

Unified Communications / Contact Center as a Service

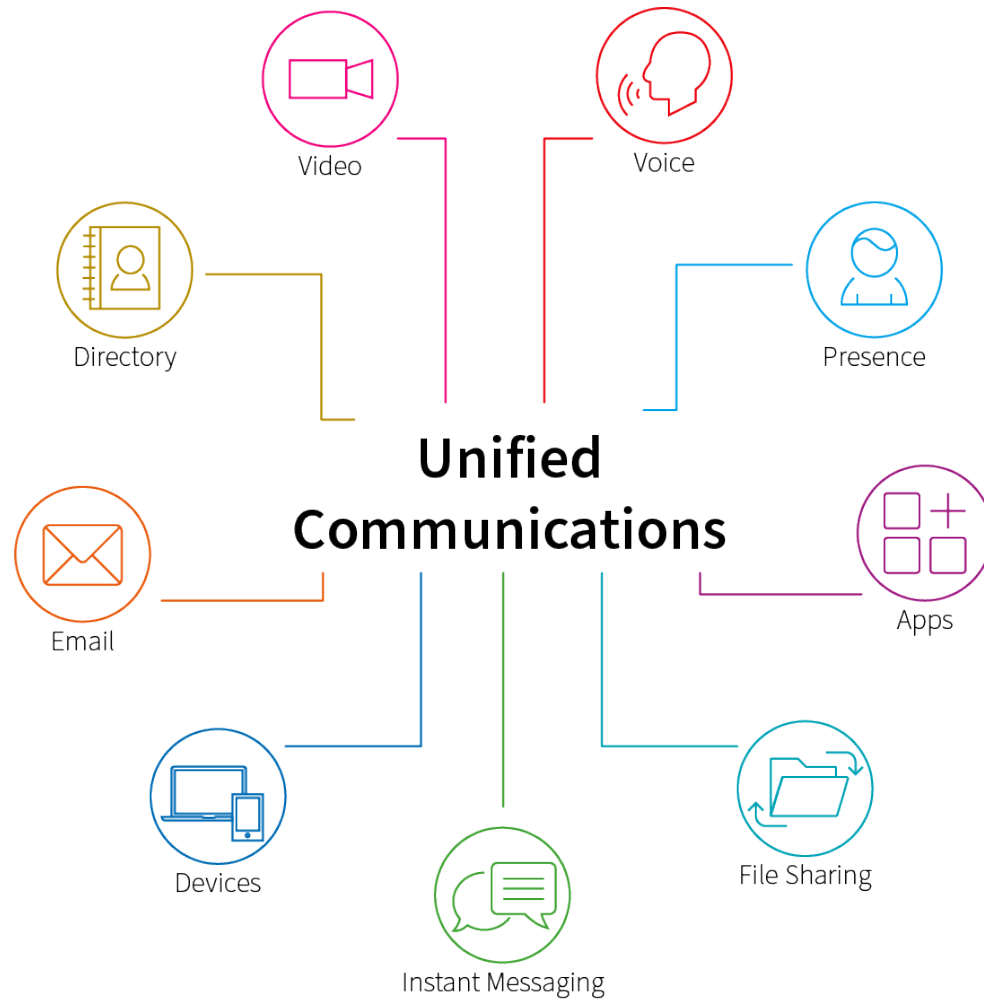
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Unified Communications and Collaboration (UCC) refers to the combined use of communications and collaboration solutions. It is the **integration of enterprise communication and collaboration services** such as instant messaging, presence information, voice, mobility features, audio, web & video conferencing, desktop sharing, data sharing (including web connected electronic interactive whiteboards), call control and speech recognition with nonreal-time communication services such as unified messaging (integrated voicemail, e-mail, SMS and fax). UCC is not necessarily a single product, but a set of products that provides a **consistent unified user interface and user experience across multiple devices and media types**.

** In 2019, Citizens IT published the “Enterprise Unified Communication and Collaboration Strategy”.*

Unified Communications as A Service (UCaaS)



Customer Contact Centers

- Voice and omnichannel routing
- Voice and web self-service
- Integration with customer relation management system (CRM) and other enterprise applications and workforce engagement management solutions
- Multimedia contacts for Call Center (e.g. Live chat, outbound dialing, email, etc.)
- Interactive Voice Response (IVR)
- Computer Telephony Integration
- Call Quality Analytics (e.g. Call recording)

- Current Platform is at End of Life – requiring major platform upgrade (full replacement)
- Complex Support Model impacting SLA's
- Complicated Delivery and Contracting Model (dependency on several 3rd party tools, DMS, sub-contracts)
- Poor remote workforce support (Brick and mortar solution)
- Capacity limitations and lack of elasticity
- Bottleneck for CAT Claims Support (manual provisioning delays, Citrix dependencies, time to market, licensing)
- Missing Features to support a modern contact center
- Limited ability to integrate with core insurance systems

