

REPORT TO: Policy and Resources Committee - 14 August 2000

REPORT ON: Mobile Communications Service

REPORT BY: Acting Director of Information Technology

REPORT NO: 487-2000

1.0 PURPOSE OF REPORT

1.1 To seek Committee approval for acceptance of the recommended tender from One 2 One for the provision of a mobile communications service for Dundee City Council

2.0 RECOMMENDATIONS

2.1 The Committee is recommended to:

- i) approve the tender from One 2 One, as it offers the best value in terms of overall cost, most comprehensive migration plan, on-going support, service and management reporting for an initial contract period of 12 months, with the option of extending this for a year at a time, subject to continuing, satisfactory performance.
- ii) approve the continuing use of a combination of local retailers and national wholesalers to obtain mobile services for those situations where mobile phones are used in areas where there is no One 2 One coverage.
- iii) Instruct Telephone Services to commence the migration process with One 2 One at the earliest possible date.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no directly attributable additional costs arising from this report. However, it is likely that total mobile phone usage is set to increase, but the costs of this can be minimised by accepting the One 2 One tender. Savings arising from the recommended offer can only be assessed once the full service migration has been implemented. The tariffs offered are the lowest available at present.

3.2 Set-up and migration costs have been discounted by 100% on all tariff options,

3.3 Corporate tariff options attract a £75 subsidy for each new user connecting to the network, as a result of which there will be a substantial initial reduction in mobile phone costs for the council.

3.2 The annual recurring costs will be met as at present from the individual departmental revenue budgets.

4.0 LOCAL AGENDA 21 IMPLICATIONS

4.1 For the operation and maintenance of a wide range of I.T. and telecommunications equipment and support systems, consideration will be given in support of all service developments in line with the requirements of Local Agenda 21.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 During the implementation of I.T. and telecommunications equipment and services, ongoing consideration will be given to the Council's Equal Opportunities Policies in the preparation of any resultant new Divisional practices affecting I.T. staff duties and opportunities

6.0 BACKGROUND

- 6.1 In the past all departments tended to procure their mobile service requirements from a range of wholesale and retail suppliers, with little central control over costs or suitability of tariffs or services. During the past four years departments have increasingly sourced their mobile requirements from the Telephone Services Section. Following a major review of mobile telephone requirements and telephone allowances through a needs assessment exercise, it was decided to issue invitations to tender to the major operators in this field with a view to achieving a rationalisation in the service provision and to achieve cost savings.
- 6.2 The Council's overall mobile requirements have been estimated to be in the region of 500 mobile phones. At present, mobile usage patterns in the Council are more than 80% low usage (under 30 minutes per month) and largely restricted to voice only, with just some experimental use of advanced facilities, such as mobile fax, messaging or data. In this, the Council does not seem to differ from most other locally based public sector organisations. Should the Council wish to take advantage of advanced services in the future, the existence of the contract will ease the implementation of these services.
- 6.3 Fourteen companies were invited to submit tenders (ITD/TEL/2000/01/) for the supply of a mobile telecommunications service detailed in the Appendix; eight were received. Due to the complexity of the mobile tariffs on offer and the variations in usage of the mobile telephone services by individual users, it would be misleading to quote overall costs as for other tenders, as this will depend on the actual usage over the duration of the contract,
- 6.4 Of the eight firms tendered the tender received from One 2 One is, considered to provide the most comprehensive service offering and is overall the most economically advantageous to the Council.
- 6.5 Over the last year the council has satisfied the needs of the occasional user with less than 30 minutes of calls per month with the All-in-One package from One 2 One and this has been very successful. For basic, mobile telephony services, the packages procured by Telephone Services, over the past 18 months are for some users still considerably cheaper than any of the corporate tariffs specified in the tenders. However, these low cost options will continue to be available for to the Council on the corporate contract where they are assessed to be the most cost-effective, but will not attract an initial £75 joining subsidy. As part of the contract set-up process, an assessment will be made jointly between One 2 One and Telephone Services, which option is the most cost-effective in individual circumstances.
- 6.6 About 160 mobiles are already on recent One 2 One tariffs. BT Cellnet has the next largest group of users, followed by Orange and Vodafone. The process of migrating these users to One2One has to be undertaken with the minimum of disruption and has to take account of their specific requirements. One 2 One is offering a comprehensive migration service to achieve that. Following successful migration, accounts will be monitored constantly in order to ensure the most suitable tariff is being used. This is almost impossible to achieve economically without a corporate contract.

6.7 None of the mobile networks can offer total area coverage and therefore for a small number of council employees, it may be necessary to make alternative arrangements on other networks.

6.8 Suitable handsets and accessories will be selected from the range available on the network. Health & Safety will be a major factor in the selection process.

7.0 PROPOSAL

7.1 The tender recommended for approval is considered to be overall the most advantageous and comprehensive in terms of cost, services, management and support offered.

8.0 CONSULTATION

8.1 The Chief Executive and Director of Finance have been fully consulted in the preparation of this report and are in full agreement with its proposals.

NOTE

No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information were relied on to any material extent in preparing the above report).

Acting Director of Information Technology Date

APPENDIX

Basic tariff comparison		
Tenderers:		Rental incl. 60 minutes/month
1	Lumina	£12.81
2	All-in-One 12 month package	£10.08
	All-in-One 18 month package (when available)	£7.72
	<i>In addition, further quantity discounts are available on the above when buying units in quantity at the same time (e.g.30% for 50-99 units)</i>	
3	Vodafone	£13.26
4	Atlantic Telecom	£16.70
5	Orange	£19.10
6	Cable & Wireless	£16.00
7	Scottish Communication Systems	£17.14
8	Moco	£12.05
Note:	<i>All costs are approximate and include a mix of usage for peak, off-peak and weekend where available on a network</i>	
	<i>Tariff combinations are almost infinite, therefore only examples can be given</i>	

Main components of the recommended tender:

1. Good coverage of Dundee City Council operational area
2. Capacity to cope with additional traffic generated by the DCC contract
3. £75 subsidy for each new user joining the network, which can be spent on handsets and accessories. Unspent subsidy is available for additional equipment purchases as a credit on the account if the contract is renewed after the end of its term.
4. No capital costs in migrating service to the One 2 One network
5. Flexible Billing, billing analysis and proactive tariff management
6. Across the board 10% discount for all users on corporate tariffs
7. Number portability where required
8. Wide choice of handsets
9. Across the board free handset upgrades if contract is renewed for a further minimum term at end of initial twelve months contract period
10. Provision of spare handsets free of charge
11. Comprehensive and flexible major account management support
12. Comprehensive Migration service with on-site support by One 2 One where necessary.