

MOBILE PHONE PROCUREMENT

To: General Purposes Committee

Meeting Date: 23rd October 2018

From: Mark Salisbury: Head of IT Commercial Management and Strategic Sourcing

Electoral division(s): All

Forward Plan ref: 2018/071 **Key decision:** Yes

Purpose: To set out the background to the procurement of a new mobile phone contract for LGSS partners through Cambridgeshire County Council.

Recommendations: General Purposes Committee is recommended to:

- a) consent to the procurement of a new mobile phone contract; and
- b) delegate the decision to award the contract to the LGSS Director of IT in consultation with the Chairman of the General Purposes committee.

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1. BACKGROUND

- 1.1 In February 2015 LGSS awarded a mobile phone contract for LGSS partners through Cambridgeshire County Council on a three year term with an optional additional one year extension. This was let under CCS Framework RM1498 Lot 6. As part of this contract the County Council's mobile telephony budgets were centralised into one LGSS Managed mobile telephony budget. This contract delivered £303,000 of savings which were taken as part of the centralisation of the telephony budgets.
- 1.2 The contract as it was let allows other LGSS Partners and Customers to utilise the contract through Cambridgeshire. This is offered on a Pay as you Use basis with each of the partners paying for the services that they take. These are billed by Cambridgeshire to each of the partners that take services.
- 1.3 Currently the contract spend for just usage is £324,000 per annum. This is split across Cambridgeshire County Council, Northamptonshire County Council, Northampton Borough Council, Norwich City Council, Northamptonshire Fire and Rescue Service, The Education ICT Service and Milton Keynes Council.
- 1.4 Cambridgeshire County Council's base contribution is £96,746 which is 29% of total cost and is proportionate to the County Council's usage. Additional recharges with traded services such as the Education ICT Service, Children's Centres and Public Health, all of which were not part of the budget centralisation process, come to a value of approximately £44,000 (13%).
- 1.5 Collectively this represents 42% of the overall contract costs. Cambridgeshire County Council organisations currently use 9,742 connections on the contract out of a total number of 20,850 connections across the whole contract which represents 46% of the overall connections.
- 1.6 In addition to the savings that were delivered the contract has provided the flexibility to allow connections to a range of devices from phones and laptops to CCTV and parking meters.
- 1.7 Given the success of the current contract format it is intended to go to market to procure like for like services with additional tiers added to account for any potential growth in the contract.

2. MAIN ISSUES

- 2.1 The one year extension was taken in February 2018 which means that the current mobile phone contract is due to come to an end in February 2019. As the optional extension has already been taken there is a legal requirement to go to the market for a new contract. Should there be any delays in awarding the new contract, or if there is a transition requirement from the old to the new contract, the current contracted services would be allowed to continue on a rolling monthly basis while this process is completed. However, we would work to avoid the continuance of the current contract given the risk of challenge from other suppliers and the potential for cost increases from our current supplier.

- 2.2 As the current contract delivered a 78% saving against the previous costs of mobile telephony it is not anticipated that there will be much opportunity for additional savings on the new contract. We know that the current contract has been used as an exemplar by other organisations and the best that they have been able to achieve is a price match. We would aim though for the new contract to be competitively priced.
- 2.3 Whilst we may not be able to secure further savings on the new contract we do intend to use the opportunity to ask potential suppliers to provide details on how changes in technology will deliver further benefits to the Council and our partners. This will help drive down costs and increase productivity through increased use of mobile technology to support flexible working. We would also want to secure access to current technology like 5G and Wi-Fi calling.
- 2.4 It is expected that the cost of the contract will be up to £450,000 per annum across all partners. This is based on the completion of the full migration of Milton Keynes Council, the addition of Northamptonshire Healthcare NHS Foundation Trust and the potential addition of any new LGSS stakeholders or customers. As new customers are brought on board they are given a cost of joining the service. This is calculated on number of connections and handsets that will be added to the contract. This ensures that the income stream increases appropriately to match the anticipated increase in costs. We are seeking permission to go to market for a three year contract with an option for an additional one year extension. This will take the total contract value up to a maximum of £1,800,000.
- 2.5 To ensure we have a contract in place before the end of February 2019 we will utilise Crown Commercial Services Framework PSN Services Contract ID: RM1045 lot 6 to procure the new contract. This Framework is a direct replacement for RM1498 which was originally used to procure. The average time to compete procurement on an established framework is 6-8 weeks.

Anticipated Timeline

GPC Approval	23rd October
Release Request for Quotation Documentation	25th October
Opportunity for Questions and Responses	8th November
Completed Request For Quotations returned	22nd November
Scoring of Responses and Moderation	29th November
Announcement of Preferred Supplier	30th November
Decision to Award	30th November
Stand Still Period	14th December
Contract Commencement	15th December

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

As part of the procurement the bidders will be asked to indicate how they will benefit the local economy. The current incumbent (Vodafone) have invested heavily in the local infrastructure helping to improve mobile coverage within the county. This has provided benefits to the local economy in enabling organisations to leverage this technology.

3.2 Helping people live healthy and independent lives

The improved 3G/4G and 5G infrastructure will continue to support the work carried out by Connecting Cambridgeshire to increase connectivity throughout the county.

3.3 Supporting and protecting vulnerable people

The adoption of flexible working practices has enabled officers to work more efficiently and has supported innovation. Allowing access to systems remotely and allowing more time in the field.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The following bullet points set out the resource implications:

- Financially we would expect there to be no significant variance on the current contracted commitments.
- Services are procured based on tiered bands of usage. As organisations join the contract, and add to the overall usage, the charges paid to use the contract by these new organisations cover the additional costs incurred. If an organisation chooses to leave the contract the overall usage would decrease and therefore the charges would drop to a lower banding without any impact on the charges to the remaining organisations within the contract. The costs can drop to the lowest tier of costs within a contract of this nature. The costs for this lowest tier are below the volumes used by Cambridgeshire County Council on its own. This ensures that there are no financial risks to Cambridgeshire County Council of standing up the contract even if organisations so choose to leave the contract.
- A change of supplier would require all staff currently using a mobile enabled device to change the sim card in that device.
- If a new supplier is selected to avoid running multiple mobile contracts all specialist devices such as parking meters and traffic signals would need to be changed over to the new contract via manually changing the mobile sim card.
- Conversely there will be an overhead if any new customers are on alternative networks to the successful bidder. It is expected that these overheads would be jointly shared by the supplier and the customer with no additional financial impact to the contract.
- Bidders will be asked to explain how they would approach the migration of customers onto their network and how they would ensure that the impact on the customer is minimised.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

This contract opportunity would be run as a mini competition under Crown Commercial Services Framework PSN Services Contract ID: RM1498 lot 6.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus de Silva
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Karen White
Have the equality and diversity implications been cleared by your Service Contact?	N/A
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	N/A
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	Location
None	Not applicable