

EAST RENFREWSHIRE COUNCIL

CABINET

1 October 2015

Report by Deputy Chief Executive

MOBILE VOICE AND DATA SERVICES

**PURPOSE OF REPORT**

1. The purpose of this report is to seek exemption from tendering procedures in accordance with Contract Standing Order 6 (iv), in relation to the provision of Mobile Voice and Data Services, for a period of 4 months from 1<sup>st</sup> December 2015 until 31<sup>st</sup> March 2016.

**RECOMMENDATIONS**

2. It is recommended that, in accordance with Contract Standing Order 6 (iv), a contract is negotiated with O2, who currently provide Mobile Voice and Data Services to the Council, for a period of 4 months from 1<sup>st</sup> December 2015 until 31<sup>st</sup> March 2016 at a cost of £40,000.

**BACKGROUND**

3. In July 2010, O2 was awarded the contract to provide East Renfrewshire Council with Mobile Voice and Data Services for a period of 48 months starting on the 1<sup>st</sup> January 2010.

4. East Renfrewshire Council has made significant investment in Mobile Voice and Data Services. These are an essential component of the underlying technology required to support modernising how we work, one of the 5 core Council capabilities.

5. In March 2014, the Cabinet approved a contract extension for a period of 11 months from 1<sup>st</sup> January 2015 until 30<sup>th</sup> November 2015 for the following reasons:

- The Council was at a critical stage within the roll out of agile working to CHCP and other Council services. Any move to another supplier would have entailed a significant programme of work to be undertaken jointly by ICT and other Council departments, and would have delayed the delivery of current projects plus benefits; and
- The current 5 year Telecommunication contract from Virgin Media Business for voice and data for the corporate network would terminate in November 2015. By extending the current Mobile Voice and Data Services contract by 11 months, both contracts would now co-terminate. This would mean that the Council could establish a single contract encompassing Telecommunications with Mobile Voice and Data Services with the objective of delivering best value, efficiencies, etc. Telecommunication suppliers are now able to offer such contracts. Before November 2015, the Council would go back to the market in whatever manner was consistent with the shared services ICT strategy in place at the time.

6. In late 2014 East Renfrewshire Council decided to join the Scottish Wide Area Network (SWAN) for a period of 3 years starting in December 2015. This will replace the current Virgin Media Business contract. It was anticipated that Mobile Voice and Data Services would be available via the SWAN Value Added Services (VAS) catalogue. However this offering is not yet available. It is expected that the SWAN VAS catalogue will mature in the years ahead.

7. In response to this problem, ICT investigated other national offerings for Mobile Voice and Data Services. Scottish Procurement had previously organised two mini competitions (September 2011 and March 2012). However these frameworks were nearing expiry. Therefore ICT made an initial commitment to the UK Crown Commercial Services (CCS) framework. But in early April 2015, Scottish Procurement contacted all Councils to indicate that a new collaborative mini completion against the CCS framework would be initiated. The aim of this procurement route is to provide a quick win for organisations using Mobile Voice and Data Services by aggregating a committed demand and competing it via a CCS framework to get a value for money outcome without undertaking an onerous OJEU process. The format of a collaborative mini competition means that organisations that wish to be involved need to provide a commitment to call-off against the resultant arrangement and that commitment is required prior to the start of the mini competition. East Renfrewshire Council made such a commitment in May 2015. The timelines for the award of this framework were in advance of the termination date of the Councils existing contract with O2.

8. Scottish Procurement has now indicated that there has been a delay in the award because of a slow response from organisations in support of the new framework. They have suggested that it would be prudent to extend our current arrangements by 4 months to mitigate the possibility of any issues arising. The award is scheduled for November 2015.

9. Following discussions between ICT and Legal, it is recommended that a contract be negotiated and awarded to O2 for 4 months from 1<sup>st</sup> December 2015 until the 31<sup>st</sup> March 2016.

## **FINANCE AND EFFICIENCY**

10. There is no additional cost to the Council as a result of the recommendation contained within this report.

## **CONSULTATION**

11. Consultation has taken place with the Chief Officer – Legal and Procurement – who following investigation, has confirmed that due to special circumstances it would be appropriate to undertake a negotiated procedure with O2 for the provision of Mobile Voice and Data Services for a further 4 months starting on the 1<sup>st</sup> December 2015.

## **CONCLUSIONS**

12. The approval to negotiate and award a contract to O2 for the provision of Mobile Voice and Data Services is considered essential for the continued efficient operation of the Council. Failure to award a contract will result in service disruption.

## **RECOMMENDATIONS**

13. It is recommended that, in accordance with Contract Standing Order 6 (iv), a contract is negotiated with O2, who currently provide Mobile Voice and Data Services to the Council, for a period 4 months from 1<sup>st</sup> December 2015 until 31<sup>st</sup> March 2016 at a cost of £40,000.

## **REPORT AUTHOR**

Deputy Chief Executive, Caroline Innes, Tel: 0141 577 3161, email at [Caroline.Innes@eastrenfrewshire.gov.uk](mailto:Caroline.Innes@eastrenfrewshire.gov.uk).

Report compiled by: Patrick Murray, Head of ICT, Corporate & Community Services, Tel: 0141 577 3452, email at [Patrick.Murray@eastrenfrewshire.gov.uk](mailto:Patrick.Murray@eastrenfrewshire.gov.uk).

Cabinet contact:

Councillor Ian McAlpine,  
Convener for Corporate Services

Home: 0141 638 3860  
Office: 0141 577 3107/8

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## **KEY WORDS**

Mobile Voice and Data Services, Exemption, Special Circumstances