

Islington Digital Services  
7 Newington Barrow Way  
N7 7EP

Report of: Corporate Director of Resources

Date: 23 May 2023

Ward(s): All

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## Subject: Procurement strategy for Mobile Data and Telephony Contract

### 1. Synopsis

- 1.1. This report seeks approval of the procurement strategy to provide mobile phone, voice and data services to Islington Council in accordance with Rule 2.8 of the Council's Procurement Rules.
- 1.2. Islington Council entered the existing contract in 2018 as part of the tri-borough Shared Digital arrangement which included mobile data and telephony services. Following a review of the contract and an audit of the council's mobile estate it is expected that the council can benefit from savings and improvements to the service by entering a new agreement.

### 2. Recommendation

- 2.1. To approve the procurement strategy as outlined in this report.

### 3. Date the decision is to be taken

- 3.1 23 May 2023.

### 4. Background

#### 4.1. Nature of the service

The council has a rolling mobile data and telephony contract used to provide connectivity for mobile phones, lift alarm lines, electronic noticeboards and other equipment requiring mobile telephone voice and data connectivity. These services were procured in 2018 as part of the tri-borough Shared Digital arrangement.

The council's current mobile inventory consists of approximately 5,000 mobile numbers.

Following an audit of these SIMs, only those numbers which are still required will be ported on to the new agreement terms. Numbers identified as no longer being required will be ceased.

The porting of numbers from the existing provider to the new will be fully managed. From a mobile user perspective, the changeover will be straightforward and will not require on-site attendance.

This procurement strategy is for a fully managed service ensuring council staff have the necessary mobile capability required to conduct their roles in a flexible and efficient manner.

In addition to the social and cost benefits brought about by the new contract, there are additional features which will bring about service improvement including:

- Zero-touch device set-up for users. Users simply swap over their simcard to continue using existing handsets and no configuration is required.
- Improved SIM and device security allowing the council to monitor and control data usage per device
- Improved reporting and audits ensuring the council can maintain an optimal level of mobile data usage and device allocation.

#### 4.2. **Estimated value**

The funding will be via Islington Digital Services (IDS) revenue budget which has an existing budget of £330,000 per year for mobile services.

Benchmarking has been carried out via market research and an audit has been conducted on the council's mobile estate and it is expected that there will be a reduction in the mobile data and telephony annual charges.

Potential savings cannot be assessed until the Council goes to market and agrees pricing as per the RM3808 framework going forward.

The new contract term for this procurement strategy will be 2 years with an option for a further two, one-year extensions with a total estimated contract value of £1,320,000 (including both extensions).

4.3. **Timetable**

As we exit the previous contract term, the SIMs move to a rolling 12-month contract under the previous contractual terms. It is therefore prudent to audit and rationalise the number of SIMs and move to a new contract as soon as practicable to prevent the council being exposed to out-of-contract price rises and uncertain budget pressure.

The anticipated timetable to support this procurement strategy is as follows:

<b>Task</b>	<b>Date</b>
Procurement Strategy approved	March 2023
Issue Further competition via CCS RM3808	March 2023
Direct Award Evaluation/ Moderation	April 2023
Contract award	May 2023
Start date for new contract	June 2023

4.4. **Options appraisal**

A review of suitable frameworks for the procurement of the service and deployment of any new SIMs has been completed. The recommended route to market is to enter a call-off contract pursuant to Crown Commercial Services (CCS) framework agreement RM3808, Lot 6 Mobile Voice and Data Services.

The framework offers a compliant route to market for all our requirements.

Other options considered were:

**Option 1 – Do Nothing, Leave the current set up as is.**

<b>Pros</b>	<b>Cons</b>
No effort required	Potential for higher tariffs in future
	Rolling contract, limiting options for achieving value for money

### Option 2 – Use an alternate framework

Pros	Cons
	Alternate external frameworks do not offer range of supplier or services as the Crown Commercial Services (CCS) framework together with competitive pricing
	Timescales required to capture requirements to an external framework would inhibit the Councils ability to exit the existing telephony contract by the required deadline
	Savings and benefits of external framework found to be no better than that offered via CCS framework

### Option 3 – Offer an in-house service

Pros	Cons
	The Council is not licensed to provide mobile telecommunications services

### 4.5. Key Considerations

Delivering a contribution to the council's social value objectives is a key element of this procurement strategy and contract award. The supplier must demonstrate their contribution over the duration of the contract to economic, environmental, and social benefits.

The CCS (Crown Commercial Services) RM3808, Lot 6 framework agreement provides sufficient flexibility to ensure that any call-off contract will address the following social value commitments:

- What social value benefits will the supplier deliver within London Borough of Islington? E.g., contribution of expert volunteering hours and or expert business advice.

- What social value benefits will the supplier contribute to London Borough of Islington? E.g., contribution to the Council's net zero ambition: support to local small and microbusinesses within as part of their supply chain.
- How will their Digital Platform support social value within London Borough of Islington? E.g., participation in the Council's 100 Hours of the World of Work Programme.
- How will the supplier contribute towards digital inclusion within the London Borough of Islington for our residents and businesses? E.g., offering digital development and skills opportunities, better connectivity, and greater accessibility to meet service user needs including those dependent on assistive technology to access digital services.
- What social value donations can be delivered by the supplier for this contract? E.g., equipment or resources donated to VCSEs (Voluntary, Community and Social Enterprise) and or donations or in-kind contributions to local community projects.
- A commitment by the successful provider to pay at least the London Living Wage will be a requirement of the final contract agreement.

