

**WEST DUNBARTONSHIRE COUNCIL**  
**Report by Executive Director of Corporate Services**  
**West Dunbartonshire Council : 28 October 2009**

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**Subject: New Mobile Phone Contract**

**1. Purpose**

**1.1** The purpose of this report is to provide a progress update regarding the procurement of a new mobile phone contract for West Dunbartonshire Council.

**2. Background**

**2.1** A report was submitted to Council on 24 June 2009 (Agenda Item 8), advising that a project team was being formed to undertake the procurement of a new mobile phone contract for WDC. The report also detailed the procurement actions to be undertaken, target timeframes and expected outcomes.

**2.2** The decision of Council on 24 June 2009 was 'to note the creation of the project team, to note the actions and associated target project timescales, to note a projected delivery date of September for recommendation of new mobile contract and to note that implementation of a new contract would commence in February 2010'.

**3. Main Issues**

**3.1** A project team incorporating staff from Corporate Procurement, ICT and Legal, Administrative and Regulatory Services has been formed and is operational.

**3.2** Appropriate project methodology was applied to the procurement exercise encompassing development of a project initiation document, project plan and highlight reports.

**3.3** In light of the expected contract duration (two years) and value, EU procurement rules apply.

**3.4** Under EU procurement rules, the only factors which can be taken into account are matters which relate to the 'most economically advantageous tender' in that there has to be a direct financial consequence of any quality criteria. This meant the Council was unable to include location of a suppliers support facilities as an evaluation criteria.

**3.5** The project team's first objective was to establish an appropriate procurement method and it was agreed accessing the Buying Solution's national framework for Mobile Phone solutions was the most cost effective method.

**3.6** The project team reviewed the previous tender evaluation criteria and took advice from Buying Solutions on the evaluating the Buying Solutions framework suppliers.

**3.7** The project team undertook a survey of current WDC mobile telephony users to assess following key areas; coverage, accuracy of billing and handset suitability.

- 3.8** The responses to the survey contributed to the weighting applied for coverage and will also be incorporated into the range and selection of handset availability during contract implementation stage.
- 3.9** As this was the first time WDC used the Buying Solutions framework (formerly OGC Office of Government Commerce) for mobile phone solutions, the project team undertook a survey of other Local Authorities who had used the national framework to assess aspects such as, method, cost effectiveness, coverage, billing, satisfaction with their respective provider and technical merit.
- 3.10** Based on timescales, resource and responses received from the other Councils surveyed the project team used the Direct Catalogue method for evaluating the five framework suppliers.
- 3.11** The Buying Solutions evaluation model included both cost and quality criteria. Costs include device purchase costs and rental tariffs. Quality includes technical merit, after sales services and environmental criteria.
- 3.12** Following the survey outcomes and a project team review, the scoring and weighting applied to the above criteria was as follows; Cost - 60% of the overall evaluation weighting and quality remaining 40%.
- 3.13** Within the quality element of the criteria, the following breakdown was applied
- Technical merit – 55%  
 After sales services – 35%  
 Environmental – 10%
- 3.14** A detailed breakdown of the scores for the five mobile phone providers is summarised below.

<b>Criteria</b>	<b>Supplier A</b>	<b>Supplier B</b>	<b>Supplier C</b>	<b>Supplier D</b>	<b>Supplier E</b>
<b>Price Score</b>	17.4	29.2	36	33.9	33.6
<b>Quality Score</b>	16	17	8.4	15.3	14.7
<b>TOTALS</b>	<b>33.4</b>	<b>46.1</b>	<b>44.4</b>	<b>49.2</b>	<b>48.3</b>
<b>Ranking</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>

- 3.15** The project team investigated the feasibility of obtaining a Blackberry contract which would terminate at the same time as the co-terminus date of the existing mobile contract.
- 3.16** The project team evaluated the inclusion of Blackberry services in the new contract and ensured that any pilot devices would be able to be included in any subsequent mobile phone contract.
- 3.17** A Blackberry contract was signed with a termination date that is the same as the co-terminus date for the existing mobile phone contract. A Blackberry server has been installed onsite and a pilot programme of Blackberry devices is underway and devices are now operational within the Authority.

