

	<b>Officer Key Decision</b>
	<b>Report from the Corporate Director, Finance and Resources</b>
	<b>Deputy Leader and Cabinet Member for Finance, Resources and Reform</b>
<b>AUTHORITY TO AWARD CONTRACT FOR MOBILE VOICE AND DATA SERVICES</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key Decision
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
<b>List of Appendices:</b>	Appendix 1 - Exempt
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Name: Amin Jan Job Title: Assistant Category Manager Email: <a href="mailto:amin.jan@brent.gov.uk">amin.jan@brent.gov.uk</a>

## 1.0 Executive Summary

- 1.1. This report concerns the award of a contract for Mobile Voice and Data Services for the Shared Technology Services (STS) Boroughs. This report requests authority to award contracts as required by Contract Standing Order 88. This report summarises the process undertaken in procuring a contract and recommends to whom the contract should be awarded.

## 2.0 Recommendation(s)

That the Corporate Director of Finance and Resources in consultation with the Deputy Leader and Cabinet Member for Finance, Resources & Reform:

- 2.1 Approves the pre-tender considerations set out in paragraph 3.12.

2.2 Approves the award of contract for Mobile Voice and Data Services to VMED O2 UK Limited (trading as Virgin Media O2) for an initial period of 3 years in the sum of £1,470,528, with the option to extend the contract by a further 1 year.

### **3.0 Detail**

#### **Contribution to Borough Plan Priorities & Strategic Context**

3.1 This contract will contribute to 3 of the priorities in the borough plan, namely:

- Prosperity and Stability in Brent
- A Cleaner, Greener Future
- Thriving Communities

3.2 The contract will reduce the cost of Mobile Data Services by over 49%.

3.3 Virgin Media O2 will provide annual contract specific carbon footprint reports to contribute to Councils' net zero goals. They will also work with the three boroughs to assist with the refurbishment and redistribution of mobile devices to reduce e-waste and support local digital inclusion.

3.4 Virgin Media O2 will support the training needs of each borough's local SMEs and / or charities by donating £45,000 apprentice levy. The levy will be equally apportioned across each borough. As an example, local organisation(s) may wish to increase in-house IT skills to future-proof their business and use the levy to fund an L3 data analyst role, L3 Information Communications Technicians or those focusing on cyber-security. These courses are typically 24-months in duration and will include qualifications upon successful completion.

#### **Background**

3.5 The council requires the provision of Mobile Voice and Data Services for its mobile connectivity to mobile phones, tablets and laptops. Council officers have undertaken a procurement exercise by calling off from the Lot 1 of the Crown Commercial Service Mobile Voice and Data Services Framework Agreement RM6261 (the "Framework"). Officers have identified a contractor providing the lowest priced offer in accordance with relevant criteria set out in the Framework and therefore recommend award of a contract for Mobile Voice and Data Services (the "Contract").

3.6 The mobile voice and data services to the STS Boroughs are currently provided through two contracts – Brent and Lewisham are with Vodafone Limited and Southwark is with Telefonica UK Limited (O2) now trading as Virgin Media O2.

3.7 The substantive term of the existing contract with Virgin Media O2 and Vodafone (UK) Limited have expired, and the parties are now contracting on a rolling basis. New contractual arrangement therefore need to be put in place. A new contract provides an opportunity to consolidate the two contracts into one to achieve value for money and management efficiencies.

