

REPORT TO: CITY GOVERNANCE COMMITTEE – 18 AUGUST 2025

REPORT ON: AVAYA TELEPHONE SYSTEM LICENSES AND SUPPORT RENEWAL

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 218- 2025

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to summarise the sourcing strategy for the renewal of Avaya telephone system licenses and support for a further year and to seek authority to complete this purchase.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee:

- a) approves the procurement in respect of the purchase described in this report and detailed in Appendix 1.
- b) delegates authority to the Head of Digital and Customer Services to complete the purchase through the Scottish Wide Area Network (SWAN) 2 framework in compliance with the Public Contracts (Scotland) Regulations of 2015.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The total cost of the purchase is £210,000 for the licenses and support for one year. This cost will be met from the existing Corporate Services Revenue Budget.

4.0 BACKGROUND

- 4.1 This report supports the Council's IT Strategy which was approved at the City Governance Committee on 4 March 2024 (Article VIII of the meeting of the committee refers). The Council's IT strategy sets out to deliver secure, robust, and affordable IT platforms. Helping to enable digital services, mobile and flexibly accessible services with best value technology products and a cloud first approach.
- 4.2 Dundee City Council has an Avaya enterprise telephone system that provides telephone extensions, voicemail, contact centre, call recording and call handling functions across all Council offices, schools, libraries and sports centres.
- 4.3 The current contract for licenses and support of the Avaya telephone system will expire on 30th September 2025. Extending the licensing and support for another year will provide time to undertake market analysis and testing of alternative telephony services, which will include the specifications for integration with future software and Artificial intelligence platforms.
- 4.4 The Avaya telephone system provides a key method of communication for members of the public contacting the Council, and for the daily operation of Council business. The renewal of the licenses and support will ensure the continued performance and reliability of the system.
- 4.5 The hardware of the current system is approaching end of life. Estimated capital investment of £200k will be required within the next two years to continue using the system. There are technical restrictions with the current system that prevent the Council from enabling new functions and services that would benefit service delivery. Further investment would be required to enable these functions. The annual cost of licensing and support has increased significantly since the last renewal of the contract.
- 4.6 Changes in staff working styles, increased home working and the introduction of Microsoft Teams has seen the usage of the Avaya system drop in recent years. Some staff no longer need a desk-based telephone extension. Mobile telephony and smartphones have become much more prolific and the cost of running mobile telephony is significantly less than fixed telephones with the Avaya system. Although mobile telephones can't provide the call handling functions available within the

Avaya system, the use of Teams and video calling has replaced this requirement for some staff and services.

- 4.7 Further investment in the Avaya system at this point would not provide best value or the most appropriate services and functions for a modern communication platform. The increasing annual costs means investigating alternatives is now the best option for the future of the telephony service. The purchase of the additional 12 months working with the Avaya system is to be carried out concurrently with a review of all telephone line usage to remove as many unused and not required telephone lines as practically possible, the license requirement for the Avaya system will then be reduced by removing these unused or seldom used telephone extensions. This will reduce the cost of the renewal of the licenses and support.
- 4.8 The purchase will be awarded through the Scottish Wide Area Network (SWAN) 2 framework. The Council already uses this framework for other services. British Telecom Ltd are the single supplier on this framework. Procuring through this route ensures best value can be obtained from the discounts and pricing catalogue on the framework.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6.0 RISK ANALYSIS

- 6.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge:

Key Risks			
Description of Risk	Probability (L/M/H)	Impact on DCC (L/M/H)	Actions required to manage Risk
Commercial Risk – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Low	Low	Benchmarked costs and requirements are known as similar licenses and support has been purchased previously.
Technical Risk – This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification	Low	Low	System already in place, approved Avaya partner will provide the service.
Performance Risk – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits	Low	Low	The supplier is a global leader in supply of Avaya Telephony. The framework contract in place ensures they meet the requirements.
Contractual Risk – Being able to remedy the 's shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	Low	Low	Framework contract already in place.
Procurement Risk – where a procurement is found unsound in law, through the public procurement rules	Low	Low	Existing framework in place with a single supplier.

7.0 CONSULTATIONS

- 7.1 The Council Leadership Team were consulted in the preparation of this report.

8.0 BACKGROUND PAPERS

8.1 None.

PAUL THOMSON

EXECUTIVE DIRECTOR OF CORPORATE SERVICES

23 JULY 2025

APPENDIX 1

SOURCING STRATEGY	Procure licenses and support services for the Avaya Telephone System
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PROJECT NUMBER	
PROJECT INFORMATION	The procurement will be carried out through the Scottish Wide Area Network (SWAN) 2 framework. British Telecom Ltd are the single supplier on this framework.
PROPOSED CONTRACT DURATION	2025/2026 one off purchase
RECOMMENDATION	(a) It is recommended that the Committee: approves the commencement of a procurement exercise in respect of the purchase described, and delegates to the Head of Digital and Customer Services to make the purchase based on the sourcing strategy.
FINANCIAL IMPLICATIONS	The total cost of the purchase is £210,000 for the required licenses and support. This cost will be met from existing Corporate Services Revenue Budget.
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.