

Report of Exchange and End User Device Manager

Report to Chief Information Officer (Corporate ICT)

Date: 11th November 2016

Subject: Contract 9HQH-JEBJ5T (LCCITS130004) - Extension of the PSN Services Schedule 14(b) - Mobile Services and 3G Dongle Services contract with Virgin Media Business Ltd.

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Council's contract with Virgin Media Business Ltd (VMB) for PSN Services Schedule 14(b) - Mobile Services and 3G Dongle Services expires on 31st March 2017. It includes the option to extend for a further period of 24 months.
2. The contract provides the Council with all its mobile voice and data services. The current Leeds City Council mobile voice and data estate comprises approx. 15,588 connections across all Directorates.
3. To ensure continuity of these mobile voice and data services to all areas of the Council, approval is sought to extend the current contract for a further 24 months, from 1st April 2017 to 31st March 2019.

Recommendations

1. The Chief Information Officer, Corporate ICT is recommended to approve the extension of the current contract for PSN Services, Mobile Services and 3G Dongle
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Services with VMB for a further period of 24 months to enable continued use of voice and data services across the Council.

1. Purpose of this report

- 1.1.** This report seeks approval to exercise the option to extend the current contract for PSN Services Schedule 14(b) - Mobile Services and 3G Dongle Services with VMB for a further period of 24 months, from 1st April 2017 to 31st March 2019.

2. Background information

- 2.1.** The Council awarded contract 9HQH-JEBJ5T (LCCITS130004) to VMB for PSN Services Schedule 14(b) - Mobile Services and 3G Dongle Services following a procurement exercise conducted against the Yorkshire and Humber PSN Services Framework. The contract was awarded on 1st April 2014 for a period of 24 months with an option to extend for a further period of 24 months.
- 2.2.** The initial contract term was from 1st April 2014 to 31st March 2016, however, as additional SIMs have been contracted during the term of the current contract, the actual amortised co-terminus end date is now 31st March 2017.
- 2.3.** The contract provides the Council with a combined total of approx. 15,588 voice and data connections. These connections help support the use of a range of devices across the Council:
 - Standard (voice only) mobile phones
 - “Smart” mobile phones, Tablets and iPads
 - Stand-alone SIMs
- 2.4.** Standard (voice only) mobile phones are used by staff during normal day to day working to enable them to be easily and readily contacted.
- 2.5.** “Smart” mobile phones (voice and data), Tablets and iPads are used by staff and by Councillors to enable them to receive emails and access files via 3G networks. Many Council service areas are also reliant on 3G data services to allow them to access applications to support their work whilst they are working remotely.

2.6. Stand-alone SIMs are fitted into Alarm Systems, CCTV, Lifts and Bus Lane Cameras, both for safety and monitoring purposes, and to support the on-going operation and management of the Council's infrastructure services.

2.7. Whilst the estate varies on a day to day basis, the currently split of the number of connections is approx:

Connection Type	Quantity
Voice Only	11,010
Voice & Data	3,542
Data Only	1,036
Total	15,588

2.8. The contract terms and conditions include the provision for VMB to make two separate technology fund payments to the Council, which are then used to fund the purchase of equipment. An initial payment has already been received against the current 24 month term of the contract. Extending the contract for a further 24 months will trigger a second technology fund payment.

3. Main issues

3.1. The Council is heavily reliant on voice and data services to support day to day operations and to assist and facilitate the provision and delivery of services to the citizens of Leeds. Continuity of these services is therefore essential. Without the extensive use of voice and data services, the Council cannot function effectively and efficiently and many essential services would suffer.

3.2. The original contract was awarded for a period of 24 months with an option to extend for a further 24 months. The decision to award the contract on this basis was to enable the Council to benefit from the receipt of two technology fund payments. One payable at the initial contract award stage, the second payable if the contract is extended.

3.3. If the contract is not extended, there is a possibility that the Council's voice and data services could be disrupted. There would be a requirement to carry out a new procurement exercise, which would be subject to the Public Contract Regulations. This

would be time consuming and costly. A recent market testing exercise indicates that rates available across the voice and data services sector are comparable to those currently available to us in our existing contract, so undertaking a procurement exercise at this stage would not generate any significant savings.

4. Corporate considerations

4.1. Consultation and engagement

4.1.1. Consultation with the following key stakeholders has been undertaken as part of the original negotiation:

- Chief Information Officer, ICT Services
- Senior Strategic Sourcing Manager, ICT Services
- Service and Infrastructure Manager, ICT Services
- Head of Service Delivery, ICT Services

4.2. Equality and diversity / cohesion and integration

4.2.1. There are no Equality and Diversity/Cohesion and Integration issues associated with this decision.

4.3. Council policies and city priorities

4.3.1. This proposal impacts on the Council priority for becoming a more efficient and enterprising council, with a focus on:

- Providing staff with ability to carry out their work wherever they are without the need to travel back to the office, therefore increasing the work they can do
- Providing staff with access to information when they need it, increasing a person's performance
- Access to staff wherever they are based
- Safety of staff in vulnerable areas, such as Social and Care workers

4.4. Resources and value for money

- 4.4.1.** This report supports the requirement of Contracts Procedure Rule 21.1 by ensuring that any contract extension demonstrates that it will deliver Best Value.
- 4.4.2.** A recent market testing exercise has shown that the current contracted rates are competitive.
- 4.4.3.** The original contract was awarded for a period of 24 months with an option to extend for a further 24 months. Extending the current contract for a further 24 month period will trigger a second technology fund payment.
- 4.4.4.** To carry out a major procurement exercise at this time would be time-consuming and costly. A recent market testing exercise indicates that rates available across the voice and data services sector are comparable to those currently available to us in our existing contract, so undertaking a procurement exercise at this stage would not demonstrate value for money. The cost of carrying out a new procurement exercise, plus potential staff-time costs involved should we need to transition the whole estate to a new service provider would far outweigh any potential savings that could be achieved.

4.5. Legal implications, access to information and call in

- 4.5.1.** The current contract was procured under a secondary competition of a Crown Commercial Services Framework and was therefore subject to the Public Contract Regulations 2006.
- 4.5.2.** The award value for the contract extension is over £250,000, and is therefore a Key Decision and eligible for call in.

4.6. Risk management

- 4.6.1.** If the current contract is not extended, a new procurement exercise, subject to the Public Contract Regulations, would need to be carried out to find a new service provider. There is the potential that if a new contract is not in place before the current contract expires, there could be a loss of voice and data services across the Council. This would have a significant impact on the Council's ability to operate efficiently, and

would seriously impair its ability to manage and deliver key services to the citizens of Leeds.

- 4.6.2.** Extending the current contract with VMB provides no risk and will ensure that continuity of voice and data services are maintained. A full procurement exercise will then be carried out during 2018 with a view to awarding a new contract to commence from 1st April 2019.
- 4.6.3.** Any day to day operational risks associated with the voice and data services supplied against the current contract will be managed as part of the contract management process.

5. Conclusions

- 5.1.** To ensure the continuity of existing voice and data services, the option to extend the contract for a further 24 months should be exercised.

6. Recommendations

- 6.1.** The Chief Information Officer, Corporate ICT is recommended to approve the extension of the current contract with Virgin Media Business Ltd for the provision of PSN Services Schedule 14(b) - Mobile Services and 3G Dongle Services for a further period of 24 months from 1st April 2017 to 31st March 2019.