



**Glasgow City Council**

**Contracts and Property Committee**

**Report by Director of Legal and Administration**

**Contact: Maureen Fitzpatrick Ext: 76406**

**Item 9**

**6th October 2022**

**The Provision of Corporate Mobile Phone Services**

**Tender Reference :- GCC005675CPU**

**Purpose of Report:**

To submit details of the Direct Award of a contract for the provision of corporate mobile phone services and recommend acceptance of the most economically advantageous tender as detailed in this report.

**Recommendations:**

The Contracts and Property Committee is requested to approve the Direct Award of a contract for the provision of corporate mobile phone services to the supplier listed below.

Vodafone Limited  
Companies House Number - 01471587

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

## **1 Background and Tender**

- 1.1 Glasgow City Council's ("the council's") spend on corporate mobile phone services from July 2021 to July 2022 was £861,779. Due to the contracts quarterly billing profile, this is the most current data available at the time of drafting this report.
- 1.2 This spend comprised; individual connections (for mobile phones and 4G enabled laptops), unlimited voice and text tariffs, shared data bundles, mobile handset devices and accessories.
- 1.3 Following the council's delegated approval procedures, as implemented during the COVID-19 pandemic, approval was granted on 11<sup>th</sup> June 2020 for the council to contract with Vodafone Limited via a Direct Award of contract under the terms of the Scottish Government's Mobile Voice and Data Framework, reference SP-19-002, for the provision of mobile phone services. Following analysis of prevailing usage patterns and forecasting, the contract was constructed based on 11,946 connections with a linked unlimited voice and text tariff and 5 terabytes shared monthly data bundle. Whilst the Framework provided handset and accessory catalogue pricing; the council did not initially intend to purchase these items through this contract.
- 1.4 The full impact of the Covid-19 pandemic and change to staff working from home where possible drove an accelerated use of technologies such as mobile access to corporate services and use of media rich content such as Microsoft Teams far beyond any previous forecasting. Additionally, there was a requirement to deploy mobile handset devices and accessories where required to front line staff.
- 1.5 Whilst the Framework and contract supports agile tariff changes to support changes in consumption; council usage was significantly higher than originally contracted for. Instead of taking up the first of two 12-month extension periods available through the current arrangement; the decision was taken to design and seek approval for a new contract.
- 1.6 A commodity team consisting of stakeholders from the Strategic Information and Technology Team (SIIT) and the Corporate Procurement Unit (CPU) was formed to develop the sourcing strategy and deliver a new contract.
- 1.7 In line with the efficiency and effectiveness aim of the Council's Corporate Procurement and Commercial Improvement Strategy 2018-2022, located at <https://www.glasgow.gov.uk/CHttpHandler.ashx?id=42092&p=0>, (which promotes consideration of National and Collaborative Frameworks), it was agreed that a direct award from the Scottish Government (SG) framework for Mobile, Voice and Data services reference SP-19-002 would be the most appropriate method to deliver this contract.
- 1.8 The duration of the contract is two years with the option to extend for a further two periods of 12 months. As per this paper, the extension options allow

business requirements to be formally reviewed and ensure best value can continue to be secured prior to any extension being implemented.

1.9 The contract will be used by the Glasgow Family

## 2 Evaluation

2.1 The SG mobile, voice and data framework is a single supplier agreement designed to provide a compliant and easy route for all Scottish public sector organisations to utilise. Awarded by the Scottish Government following an open tender process, it provides excellent tariff pricing offering various value for money options and the removal of duplication in procurement activity as key benefits of its use.

2.2 The previous sourcing strategy and recommendation of contract award paper identified two Frameworks suitable for consideration. Following benchmarking between the SG Framework and the Crown Commercial Services (CCS) Framework (reference RM3808) which included the provision of mobile services; the SG Framework rates were determined to be more competitive.

2.3 As both frameworks are still live, the commodity team revisited the original benchmarking exercise and reviewed this to account for the increased usage and changed requirements. This confirmed the SG Framework remains the most competitive and appropriate given other relevant factors such as contract duration and terms and conditions.