- Unified Communications Strategy Developed 7/2019
- COVID Response
 - Deployment of MS Teams (COVID Response) 4/2020
 - Retirement of BlueJeans, OneSource, MS Skype (annual savings of 186K per year)
 - Contact Center Workarounds (Specialized Equipment, Citrix, Softphones)
 - Distributed Workforce Policy Changes
- RFQ for UCaaS Advisory Services - 2021
 - Advisory Engagement with RSM
 - Organizational Needs Analysis
 - Assessment of current technology and future path
 - Analysis of marketplace
- Released ITN – UCaaS/CCaaS Solicitation 2021/2022
 - 29 Vendors Replied
 - Advanced to Negotiation – 14 UCaaS / 13 CCaaS
 - 1 Primary Award, 2 Contingent

Verizon

- Recognized Leader in the communications space
- Robust, High Availability Network
- Mature Implementation Practice Around CCaaS/UCaaS
- Pricing
- Partnership with Microsoft and NiCE

Cost Comparison

	PRIMARY VENDOR	
	Verizon Total (CCaaS + UCaaS)	Legacy System Fees
Implementation Costs	\$240,682	\$0.00
Year 1	\$1,514,524	\$1,461,200
Year 2	\$1,504,599	\$1,519,648
Year 3	\$1,504,599	\$1,580,433
Year 4	\$1,504,599	\$1,643,651
Year 5	\$1,504,599	\$1,709,397
Year 6	\$1,504,599	\$1,777,773
Year 7	\$1,504,599	\$1,848,884
Year 8	\$1,504,599	\$1,922,839
Year 9	\$1,504,599	\$1,999,753
Year 10	\$1,504,599	\$2,079,743
Annual Fees Total (Years 1-10)	\$15,055,915	\$17,543,321
Total Fees (Implemen. + Annual Fees)	\$15,296,597	\$17,543,321
Contingency (15%)	\$2,294,489	\$2,631,498
GT	\$17,591,086	\$20,174,819

Assumptions

4% per annum for inflation added to legacy costs.

A contingency(15%) has been added to support the demands associated with PIF growth.

Staff Baseline used for annual licensing cost: \$1.5 million

- UCaaS: 2150 + 500 for CAT Response Needs (inclusive of FTE, Contractors, and IA's)
- CCaaS: 290 Concurrent Contact center agents (CPS, certain IA's, UW)

Recommendation

Approve the UCaaS and CCaaS with Verizon for a base term of five (5) years followed by an optional three (3) year renewal term, followed by an optional two (2) year renewal term. The requested contract amount for the five-year base term plus all renewal terms is \$17,591,089.83.

A Contingent Award was also made to Ring Central and Nice Inc in the event Verizon is unable to perform.

Executive Summary

Information Systems Advisory Committee Meeting, November 29, 2022

Board of Governors Meeting, December 7, 2022

Unified Communications as a Service/Contact Center as a Service

Topic

Citizens is requesting approval to enter into a contract with Verizon Communications Inc. dba MCI Communications Services LLC (Verizon) for the purchase, implementation, and use of CXone and Verizon products for delivering Unified Communication as a Service (**UCaaS**) and Contact Center as a Service (**CCaaS**). The base term will be five (5) years followed by an optional three (3) year renewal term, followed by an optional two (2) year renewal term. The requested contract amount for the five-year base term plus all renewal terms is \$17,591,086.

History

Citizens is seeking to replace its current communication and call center systems with a modern cloud-based solution. The existing infrastructure, originally purchased in 2005, is at end of life and requires significant effort and expense to maintain. Moreover, this legacy system is unable to support future functional requirements.

The proposed solution will provide two new cloud-based platforms:

- **UCaaS**: which unifies multiple communication channels including voice, video, and messaging. This new platform would enable communications via a single platform resulting in improved productivity and internal collaboration; and
- **CCaaS**: which will refine the customer service experience and increase operational call center efficiencies. CCaaS powers external communications through hosting advanced call center operations in the cloud, empowering businesses to innovate and deliver a differentiated customer experience.

Citizens issued Invitation to Negotiate No. 21-0017 for UCaaS and/or CCaaS and received 29 vendor responses. Following vendor demonstrations and negotiation sessions, Verizon was selected as the best value solution for both UCaaS and CCaaS. In addition to providing platforms that met Citizens' overall functional requirements, Verizon's final pricing offer was lower than the anticipated cost of maintaining the legacy systems.

