

REPORT TO: POLICY AND RESOURCES COMMITTEE – 20 MAY 2013

REPORT ON: TENDER FOR MOBILE COMMUNICATIONS

REPORT BY: HEAD OF INFORMATION TECHNOLOGY

REPORT NUMBER: 207-2013

1.0 PURPOSE OF REPORT

1.1 This report details tenders obtained and requests a decision on acceptance.

2.0 RECOMMENDATION

2.1 Approval is recommended for:

- i. the acceptance of the tender submitted by EE (T-Mobile)
- ii the undernoted annual amount for the contract.

3.0 FINANCIAL IMPLICATIONS

3.1 The Director of Corporate Services has confirmed that funding for the above project is available from existing Departmental budgets.

3.2 It is estimated that acceptance of the recommended tender will accrue estimated savings of £185,739 over the two year period of the contract.

4.0 BACKGROUND

4.1 Following a review of mobile communications purchasing arrangements, the Council is seeking to select a mobile communications provider to reduce costs and improve efficiency. The Council's current costs for mobile communications are approximately £213,000 per annum. This is an approximate cost, as it is a combination of £129,000 fixed rental costs and the rest is made up of call charges.

4.2 Assessment of Mobile telecommunications costs is a specialised area, and for this reason PTS Consulting were engaged to recommend a procurement route and assist in the assessment of tenders. This assistance was sought to ensure the Council achieved maximum levels of savings.

4.3 After consultation with the Council's Corporate Procurement manager and PTS Consulting it was agreed that a tender would be issued as a mini-competition under the Government PSN Framework Agreement.

5.0 PROPOSAL

5.1 The tender was issued under the Government PSN Framework Agreement to the following Service Providers:

- EE (T-Mobile)
- Vodafone
- O2

5.2 Tender Responses were received as noted below:

- EE (T-Mobile) - Offer received
- O2 - Offer received (3 options)
- Vodafone - Declined to respond

5.3 The offers received were evaluated alongside the existing costs of the service, based on current numbers of devices and minutes used. A breakdown of existing costs, tender costs and estimated call charges (based on a 12 month breakdown of current use) is shown in Appendix 1.

5.4 The EE (T-Mobile) tender is recommended for approval, based on an estimated spend of £240,832 over the two year duration of the Contract. This compares to current spend of £426,571 over a two year period.

5.5 The EE (T-Mobile) tender includes an airtime credit of £64,780, which is redeemable over the first two months of the contract. The EE (T-Mobile) estimated spend of £240,832 over the two year duration of contract is significantly less than the next lowest tender offering of £266,937 estimated spend, over the two year contract.

5.6 It is proposed that the contract commences on 1 June 2013.

6.0 POLICY IMPLICATIONS

6.1 This report has been screened for any implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality impact Assessment and Risk Management. There are no major issues.

7.0 CONSULTATIONS

7.1 The Chief Executive, Director of Corporate Services and the Head of Democratic & Legal Services have been consulted on this report.

8.0 BACKGROUND PAPERS

None.

Mr. Ged Bell Head of Information Technology

Date: 29 April 2013

APPENDIX 1

BREAKDOWN OF TENDER COSTS AND ESTIMATED CALL CHARGES

Call Group	Existing	EE (T-Mobile)	O2 Zero Rental	O2 Standard	O2 All inc.
Standard Mobile	£53,573.52	£53,573.52	£34,092.24	£34,092.24	£0.00
National	£11,486.16	£11,486.16	£7,657.44	£7,657.44	£0.00
Private Wire	£0.00	£0.00	£0.00	£0.00	£0.00
Standard Text	£9,595.70	£9,595.70	£10,661.88	£10,661.88	£0.00
Non geographic	£5,866.20	£5,866.20	£8,136.98	£8,136.98	£8,136.98
GSM Data	£2,204.40	£2,204.40	£2,000.00	£2,000.00	£2,000.00
Premium	£1,680.00	£1,680.00	£720.00	£720.00	£720.00
Call totals per annum	£84,405.98	£84,405.98	£63,268.54	£63,268.54	£10,856.98
Basic Monthly Access Service	£5,040.00	£0.00	£0.00	£5,040.00	£11,340.00
Blackberry Rental	£2,160.00	£2,160.00	£2,400.00	£2,880.00	£3,600.00
Data add on voice	£1,290.00	£1,290.00	£1,290.00	£1,806.00	£2,451.00
Data Card	£2,250.00	£2,250.00	£2,160.00	£2,160.00	£2,160.00
Itemised Billing	£0.00	£0.00	£0.00	£0.00	£0.00
Total Rental per Month	£10,740.00	£5,700.00	£5,850.00	£11,886.00	£19,551.00
Total Rental Per Annum	£128,880.00	£68,400.00	£70,200.00	£142,632.00	£234,612.00
Total Cost per Annum	£213,285.98	£152,805.98	£133,468.54	£205,900.54	£245,468.98
Total Cost for 2 Year Contract	£426,571.96	£305,611.96	£266,937.08	£411,801.08	£490,937.96
Airtime Credit		-£64,780.00			
Total cost	£426,571.96	£240,831.96	£266,937.08	£411,801.08	£490,937.96

Call costs are based on the Council's 12 month call volumes and excludes International, Roaming and GPRS calls. All of which are minimal.