

Finance and Resources Committee

10.00am, Thursday, 28 September 2017

Contract for Telecom Services (Mobile and Fixed Lines)

Item number 7.6

Report number

Executive/routine

Wards

Council Commitments

Executive Summary

This report seeks the approval of the Finance and Resources Committee to adopt the Crown Commercial Services (CCS) Framework Agreement, RM1045, for Network Services and to delegate authority to the Executive Director of Resources to finalise and award a contract to Telefonica UK Ltd for Telecom Services (Mobile and Fixed Line) for a period of three years commencing 1 October 2017.

The total estimated value of the contract would be £1,557,000.

Contract for Telecom Services (Mobile and Fixed Line)

1. Recommendations

- 1.1 That the Finance and Resources Committee approves the adoption of the Crown Commercial Services (CCS) Framework Agreement, RM1045, for Network Services and to delegate authority to the Executive Director of Resources to finalise and award a contract to Telefonica UK Ltd for Telecom Services (Mobile and Fixed Line) for a period of three years commencing 1 October 2017.

2. Background

- 2.1 In 2012 Telefonica UK Ltd were awarded a contract to deliver mobile phone services through a call off from the previous Crown Commercial Services (CCS) Framework Agreement.
- 2.2 CCS, on behalf of the Public Sector, have established a new framework agreement for Network Services (RM1045). This framework provides the Council with a compliant mechanism with which to procure a broad scope of network and telecommunication services.
- 2.3 This new framework uses the CCS eMarketplace website for public bodies to award contracts which best meet their needs.
- 2.4 The number of mobile phone SIM cards that are in use is circa 7,600. This figure has reduced from 8,500 in January 2017.
- 2.5 Many SIM cards have zero or negligible usage and an exercise is underway to identify which of these can be cancelled. Many are used in alarms, traffic signals and in handsets that will be utilised as part of Council disaster recovery and for business continuity purposes, as such, zero usage does not necessarily indicate that it is not required.
- 2.6 Fixed lines are transitioning to CGI Ltd as part of the ICT contract (LAN and Voice Provision), however a residual quantity have yet to move. There may be some instances that fixed lines will not change due to network location.
- 2.7 A proposal was originally sought via the ICT contract however the proposal did not represent as good value for money as hoped. Commercial and Procurement Services and ICT Services identified a more commercially advantageous route utilising an established framework agreement.

3. Main report

- 3.1 The CCS framework agreement for Network Services (RM1045) provides compliant mechanism to access a wide range of network and telecommunication services. The framework is divided over ten Lots.
- Lot 1 Data Access Services
 - Lot 2 Local Connectivity Services
 - Lot 3 Traditional Telephony Services
 - Lot 4 Inbound Telephony Services
 - Lot 5 IP-Telephony Solutions
 - Lot 6 Mobile Voice & Data Services
 - Lot 7 Paging Services
 - Lot 8 Video Conferencing
 - Lot 9 Audio Conferencing
 - Lot 10 Integrated Communications (This lot incorporates components from lots 5, 6, 8 and 9).
- 3.2 The key deliverables required from the contract are:-
- 3.2.1 Flexible volumes and minimum commitment
 - 3.2.2 Transition Fund;
 - 3.2.3 Low transition costs;
 - 3.2.4 Council savings
- 3.3 Framework providers were required to demonstrate compliance with standards for reliability and technical ability.
- 3.4 Award criteria to be accepted onto the framework agreement was 75% Cost, 25% Quality.
- 3.5 58 suppliers were awarded onto the framework with 24 being successful in Lot 10 (Integrated Communications).
- 3.6 Where requirements are non-complex in nature it is possible to call off from supplier catalogues or conduct further competition for more technologically complex solutions.
- 3.7 Benchmarking with other suppliers has been carried whilst compiling the Council's requirements.
- 3.8 The forecast value of the contract would be a maximum of £1,557,000. This assumes no reduction in SIM cards or Fixed Lines.
- 3.9 A summary of the tendering process used for the framework agreement is contained in Appendix One.

4. Measures of success

- 4.1 Savings based upon 2012 contracted rates.
- 4.2 Volume rebates which can be flexible to provide either additional services to support the Council's digital transformation programme or cashable savings. This rebate will be in the form of a transformation fund valued at £660,000 and is based upon minimum committed volumes
- 4.3 Enhanced technology solutions to deliver improved Council services.

5. Financial impact

- 5.1 Based on current volume the maximum total value of the contract would be £1,557,000.
- 5.2 Further work to reduce future demand is currently being undertaken.
- 5.3 The costs associated with procuring this contract is estimated at between £10,000 and £20,000.

6. Risk, policy, compliance and governance impact

- 6.1 This framework agreement provides a compliant route to procuring Telecom Services.
- 6.2 There is a risk to the overall affordability and ability to deliver savings should the Council not adopt the CCS framework agreement.
- 6.3 Savings arising from an award of contract will not be realised if controls are not in place to manage demand.

7. Equalities impact

- 7.1 There are no equalities impacts from this award.

8. Sustainability impact

- 8.1 The use of the integrated communications lot on the framework agreement will enable the Council to support the delivery of technology solutions which will reduce the Council's carbon footprint and deliver sustainable outcomes.

9. Consultation and engagement

- 9.1 Engagement with stakeholders was carried out when reviewing ICT solutions.

10. Background reading/external references

10.1 None.

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11. Appendices

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

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Contract	Telecom Services (Mobile and Fixed Line)
Contract period (including any extensions)	October 2017 – September 2020
Estimated contract value	£519,000 (Annual) £1,557,000 (Total)
Standing Orders observed	2.1.1 Use of Framework Agreements, 5.1 Evaluation Criteria 6.1 Acceptance and Award of Contract.
Portal used to advertise	Tenders Electronic Daily
EU Procedure chosen	Open
Tenders fully compliant	58 (24 for Lot 10)
Recommended supplier/s	Telefonica Uk Ltd.
Primary criterion	The framework was awarded under Most Economically Advantageous Tender criteria.
Evaluation criteria and weightings and reasons for this approach	Direct Award Call Off from Catalogue due to the non-complex requirement.
Evaluation Team	Officers from ICT Services.

