

---

<b>Decision maker:</b>	<b>Officer: assistant director communities</b>
<b>Decision date:</b>	<b>15 March 2017</b>
<b>Title of report:</b>	<b>Mobile voice and data services provision</b>
<b>Report by:</b>	<b>Hoope performance manager</b>

## **Classification**

Open

## **Key decision**

This is not a key decision.

## **Wards affected**

Countywide

## **Purpose**

To award a contract for the delivery of mobile phone services.

## **Recommendation(s)**

**THAT:**

- (a) a contract be awarded to EE under the Crown Commercial Services (CCS) framework RM1045 for up to four years at an annual value of £63k and additional mobile service as used.**

## Alternative options

- 1 **Option 1 – Do nothing:** The council is currently in an agreement with EE for the provision of mobile services for which the initial term ended on 30 November 2016. Recent market testing shows that there are better tariff rates available. This option is therefore not recommended.
- 2 **Option 2 – Join an aggregated procurement through CCS:** This was explored in October- November 2016. Whilst it presented an opportunity to leverage the marketplace with joint buying power, this option was seeking to award based on price alone. The tender made no provision for the council to specify requirements associated to network quality. With the understanding that the quality of network coverage is vastly different across providers in this region and to avoid a reduction of network quality to the existing service, this option was not progressed.

## Reasons for recommendations

- 3 The council's contract with EE included the following:
  - a. Mobile tariff £108k pa:- inclusive voice and data allowances
  - b. Additional usage/ services £23k pa:
    - i. £13k pa - minimum spend commitment for services outside of the inclusive allowance (such as additional data, premium rate calls and international roaming)
    - ii. £10k pa -call routing service for reduced rates on council landline calls to council mobiles.
- 4 The above takes a view of average charges over the period January 2016 to December 2016
- 5 The voice and data tariff in the agreement with EE are not competitive with the market rates available and the additional services committed to were underutilised and redundant in the case of the call routing service.
- 6 In light of the above and the below key considerations, awarding a new contract will ensure the services required are maintained at a reduced and competitive price.

## Key considerations

- 7 In 2014, the council entered into an agreement with EE for the provision of mobile telephony services. The agreement was for an initial period of 24 months based on a fixed call-inclusive voice and limited data tariff. It also committed the council to spending a minimum amount of £13k pa for additional services attributable to services such as additional data, premium rate numbers and international calling and roaming during the initial term. Further to this a call routing service as mentioned in paragraph 3 above was also provisioned by EE.
- 8 In June of 2016 following the introduction of the SIP Trunking solution, the call routing service was identified as redundant and therefore terminated.
- 9 In May of 2016 following an internal audit of the management of mobile devices, an analysis of the council's mobile phone estate was carried out with a view to relinquishing

unused connections. As a result in December 2016 a total of 345 connections were terminated as was the minimum spend commitment.

- 10 In November of 2016 a request for information (RFI) was issued to a total of 19 suppliers on the CCS Framework RM1045 Lot 6, with a request for suppliers to provide their mobile services offerings available under the framework catalogue.
- 11 An assessment of the services available was undertaken to compare both mobile tariffs and network coverage, identifying that EE can provide the most efficient option. It is therefore recommended that the council awards the contract for mobile voice and data services to EE under the framework RM1045 direct award procedure. See comparison scores:

	Supplier 1 (EE)	Supplier 2	Supplier 3	Supplier 4	Supplier 5	Supplier 6
<b>Total Score:</b>	<b>82</b>	<b>44</b>	<b>71</b>	<b>53</b>	<b>43</b>	<b>47</b>

- 12 A comparison of charges between the current services and recommended new contract is below.

Annual Cost Comparison	Call inclusive Charges	Additional Usage Charges	Total PA
<b>Contract</b>	£108,000	£23,000	£131,000
<b>Proposed New Contract</b>	£63,000	£2000	£65,000
<b>represented saving PA</b>			£66,000

- 13 The estimated savings are attributed to the removal of unused connections, termination of the call routing service, cease of the minimum spend commitment and the introduction of a better tariff for the new contract.
- 14 For ease of comparison, the above call inclusive charge for the new contract includes the new contract proposes a fixed voice only tariff with data bundles being bolted on as needed on a month by month basis.
- 15 On an ongoing basis additional usage charges are monitored by both Hoople ICT and applicable line managers. Where any additional services are required they are approved by exception via the line manager as relevant.
- 16 Towards the end of year two of this agreement, an assessment of the market will be undertaken to determine whether the contract continues to provide value for money. Should this be the case, the contract will be extended for a period of either 12 or 24 months. This will be based on an assessment of both tariff as well as network coverage.

## Community impact

- 17 Implementing this contract is a back office activity aimed at ensuring continuity of mobile service provision and will have no direct impact on the community. The recommendations support the council's corporate plan objective to manage finances effectively to secure value for money and deliver a balanced budget.

---

Further information on the subject of this report is available from  
Rosalie Schultz Performance Manager on 01432 260409

## Equality duty

- 18 The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying “due regard” in our decision making in the design of policies and in the delivery of services.
- 19 This decision will not affect the council’s public sector equality duty.

## Financial implications

- 20 Based on the current active connections of voice and data the annual recurring charges are expected to be £63k.
- 21 Additional mobile service usage charges of £2k are anticipated
- 22 Total annual charges are therefore estimated to be £65k
- 23 Savings on current spend of up to £66k per annum are therefore anticipated. These savings have been assumed in the existing MTFS approved by Full Council on 3 February 2017.
- 24 Whilst the agreement will enable the provisions of additional mobile connections during the term, such additional spend will be subject to the Council’s governance procedures as relevant.

## Legal implications

- 25 Utilising the CCS framework is permitted under the council’s contract procedure rules. The request for information enabled the contractor to be selected. The contract can now be awarded.

## Risk management

- 26 In order to secure a competitive rate on line rental, the council does need to commit a minimum number of voice connections for the initial term as such there is a risk of rental charges for unused voice connections:
  - a. Mitigation:
    - i. Following an assessment of usage a definitive number of connections currently in use has been identified. This will continue to be monitored by Hoople Ltd and in line with current procedures connections will be reissued internally where staff have left.
    - ii. In addition, the contract will allow for the cease of individual data bolt-on’s where these are no longer needed.

## Consultees

None

## **Appendices**

None provided

## **Background papers**

None identified.