

Finance and Resources Committee

10.00am, Thursday 27 August 2020

Voice Services (Mobile and Fixed Lines) 2017 Direct Award: 24 Month Extension

Executive/routine Executive
Wards
Council Commitments

1. Recommendations

- 1.1 That the Finance and Resources Committee extend the Direct Award to Telefonica UK Ltd, under Crown Commercial Services Network Services Framework RM1045, Lot 10-O2-SSO12-LG, for the continued supply of Mobile Services: Voice and Data connection, (Sim), and Fixed Services: PSTN lines, ISDN2 and ISDN30
- 1.2 Approval is sought to exercise the optional 24-month extension, as stated in the original direct award to Telefonica UK Ltd, which was signed in October 2017 and awarded for an initial 36 months. For the following:
- Network Services
 - Sim only mobile provision,
 - Fixed Line comprising PSTN, ISDN2 and ISDN30, with no commitment on volume or spend.

Stephen S. Moir

Executive Director of Resources

Contact: Jackie Galloway, Digital Services Senior Manager (Commercial)

Customer and Digital Services Division, Resources Directorate

E-mail: Jackie.galloway@edinburgh.gov.uk | Tel: 0131 529 7808

Report

2. Executive Summary

- 2.1 O2 were awarded a contract in 2017 for Voice Services (Mobile and Fixed Lines) with a volume of 5,700 Sims and a committed spend of £1.7m, excluding rebates. Fixed Line Services including landlines, SIP and ISDN were awarded with a committed spend of £706,000.
- 2.2 Over the duration of the contract fixed line services, where possible, have migrated to CGI as part of the ICT contract and Sim volumes has increased to circa 9,700 with 1,000 being added to support remote working as a response to the Covid-19 pandemic. It is envisaged that services provided by this contract will continue to evolve and the cost of change is deemed prohibitive when the Council has a legally compliant option to extend the current contract.

3. Background

- 3.1 O2 were awarded a contract in October 2017 for Mobile Telecommunications providing Fixed Line Services including landlines, SIP and ISDN and Sims to enable Mobiles.
- 3.2 Fixed lines transitioned where possible to CGI as part of the ICT Contract LAN and Voice provision, however there are some instances where fixed lines cannot change due to network location. Spend on Fixed Line Services has decreased over the period of the contract by circa 50% per month.

4. Main report

- 4.1 Our mobile landscape is likely to change over the next few years as technology and our Digital and Smart City Strategy is finalised and implemented.
- 4.2 The current pandemic has required staff to work remotely and therefore there is an increased requirement to provide mobile functionality and support staff.
- 4.3 Sim volumes have increased to a quantity of 9,682, (as at 13th July 2020), an increase of 1,000 since March as a direct result of supporting staff to work remotely.
- 4.4 The committed sim volumes are however far less than current usage. This provides the flexibility to reduce usage in line with IT Digital and Smart City Strategy such as Bring Your Own Device (BYOD)

- 4.5 A review of the current contract has been conducted and charges proposed by O2, have been market tested and deliver a value for money framework when measured against other similar services.
- 4.6 As part of the best value evaluation, the cost of change has been factored in with considerations taken into account with regard, for example, changes to individual sim and hardware in mobile phones and fixed situation sites e.g. traffic signals and lifts. This significant change would create an unbudgeted cost, logistical challenge and potentially compromise communication and resilience. This, at a time where we have substantial budget pressures and are physically constrained which can be avoided with utilising the legally compliant extension option open to the Council.
- 4.7 If we were to change the current provider of these services the Council may have to invest in new hardware, which could shortly become obsolete as we further roll-out Microsoft functionality which supports staff using personal devices and an expansion of our approach to Bring Your Own Device (BYOD).
- 4.8 We would have to supply new sims to everyone who has a Council supplied mobile phone and any iPads which contain sims for these to be swapped. This would create a logistical challenge and expense when we are physically constrained due to Digital Services and CGI working remotely and at a time when the Council has substantial budget pressures.

5. Next Steps

- 5.1 If approved, a contract extension letter will be issued to Telefonica UK Ltd advising that the 24-month extension option, as stated in the 2017 Direct Award, will be utilised.

6. Financial impact

- 6.1 The Council will receive a financial benefit of £440k credit from Telefonica UK Ltd, within the two-year extension period, £220k will be paid within 30 days of extension award and a further £220k in month 13 following award.

7. Stakeholder/Community Impact

- 7.1 Staff mobile working is critical and extending the current contract ensures continuity of services and communication.

8. Background reading/external references

- 8.1 Finance and Resources Committee Meeting 27 September 2017
[Item 76 -Contract for Telecom Services Mobile and Fixed Lines](#)