this instance.

Under the OGC's Government Telecommunications Contract framework an invitation to quote for a specification for three phases covering requirements for Housing Department, Social Work and Headquarters building was issued to BT, Kingston Communications PLC and Cable and Wireless. Responses were received from BT and Kingston Communications PLC but Cable & Wireless declined the invitation to quote. The responses are listed in the table below:

	Phase 1 Housing	Phase 2 Social Work	Phase 3 Headquarters	Total
BT	£44,081.38	£32,903.31	£83,007.45	£159,992.14
Kingston Communications	£46,646.50	£29,170.40	£75,107.82	£153,824.22

In both submissions maintenance of the system was proposed to be done by BT.

### **3. COMMENTARY**

The project will be completed in three distinct phases as shown above. BT have provided the lowest cost for phase 1 although they are slightly more expensive for the entire project. The majority of the council's telephony infrastructure is BT supplied and maintained. It is therefore anticipated that installation, support and administration issues will be lower by purchasing from BT and therefore provide a platform for best value achievement for the council.

The committee is recommended to approve the purchase of phase 1 from BT based on their lower bid price submission. The Director will monitor the performance of BT and further procurement decisions in respect of telephony services at Orchardbank for phases 2 and 3 will be informed by this monitoring review and will be subject to further reports. As there has been a downward trend in telecommunications equipment pricing over the past few years it is anticipated that the cost quoted for phase 2 and 3 represent a price ceiling.

The Council's Financial Regulations make specific provision at 16.3.2(b) to permit contracts to be exempted from normal tendering procedures because of the specialised nature of a system. The Council's Exemption Co-ordinator has been consulted regarding the proposal and has concluded that the request merits exemption from normal tendering procedures.

### **4. FINANCIAL IMPLICATIONS**

The cost of the phase 1 proposal is £44,081.38 and this can be contained within the allocation for relocating to Orchardbank within the Housing 2004/2008 Financial Plan.

It is anticipated that annual recurring costs will reduce on completion of the Orchardbank campus and this will be the subject of a further report in due course.

### **5. HUMAN RIGHTS IMPLICATIONS**

There are no direct human rights implications arising from this report.

### **6. CONSULTATION**

The Chief Executive and the Directors of Finance and Law and Administration have been consulted on the terms of this report.

**A Greenhill**  
**Director of Information Technology**

30.06.2005

### **NOTE**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.