## The Procurement Process

- 3.8 The Contract will be called off from the Framework, using the form of award and standard call off terms and conditions prescribed under the Framework.
- 3.9 The Framework permits award by way of a further competition and by way of direct award and sets out rules for the identification of the most economically advantageous contractor under both procedures. Officers consider that identification of the most economically advantageous contractor using the Framework's direct award procedure is most appropriate for the procurement of the Contract and:
- Virgin Media O2 has the lowest price out of all suppliers on the Lot 1 of the framework.
  - Virgin Media O2 being the existing provider of the majority of Mobile Voice and Data Services, require no change of sims or mobile devices. This means the majority of existing mobile phones and laptops are Virgin Media O2 service enabled.
  - Virgin Media O2 provided a very explicit response to the request for details of social value to be included in the contract. Virgin Media O2 has a comprehensive Social Value offering, including a technology fund for all 3 boroughs and free of charge professional services and project management for transition from Vodafone to Virgin Media O2.
- 3.10 In compliance with the Framework guidance, Officers have reviewed the framework information for all contractors on Lot 1 of the Framework as set out at Appendix 1. Officers have identified Virgin Media O2 as the most economically advantageous contractor. The Contract is for 3 years in the sum of £1,470,528 with a possible 1 year extension.
- 3.11 The contract will commence on 01/10/2023 and is subject to the council's usual call-in process.

## Pre-tender Considerations

- 3.12 The pre-tender considerations relevant to the Contract are as follows:

Ref.	Requirement	Response
(i)	The nature of the services / supplies / works.	Mobile Voice and Data Services
(ii)	The value.	£1,470,528 for the initial term of 3 years and possible 1 year extension
(iii)	The contract term.	3 Years – with 1 Year possible extension

<b>Ref.</b>	<b>Requirement</b>	<b>Response</b>	
(iv)	The tender procedure to be adopted.	Direct Award from a Framework	
(v)	The procurement timetable.	<b>Stage in Procurement</b>	<b>Indicative dates</b>
		Panel Evaluation	Completed
		Contract Decision	Completed
		Contract Approval	18/09/2023
		Contract Start Date	01/10/2023
(vi)	The evaluation criteria and process.	N/A – Direct Award	
(vii)	Any business risks associated with entering the contract.	No specific business risks are considered to be associated with entering into the Contract.	
(viii)	The Council's Best Value duties.	For the reasons set out in Section 3, it is considered that Direct Award will result in the Council achieving best value.	
(ix)	Consideration of Public Services (Social Value) Act 2012	The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had regard to the Public Services (Social Value) Act 2012.	
(x)	Any staffing implications, including TUPE and pensions.	There are no implications for Council staff arising from the procurement.	
(xi)	The relevant financial, legal and other considerations.	Financial – See Financial Implications at Section 5.	
		Legal – See Legal Implications at Section 6.	
		Other – N/A	

<b>Ref.</b>	<b>Requirement</b>	<b>Response</b>
(xii)	Sustainability	Given the nature and value of the Contract, it is not possible to include specific sustainability requirements.
(xiii)	Key Performance Indicators / Outcomes	Appropriate Key Performance Indicators / Outcomes will be included in the Contract.
(xiv)	London Living Wage	Given the nature of the contract it is not appropriate to include provision requiring payment of the London Living Wage.
(xv)	Contract Management	A contract manager will be appointed and appropriate contract management provisions will be included in the Contract.

#### **4.0 Stakeholder and ward member consultation and engagement**

4.1 Stakeholders from the Shared Technology Services' partners have been consulted.

#### **5.0 Financial Considerations**

5.1 Part 3 of the Council's Constitution states that the Corporate Director, Finance and Resources has delegated authority to approve the award of contracts for services / supplies valued at less than £2 million. The estimated value of the Contract is under this threshold.

5.2 The cost of the Contract will be funded from Shared Technology Services Boroughs' ICT budgets.

5.3 The total value of the contract is estimated to be £1,470,528.

5.4 The costs will be shared among the 3 organisations as follows:

Brent and LGA	Lewisham	Southwark	Total
£492,920.99	£360,867.57	£616,739.44	£1,470,528

5.5 The cost split is based on last 12 month spend. However, the Boroughs will be charged monthly on the basis of their actual service usage.

