



Notice of Non-key Executive Decision

Subject Heading:	Award of Mobile Telephony Contract
Cabinet Member:	Councillor Roger Ramsey
SLT Lead:	Priya Javeri
Report Author and contact details:	John Friend - 02033731897 John.friend@onesource.co.uk Assistant Director of ICT
Policy context:	<i>High Customer Satisfaction and a Stable Council Tax</i> - Commission goods and services in a way that provides the best possible value for money.
Financial summary:	Based on the existing number of connections and service requirements this is anticipated costs of £195k pa (£390k over the 2 year life of the contract) This offers a saving from the current contract of approx. 100k per annum. The Council will also receive a tech fund credit of £81k to be spent on the purchase of handsets.
Relevant OSC:	Overview and Scrutiny Board
Is this decision exempt from being called-in?	It is a non-key decision by a member of staff

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The subject matter of this report deals with the following Council Objectives

- Communities making Havering []
- Places making Havering []
- Opportunities making Havering []
- Connections making Havering []

Part A – Report seeking decision

Purpose

The Current Havering Mobile Telephony contract has expired and this report seeks approval to Direct award through the Crown Commercial Services Framework RM1045 (lot 6) to the incumbent EE. The contract will be for 2 years

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Recommended Action

This report seeks approval to:

1. Award the Mobile Telephony Contract under a direct call off procedure available via the Crown Commercial Services Framework RM1045, Lot 6 to EE Limited for the value of £400, 000 for a period of 2 years with an option to extend for 1year.
2. Delegate authority to the Director of Technology and Innovation, in consultation with the Director of Legal and Governance to approve the final forms of contracts and entering into such agreements necessary to give effect to the recommendations detailed in this report.

1. Background

- 1.1. The Council's incumbent contract is due to expire and the Council is seeking to award a contract so it may continue providing mobile services to its departments.

The current Havering mobile service estate consists of 2839 service connections :

Voice (all Inclusive) (1015) and Data linked to Voice (612)	1627
Data 3gb (4g)	113
Data 3gb (3g)	229
DaTA 5GB (4G)	507
Parking signs Mobile Broadband (1gb)	363
Total	2839

- 1.2. There has been significant work to ensure that all non active data and voice connections have been ceased to minimise costs.

2. Report Detail

2.1. With the LBH Procurement team we have carried out market testing through the government Crown Commercial Services using RM1045 Lot 6 market place so we can look at the options available to us to offer better value for money and technology improvements to the offering.

2.2. There are a number of additional benefits that we are looking to introduce to this contract from the previous offering from EE. These are a Tech Fund and Aggregated Data.

2.3. Tech fund

2.3.1. The tech fund sits in an equipment account within EE. The tech fund will be used in the first instance to fund new handsets. The tech fund is paid for every current and new Sim Mobile number and is applied as a service credit on the Councils account, these can then be used to purchase new handsets or equipment from the EE catalogue.

2.3.2. Tech fund/service credit for voice mobile sim numbers is $1627 \times £50 = £81,350$ and this total will be added to the councils EE account.

2.3.3. The tech fund in this instance will be used to ensure all current mobile handsets are security compliant for use with the latest Mobile Device Management software.

2.3.4. Without the tech fund, the Council would need to identify alternative sources of funding to purchase compliant handsets. Whilst there is a risk that handsets could be purchased cheaper elsewhere, this must be balanced against the effort involved in another procurement exercise and the saving generated in the mobile telephony contract.

2.4. Aggregated Data

2.4.1. The existing contract provides each user with an allocation of data, if this is exceeded then an extra charge is applied, however if a user does not exceed their allocation this is not reallocated.

2.4.2. In order to provide better value to Havering, Aggregated data provides a corporate allocation of data which covers the whole borough. Therefore, any used will be taken from the pool of Data preventing users paying extra by going over their personal data allocation as in effect they will be able to use the data from users who are under their limit.