2.4 As per Section 1.2, the councils current requirement comprises several elements including; individual connections, voice and text tariffs, an 11 terabyte shared data bundle per month, mobiles handsets and accessories. Based on current usage and SG Framework pricing, the estimated annual cost is shown in Table A below;

**Table A**

<b>Description</b>	<b>Estimated Value (per annum)</b>
<b>Current Usage</b>	
The Provision of Corporate Mobile Phone Services	£859,875

2.5 As per Section 1.5 the council has seen its requirements change and a significant increase in usage, particularly regarding data. This trend will continue with data usage forecast to increase to circa 20 terabytes per month over the life of the contract – the terms of the SG framework allows the contract to include dynamic tariff changes to align with changing business needs and also includes a management option to support the monitoring of data usage. The forecast annual cost is shown in Table B below:

**Table B**

<b>Description Forecast Maximum Usage</b>	<b>Estimated Value (per annum)</b>
The Provision of Corporate Mobile Phone Services	£1,129,875

Only the data usage has been forecast to increase. All other components i.e. number of connections, have been calculated with the same volumes used in Table A.

- 2.6 The sourcing strategy confirmed that best value would be secured by using the flexibility of the dynamic tariff change and proactively adjusting the council's tariff to the best value tariff for prevailing requirements on an ongoing basis. Proactively aligning usage with a matching tariff also avoids out of bundle (elevated) charges being levied for the additional data consumed over the remainder of the billing month. Changes can be made incrementally in that the data sharing tariff can, for example, move from the current 11 terabytes to 12 terabytes and so on. Table B represents the overall forecast maximum usage and the option to utilise the data management service provision, if required.
- 2.7 As the recommendation is to award the contract to the incumbent there are no specific implementation activities to be undertaken. Following contract award the new tariff and associated costs will be applied.
- 2.8 CGI will monitor the supplier's day to day operational performance. Overall contract and supplier performance will be managed by SIIT.

### 3 Policy and Resource Implications

#### **Resource Implications:**

*Financial:* The projected estimated annual value, as set out in paragraph 2.5, is £1,129,875 totaling £4,519,500 over the 4 years duration of the contract.

*Legal:* The report raises no new legal issues.

The Director of Legal and Administration will be responsible for concluding the contract.

*Personnel:* No direct personnel implications.

*Procurement:* A direct award as per Section 1.7.

#### **Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's* The proposal supports the best practice in the procurement of services.

*Equality Outcomes  
2021-25*

*What are the potential equality impacts as a result of this report?*

No impact.

*Please highlight if the policy/proposal will help address socio economic disadvantage.*

Fair Work First – the recommended supplier for award, Vodafone Limited, has committed to delivering a range of fair work practices including;

- Staff directly involved with the provision of services through this framework will be paid the equivalent (or in excess) of the current Real Living Wage
- Non-use of zero hours contracts
- Investment in skills and training
- Action to tackle the gender pay gap
- Genuine workforce engagement

Community Benefits– Vodafone Limited delivers corporate community benefits as part of its appointment to the SG Framework.

Over the life of the current contract, Vodafone have delivered a number of Glasgow specific Community Benefits including;

- Undertaking mock interviews with senior pupils to support transition to the workplace
- Financial sponsorship to support Glasgow children as part of Christmas voucher schemes
- Various virtual work experience events for senior pupils

Vodafone Limited have confirmed they will deliver increased Community Benefits commensurate with the council's spend.

**Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

The service will enable the council to adapt to developing working patterns and models. This increases flexibility in decision making so climate considerations can be more fully taken account of.

*What are the potential climate impacts as a result of this proposal?*

A reduction in the volume of commuting journeys as well as supporting review and

potential rationalisation of the council estate portfolio.

*Will the proposal contribute to Glasgow's net zero carbon target?*

Vodafone Limited has committed to reaching net zero carbon emissions across their UK operations by 2027.

**Privacy and Data Protection impacts:**

No data protection impacts identified.

#### **4 Recommendations**

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