#### **6.0 Legal Considerations**

- 6.1 The value of the Contract over its lifetime is in excess of the Public Contracts Regulations 2015 (the “PCR 2015”) threshold for Services and the award of the Contract is therefore governed by the PCR 2015.
- 6.2 Officers recommend the use of a framework to procure the Contract. The PCR 2015 allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full procurement process. Call offs under the framework agreement need to be carried out in accordance with the framework rules, to include using evaluation criteria specified in the framework agreement and utilising the terms and conditions set out in the framework agreement.
- 6.3 The Council’s Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority, where call off under the framework agreement is approved by the relevant Corporate Director or Director and provided that the Corporate Director, Governance has advised that participation in the framework is legally permissible. The Corporate Director, Governance has confirmed that participation in the Framework is legally permissible.
- 6.4 The award of the Contract is subject to the Council’s own Standing Orders in respect of Medium Value Contracts. The Corporate Director has delegated power to award Medium Value Contracts in accordance with paragraph 9.5 of Part 3 of the Constitution.
- 6.5 The decision to award the contract will be subject to call-in as provided for in the Council’s Constitution. As the procurement of the Contract is from a framework, there is no requirement for the Council to observe a 10 day standstill period under the PCR 2015.

## **7.0 Equality, Diversity & Inclusion (EDI) Considerations**

- 7.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,
- 7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected

characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

- 7.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 7.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

## **8.0 Climate Change and Environmental Considerations**

- 8.1 In December 2022, Virgin Media O2 became the first telecommunications company in the world to be awarded the Carbon Trust's new Route to Net Zero Standard, at Advancing level. This is awarded to companies that demonstrate rigorous plans to cut carbon and to achieve net zero across its full value chain. Virgin Media O2 is set to become net zero across its full value chain by 2040.
- 8.2 Virgin Media O2 has developed the capability to provide contract-level carbon footprints for specific B2B services which has recently been validated by the Carbon Trust as an independent third party. The approach captures carbon emissions derived from all relevant activities: sales and activation of contracts; manufacture and logistics of mobile devices and SIM cards; energy use of purchased devices and accessories; servicing solutions; and any waste or disposal at the end-of-life of the devices. The results are presented as two measures; Measure 1 is in line with the Greenhouse Gas Protocol (GHGP) Product Footprint Standard; and a Measure 2 which excludes sources of emissions that may already be accounted for in the Council's corporate carbon footprint.
- 8.3 Virgin Media O2 will provide annual contract specific carbon footprint reports to contribute to Councils' net zero goals. The Sustainability team and Social Value Lead will work closely with the council's account team to compile the bespoke carbon reports. The contract-specific carbon footprint reports will be in the form of a PDF document and will be provided to the Council at the end of the first year of the contract term.
- 8.4 Virgin Media O2 will refurbish and redistribute mobile devices to reduce e-waste and support local digital inclusion. Should the Council wish to repurpose any legacy mobile devices, the Virgin Media O2 Social Value Lead will work with their environmental charity partner, Hubbub, and each Council to coordinate collection. This will be managed and delivered via the Community Calling Programme. As such, all refurbished devices will be used in latest phase of the programme, which is currently supporting Migrant Help UK.
- 8.5 Where possible, Hubbub will coordinate with Migrant Help UK to redistribute the devices to refugees and asylum seekers residing within each borough.

## **9.0 Human Resources/Property Considerations (if appropriate)**

9.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from the re-procurement of the contract.

## **10.0 Communication Considerations**

10.1 Shared Technology Services is leading this procurement on behalf of the London Boroughs of Brent, Lewisham and Southwark. All 3 boroughs have been consulted about the new contract and they are in support of the change.

10.2 When the contract has been signed a detailed project for transferring the mobile phone numbers (SIMs) for members and staff in Brent and Lewisham will be developed so that the change takes place with the minimum of disruption. This will include a detailed communication plan for management and staff.

**Report sign off:**

***Minesh Patel***  
***Corporate Director of Finance and Resources***