2.4.3. We have analysed the data use over the past year to determine the aggregated data pool level, Havering currently use 1.5 tera bytes(TB) per month at a cost of £15,000, the new aggregated data will also provide 1.5 TB of data however at a cost of £9,500 a saving of £5,500 per month.

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2.4.4. 4g will now be standard with no additional cost with aggregated data.

2.5. **Voice**

2.5.1 As part of the new contract all voice tariffs will be all inclusive which will give us the flexibility for meeting the council's voice requirements.

2.5.2 The cost is £3 a month per connection for unlimited calls and texts

2.5.3 A £50 tech fund will be applied for every current and new voice connection which has been explained in more detail in the tech fund section.

2.6. **Procurement**

2.6.1. The Council undertook a further competition via the Crown Commercial Services Network Services Framework RM1045 (lot 6 mobile voice and data services) using the technology catalogue on the Government eMarketplace. The reason this procurement route was used was to ensure that the service provided was on a like for like basis for replacing sim cards only rather than hardware (mobile devices).

2.6.2. The eMarketplace is a live platform allowing suppliers to update their pricing and service offering allowing further competitions to be based on the current/latest available prices/service provision.

2.6.3. Following the further competition via the eMarketplace the total price for each supplier offering the required services are shown below,

- EE - £195,000 per annum. However, they'll provide a one off a tech fund/service credit of £81,350 which can be used to purchase equipment....
- Bidder B - £211,66.00 less a tech fund/service credit of £81.350 per voice connection

2.6.4. The total of the current yearly spend to EE is £297,276 by moving to this new tariffs and aggregated data will be circa 100k.

AUTHORITY UNDER WHICH DECISION IS MADE

3.4 Powers of Second Tier Managers

Contract powers

(a) To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.

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Description of Service	Current Number of Connections	Current unit cost per month	Current Total Yearly Cost	New contract Unit cost per month	New Contract Total Yearly Cost
Voice (all Inclusive)	1627	£2	£39,048	£3	£58,572
Data (Linked to Voice)	612	£13	£95,472		
Data 3gb (4g)	113	£12	£16,272		
Data 3gb (3g)	229	£9	£24,732		
DaTA 5GB (4G)	507	£15	£91,260		
Mobile Broadband (1gb)	363	£7	£30,492		
Total Data connections (Agregated data)	1824	N/A	N/A	£9,500 per month (all units)	£135,888
TOTAL YEARLY COST			£297,276		£194,460
Annual cost reduction from new contract					-£102,816

Funded by:

Individual Service Budgets*

£194,460

*The invoices for Mobile phones including mobile data charges are paid using an ICT Code and monthly journals are created internally and the service area is recharged from their Revenue fund budgets. This requires a significant admin resource as monthly recharges have been carried out for each mobile phone based on actual data usage. With aggregated date, costs of phones will now be static and as such it is proposed to either centralise service budgets to ICT to remove the need for recharging or should this not be agreed a single annual recharge will be carried to services based on estimated phones issued.

The £100,000 savings will contribute to the Contract Review savings target in the Transformation Programme.

The provider will provide a one off a tech fund/service credit of £81,350 will be used Purchase handsets. Without the tech fund, the Council would need to identify Alternative sources of funding to purchase compliant handsets. Whilst there is a risk that handsets could be purchased cheaper elsewhere, this must be balanced against the effort involved in another procurement exercise and the saving generated in the Mobile telephony contract.

**HUMAN RESOURCES IMPLICATIONS AND RISKS
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

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There do not appear to be any HR implications or risks arising directly as a result of this report.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

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The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

BACKGROUND PAPERS

There are no additional papers supporting this report.

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision



Proposal agreed

Delete as applicable

Proposal ~~NOT~~ agreed because

Details of decision maker

Signed



Name: Priya Javeri

Cabinet Portfolio held:

CMT Member title:

Head of Service title Director of Technology & Innovation

Other manager title:

Date: 21-05-2019

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 31/05/2019

Signed 