{SEE CHART BELOW}

Executive Summary

Information Systems Advisory Committee Meeting, November 29, 2022
Board of Governors Meeting, December 7, 2022

	Verizon Total (CCaaS + UCaaS)	Legacy System Fees
Implementation Costs	\$240,682	\$0.00
Year 1	\$1,514,524	*\$1,461,200
Year 2	\$1,504,599	\$1,519,648
Year 3	\$1,504,599	\$1,580,433
Year 4	\$1,504,599	\$1,643,651
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Year 6	\$1,504,599	\$1,777,773
Year 7	\$1,504,599	\$1,848,884
Year 8	\$1,504,599	\$1,922,839
Year 9	\$1,504,599	\$1,999,753
Year 10	\$1,504,599	\$2,079,743
Total Fees (Implementation + Annual Fees)	\$15,296,597	\$17,543,321
Contingency (15%)**	\$2,294,489	\$2,631,498
Grand Total	\$17,591,086	\$20,174,819

*4% per annum for inflation.

**A contingency fee has been added to allow for incremental software fees, related professional support fees, as well as additional services as needed.

In addition to price, Verizon was selected because of the following criteria:

- Verizon proved to have superior user testing before deploying solutions making it a safer choice for a provider of both UCaaS and CCaaS.
- Verizon provides both solutions hence the ability to communicate via a fully integrated platform.
- Seamless integration with Citizens' Microsoft Teams platform.
- Verizon had no major objections to our standard terms and conditions.

Services will include:

- Verizon Contact Center, using CXone products, which provides flexible ramp up capability at minimal cost with added controls and capabilities.
- Verizon's Calling for Microsoft Teams.
- A single number reach and mobility options.
- Virtual voicemail with transcriptions.
- The ability to record, transcribe, and export recorded calls.

Executive Summary

Information Systems Advisory Committee Meeting, November 29, 2022

Board of Governors Meeting, December 7, 2022

- Full integration with Citizens' current Microsoft Teams platform.
- Reduced support incidents when compared to existing solution.

Recommendation

The recommendation is listed in the attached Action Item.

Unified Communications as a Service (UCaaS) and Contact Center as a Service (CCaaS)

ACTION ITEM

New Contract

Contract Amendment

Other _____

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval _____

Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Purpose/Scope	This Action Item seeks Board approval to contract with Verizon Communications Inc, dba MCI Communications Services (Verizon) for the purchase, implementation, and use of (i) Verizon telecommunication products for Unified Communications as a Service (UCaaS), and (ii) CXone products for Contact Center as a Service (CCaaS). If approved, this contract will result in a significant increase in capabilities of Citizens' contact center and telephony platforms.
Contract ID	Name: Unified Communications as a Service (UCaaS) and Contact Center as a Service (CCaaS) Contract number: 22-21-0017-00 Vendor: Verizon Communications Inc, dba MCI Communications Services (Verizon)
Budgeted Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Funding for the purchase, implementation, and use of the products will be included in the 2023 budget request to be submitted to the Board for approval in December 2022. Funding for subsequent years will be budgeted in the appropriate budget year.

Unified Communications as a Service (UCaaS) and Contact Center as a Service (CCaaS)

Procurement Method	Citizens issued Invitation to Negotiate No. 21-0017 for Unified Communications as a Service and/or Contact Center as a Service. Twenty-nine (29) responses were received and evaluated. Following negotiations, Verizon was identified as the best value proposal.
Contract Amount	<p>\$17,591,088 for the base term, contingency, and all optional renewal terms (total of 10 years), comprised as follows:</p> <p>Implementation Services: \$240,682 Software Subscription: \$15,055,915 Contingency Allotment: \$2,294,489 (15% of above)</p>
Contract Terms	The base term will be five (5) years followed by an optional three (3) year term, followed by an optional two (2) year renewal term.
Committee Recommendation	<p>Staff proposes that the Information Systems Advisory Committee review, and if approved, recommend the Board of Governors:</p> <ul style="list-style-type: none"> a) Approve a contract with Verizon Communications Inc, dba MCI Communications Services for a base term of five (5) years followed by an optional three (3) year renewal term, followed by an optional two (2) year renewal term, with a combined total contract amount not to exceed \$17,591,086, as set forth in this Action Item; and, b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Board Recommendation from Committee	<p>If approved at its November 29, 2022 meeting, the Information Systems Advisory Committee recommends that the Board of Governors:</p> <ul style="list-style-type: none"> a) Approve a contract with Verizon Communications Inc, dba MCI Communications Services for a base term of five (5) years followed by an optional three (3) year renewal term, followed by an optional two (2) year renewal term, with a combined total contract amount not to exceed \$17,591,086, as set forth in this Action Item; and, b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Contacts	Kelly Booten, Chief Operating Officer