

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Tendering Committee: 18 April 2012

Subject: Renewal of Mobile Phone Contract

1. Purpose

1.1 The purpose of this report is to advise Committee of the result of the recent national Electronic Auction which took place on behalf of West Dunbartonshire Council and 16 other organisations regarding the renewal of the mobile phone contract. A list of the collaborating organisations is attached as Appendix 1 for information.

1.2 The report also seeks approval to accept the lowest bid.

2. Background

2.1 On the 28th October 2009, Council approved the award of the Council's mobile phone contract to T Mobile for a period of two years from March 2010. The Council's contract with T-Mobile expired on 31 March 2012. As a result of this, the Council is currently on a rolling contract with T-mobile.

2.2 The Council took part in a competitive procurement exercise run by the Scottish Procurement and Commercial Directorate (SPCD) via an Electronic Auction (e-Auction) on 28 March 2012.

2.3 *Everything Everywhere* (Orange and T-Mobile) was identified as the successful bidder.

2.4 The Council currently incurs expenditure on Mobile Telephony of approximately £90,000 per year.

2.5 The Council currently has approximately 1,150 mobile devices with T-Mobile.

2.6 The Auction that took place was a collaboration between 17 organisations with totals of over 7,000 connections and a current annual revenue spend of approximately £750,000 per year.

2.7 Information and Communication Technology (ICT) service are currently satisfied with support service from T-Mobile and receives very few complaints about the service coverage from T-Mobile.

2.8 A recent customer satisfaction survey for Council mobile phone users presented the following results:

65% are satisfied with the mobile provision;
82% say mobile phone meets business needs;
92% say battery life is fine;
68% never have any problems with mobile phone;
26% rarely have problem with mobiles;
and 6% frequently have problem.

2.9 Some coverage issues were identified with the current supplier within a number of locations and within a number of buildings.

3. Main Issues

3.1 SPCD has advised that estimated savings of up to 72% can be achieved from the new contract. This represents an estimated annual saving of up to £65,483 for the Council.

3.2 The Council will engage with the successful bidder independently upon the conclusion of the due diligence period to place the order and manage the resulting contract.

3.3 It is anticipated that there will be no significant disruption when migrating to the new contract. The migration will take place only after the Council's internal procurement governance is complete. The migration is therefore expected to start no earlier than middle of May 2012, approximately 6 weeks after the conclusion of the e-Auction.

3.4 Contracts will be awarded for a maximum term of four (4) years on the basis of a two (2) year contract with two annual options thereafter to extend for a twelve (12) month period.

3.5 The Council has a number of Blackberry devices under a separate data contract with T-Mobile which are not due to terminate until October 2012. These additional data connections for Blackberry devices are able to transfer to this new contract in the future therefore avoiding any additional early termination costs.

4. People Implications

4.1 ICT had representation on the national tender evaluation committee.

4.2 Existing resources within ICT, Legal Services and Corporate Procurement would be required to complete the Council's internal procurement governance actions.

5. Financial Implications

5.1 Scottish Procurement has advised that there are potential savings for the Council of up to £65,483 per year.

6. Risk Analysis

- 6.1** There is a risk that the Council would need to migrate from the T-Mobile platform to the Orange billing platform of the Everything Everywhere provider. This issue will be clarified as part of the internal procurement governance process.
- 6.2** There is a risk that the handsets would need to be unlocked to the Orange service of the Everything Everywhere provider. This issue will be clarified as part of the internal procurement governance process.

7. Equalities Impact Assessment (EIA)

- 7.1** The Council will undertake an EIA as part of the internal procurement governance process prior to any contract acceptance.
- 7.2** Specific handsets for hearing impaired or partially sighted staff can be purchased at an additional cost.

8. Strategic Assessment

- 8.1** As a result of this tender exercise, the Council will realise the most competitive rates for this service in accordance with Council's Financial Strategy.

9. Conclusions and Recommendations

- 9.1** The current two year mobile phone contract with T-Mobile expired on 31 March 2012.
- 9.2** The Council has taken part in an Electronic Auction in collaboration with 16 other organisations throughout Scotland. The successful bidder from this process is Everything Everywhere.
- 9.3** The Council currently has approximately 1,150 devices and an annual spend of approximately £90,000
- 9.4** The annual estimated cost savings are £65,483 which is a 72% reduction from the cost of the existing contract.
- 9.4** The committee is invited to approve that the Council contracts with the successful bidder (Everything Everywhere) for a period of 2 years with an option to extend for a further two twelve month periods.

For Angela Wilson
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Date: 3 April 2012

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Appendices: 1. List of collaborating organisations

Background Papers: "New Mobile Phone Contract" – Paper to Council – 28th
October 2009

Wards Affected: All