#### 4.6. **Evaluation**

The procurement exercise will be undertaken using a further competition via the CCS framework RM3808, Lot 6 Mobile Voice and Data Services. Expressions of interest will initially be sought from the 16 suppliers on the framework agreement. All suppliers that express an interest will be included within the competition.

The 'Further competition' exercise will be evaluated following the proposed award criteria

Cost 40%

Quality criteria (40%) will be split as outlined below:

- Managed service (10%)
- Migration Porting exercise (5%)
- SIM management (5%)
- Account management (5%)
- Service desk and technical support (5%)
- Network coverage (5%)
- Range of relevant products (2.5%)
- Partnership working (2.5%)

Social Value and Environment commitments (20%)

The social value considerations will be based on the National Themes Outcomes and Measures (TOM). More detail will be contained within the further competition requirements.

#### 4.7. **Business risks and opportunities**

Failure to complete a new contract will not prevent access to the mobile voice and data network for LBI mobile device users. However, the council will not be able to take advantage of the potential cost reductions, improved quality of service and improved social value benefits that this new procurement presents.

As our existing mobile estate has been transferred to a rolling 12-month contract this leaves the council subject to the risk of out-of-contract default price rises and uncertain costs against the allocated budget.

The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	
1. Nature of the service	To provide mobile phone voice and data services See paragraph 4.1
2. Estimated value	The new contract term for this procurement strategy will be 2 years with an option for a further two, one-year extensions with a total estimated contract value of £1,320,000 See paragraph 4.2

3. Timetable	Timetable identified within the report. See paragraph 4.3
4. Options appraisal for tender procedure including consideration of collaboration opportunities	The Procurement options considered are identified within the report  See paragraph 4.4
5. Consideration of: <ul style="list-style-type: none"> <li>• Social benefit clauses.</li> <li>• London Living Wage.</li> <li>• Best value.</li> <li>• TUPE, pensions, and other staffing implications</li> </ul>	The Key considerations are identified within the report.  See paragraph 4.5
6. Award criteria	The Further competition exercise will be evaluated following the proposed award criteria  40% Cost 40% Quality 20% Social Value  See paragraph 4.6
7. Any business risks associated with entering the contract	Business risks and mitigation are identified within the report.  See paragraph 4.7
8. Any other relevant financial, legal, or other considerations.	See paragraph 5

## 5. Implications

### 5.1. Financial Implications

- 5.1.1. The report seeks pre-tender approval for the procurement strategy to procure mobile and data services using the Crown Commercial Services Framework for a duration of 2 years with an option for a further two one-year extensions
- 5.1.2. The total value of the two-year contract with 2-year extension is estimated at £1,320,000. The plan is to generate some savings but it's currently unquantified. The cost will be funded from the corresponding annual budget provision (£330,000) within Digital Services.

### 5.2. Legal Implications

- 5.2.1. This report seeks pre-tender approval for the procurement strategy to procure mobile and data services using the Crown Commercial Services Framework RM3808 for a duration of 2 years with an option to extend for two years (in one-year increments).
- 5.2.2. The council has power to enter into the proposed contracts under section 1 of the Local Government (Contracts) Act 1997.
- 5.2.3. The Local Government Act 1999, requires the council to make arrangements to achieve Best Value in the exercise of its functions when considering a service provision, which includes services detailed in the body of the report.
- 5.2.4. The estimated total value of the two-year contract with 2-year extension (2+1+1) is £1,320,000. Service contracts over the financial threshold of £231,477 (including VAT) need to comply with the Public Contracts Regulations 2015 (PCR). Compliance with the PCR is met under regulation 33 by utilising an existing framework which is accessible to the council. Compliance with the PCR is also met by the council selecting a supplier from a framework established under regulation 33 of the PCR provided the services required are within the scope of the framework and the framework has not expired. In selecting a supplier, the council must comply with the award processes set out in regulation 33 PCR whereby awards can be made by direct award, mini competition or both, the terms of the framework will set out which procedure is applicable.



- 5.2.5. The proposed procurement must also comply with the councils Procurement Rules. The use of a frameworks to procure goods, services and supplies is permitted under Rule 1.7.
- 5.2.6. Under Procurement Rule 18, Corporate Directors have the power to procure and award the contracts using revenue spend of up to £2,000,000.
- 5.2.7. The decision maker can approve the recommendations provided they are satisfied with the contents of the report and the recommendations represents best value for the council.

5.3. **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

The Environmental Implications are vendor specific. A formal Environmental Implications assessment will be provided in the Award report where the specifics of the preferred vendor will be available for assessment.

5.4. **Equalities Impact Assessment**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

An Equalities Impact Assessment screening was completed in February 2023 and, given this is a refresh of existing technology, a full Equalities Impact Assessment was deemed to be not required.

## 6. Conclusion and reasons for the decision

- 6.1. The current contract for the supply of mobile services has rolled over on to a plan that does not provide good value for money or social value outcomes. In addition, it exposes the council to the risk of ad hoc rate increases. A new contract is recommended through this procurement to ensure the council benefits from cost reductions, improved quality of service and worthwhile social value benefits.

## 7. Record of the decision

7.1. I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Authorised by:

**Corporate Director of Resources**

Date: 23 May 2023

### **Appendices:**

- There are no appendices associated with this paper.

### **Background papers:**

- There are no background papers associated with this paper.

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