- 3.18** The project team has confirmed that procuring additional Blackberry handsets will have no impact on the termination date of the current Blackberry contract.

Implementation planning

- 3.19** The project team has confirmed that procuring replacement handsets will have no impact on the co-terminus date of the current mobile phone contract.

- 3.20** However, purchasing additional mobile phones may result in a minor extension of the co-terminus date (beyond the current date of March 2010). The project team will implement following steps to manage this process.

- 3.20.1** The project team will identify unused mobile connections throughout WDC and then reassign any unused connections to service new requirements where possible.

- 3.20.2** The project team will arrange for a single bulk purchase of mobile phone connections that can be used if required.

**4. Personnel Issues**

- 4.1** A project implementation team will be required and will require resources from LARS, ICT and key departmental users to work along side new contract provider.

**5. Financial Implications**

- 5.1** The new mobile phone contract requires revenue to sustain monthly rental charges for current volumes (1173 connections). This budget is already available within departmental revenue streams.

- 5.2** Purchase of additional mobile phones and blackberry connections under the new contract will incur following increase monthly rental charges:

Blackberry £13.00

Mobile phone £2.50 (previously charged at £3 on old contract)

- 5.3** The estimated annual costs to WDC based on current volumes and future requirements would be £118,661.68.

**6. Risk Analysis**

- 6.1** There is a risk that the co-terminus date of the current mobile phone contract increases due to continuance of mobile phone purchases within the Authority. Implementing steps detailed in 3.13 above will mitigate this risk.

- 6.2** If no further mobile services are procured during the life of the current contract then service areas within WDC will not be able to increase their mobile capabilities until the new contract is in place.

- 6.3** This procurement exercise has been undertaken to mitigate the risk of not introducing the element of competition in an extremely competitive marketplace.

**6.4** There is a risk of non compliance with EU procurement principles in terms of Equality, Openness and Transparency if WDC consider supplier location bases to be part of the evaluation criteria. Introducing geographical (location) evaluation criteria could result in WDC being challenged on any contract award.

**6.5** There is a risk that a recent proposed merger of two of the Buying Solutions providers may impact the services being delivered to WDC during the life of the contract.

## **7. Conclusions and Officers' Recommendations**

**7.1** The project team has evaluated the five Buying Solutions contract suppliers and identified a preferred supplier based on the evaluation criteria attached in Appendix A.

**7.2** The Council is asked to agree to instigate negotiations with Supplier D, T-Mobile, with a view to awarding a contract.

**7.3** The Council is asked to note that the new contract will commence in March 2010 for a period of two years.

**7.4** The Council is asked to note the implementation of a new WDC Blackberry solution and its inclusion in a new mobile phone contract.

**7.5** The Council is asked to note the rental costings of new connections;

Blackberry £13.00 per month

Mobile phone £2.50 per month (previously charged at £3 on old contract)

**7.6** The Council is asked to note that, as a decision would be by Council, it will not be necessary to remit this decision to the Tendering Committee

**Joyce White**  
**Executive Director of Corporate Services**  
**Date: 7 October 2009**

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**Appendices:** Appendix A – Scoring Matrix

**Background Papers:** None

**Ward Affected:** None

**Appendix A – Scoring Matrix**

	<b>Criteria Weighting %</b>	<b>Section Weighting %</b>	<b>Question Weighting</b>
<b>Cost</b>	60%	Section Weighting %	Question Weighting
<b>Technical &amp; Quality Criteria</b>	40%		
<b><i>Technical Merit</i></b>		55%	
Coverage			70%
Network Capacity			10%
Performance			20%
<b><i>After Sales Service</i></b>		35%	
Helpdesk			45%
Account Management			45%
Range of Devices & accessories			10%
<b><i>Environmental Characteristics</i></b>		10%	
Environmental procedures			100%