

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 11th April 2011

CONTACT OFFICER: Joanna Head (Assistant Director of Procurement & Commissioning)
(For all enquiries) (01753) 875285

WARD(S): All

PORTFOLIO: Leader, Finance and Strategy – Councillor Anderson

PART I **NON-KEY DECISION**

TENDER AWARD – MOBILE TELEPHONY AND FURNITURE

1 Purpose of Report

To present to Cabinet for their review and ratification the tender panel recommendations for the contract award of Mobile Telephony Contract to Telefonica O2 UK Limited and the Furniture Contract to AFI Group Limited.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the contract award recommendations for the:

- (a) Mobile Telephony Contract
 - (b) Furniture Provision Contract
- be approved.

3 Community Strategy Priorities

- **Celebrating Diversity, Enabling inclusion**
- **Adding years to Life and Life to years**
- **Being Safe, Feeling Safe**
- **A Cleaner, Greener place to live, Work and Play**
- **Prosperity for All**

The contracts detailed within this report provide business support services to the Council in the delivery and achievement of the Council's strategic priorities.

4 Other Implications

(a) Financial

The financial implications are contained within the main body of the report

(b) Risk Management

Recommendation	Risk/Threat/Opportunity	Mitigation(s)
Ratify the contract award notice for Mobile Telephony	Risk of not undertaking a competitive tender process: the Council would be in breach of European Union legislation and in breach of the Council's Financial Procedure Rules.	Tender process undertaken through the Official Journal of the European Union (OJEU) in accordance with legislative requirements.
Ratify the contract award notice for Furniture provision	Risk of not undertaking a competitive tender process: the Council would be in breach of European Union legislation and in breach of the Council's Financial Procedure Rules.	Tender process undertaken through the Official Journal of the European Union (OJEU) in accordance with legislative requirements.

(c) Human Rights Act and Other Legal Implications

There are no legal Implications

There are no Human Rights Act Implications.

(d) Equalities Impact Assessment

Not applicable

5. **Supporting Information**

Mobile Telephony

- 5.1 The incumbent Mobile provider at Slough Borough Council is Vodafone. The contract was awarded under the OGC Framework for Mobile Telephony in 1999. Expenditure with Vodafone in 09/10 was approx £155,000.
- 5.2 Due to the volatile nature of the Mobile Telephony market Corporate Procurement proceeded with competitively tendering the service provision.
- 5.3 The council's intention to run this tender was advertised on the Official Journal of European Union (OJEU Notice 2010-099793) and South East Business Portal on the 29th July 2010. Slough Borough Council advertised for a 2 year contract with the option to extend for a further year.
- 5.4 A restricted procurement process was chosen with the technical/price coefficient been set at (50/50). The Tender Evaluation Panel (TEP) consisted of the Procurement Officer, IT Customer Services Manager, IT Technical Administrator, Civil Parking Enforcement Team Leader and Head of Transport. The TEP drew up the selection and award criteria for the Tender Document

5.5 Following a robust evaluation of the PQQ's tender documents were issued to the following short list of companies:

1	Orange
2	O2
3	Vodafone

5.6 Written Technical Proposals were requested from short listed providers. The information required in these proposals and the criteria upon which they were evaluated is detailed in the Model Evaluation Report within Part 2

5.7 Written Financial Proposals were requested from short listed providers. The information required in these proposals and the criteria upon which they were evaluated is detailed in the Model Evaluation Report within Part 2

5.8 The evaluation of all three tender submission was performed in accordance with the EU directive. The final scores for these submissions can be found in Part 2 of this document.

Furniture

5.9 The incumbent Furniture provider at Slough Borough Council is Benton's Office Supplies. The contract was awarded for a period of 3 years in 2006. Expenditure with Benton's Office Supplies in 09/10 was approx £ 110,000

5.10 The council's intention to run this tender was advertised on the Official Journal of European Union (OJEU Notice 2010-118712) and South East Business Portal on the 08th September 2010 . Slough Borough Council advertised for a 3 year contract.

- A restricted procurement process was chosen with the technical/price coefficient been set at (20/80). The Tender Evaluation Panel (TEP) consisted of the Head of Facilities, Senior Administrator – Facilities, Moves Co-ordinator – Facilities and procurement Officer

5.11 Expressions of Interest and completed PQQ's were received from approx 38 companies. Following a robust evaluation of the PQQ's tender documents were issued to the following short list of companies:

5.12 Written Technical Proposals were requested from short listed providers. The information required in these proposals and the criteria upon which they were evaluated is detailed in the Model Evaluation Report within Part 2

5.13 Written Financial Proposals were requested from short listed providers. The information required in these proposals and the criteria upon which they were evaluated is detailed in the Model Evaluation Report within Part 2

5.14 The evaluation can be found in the Part 2 documents.

5.15 Summary of outcome

Mobile Telephony: Following extensive evaluations undertaken by the Tender Evaluation Panel O₂ was deemed to offer the best value to Slough Borough Council as follows:

- Based on the current usage volumes with the incumbent provider the total cost of the contract with Vodafone in 2009/10 was £155,000. By applying the O₂ cost model to the current usage the total cost of the contract with O₂ would have been £96,000.
- These savings are primarily derived from free on net O₂ to O₂ calls between Slough Borough Council devices.
- O₂ is also undertaking a free audit of devices (worth £5000) within the Council which is likely to drive further efficiencies
- The O₂ contract also entitles SBC to a **credit** of £50 per voice connection to O₂ (based on the current mobile phone estate this is estimated at £45,000) and £100 per blackberry device (based on the current blackberry number this is £8,000). This credit can be used against airtime or to replace old/faulty handsets.

Furniture: Extensive financial evaluations based on a Total Cost Model enabled the financial submissions of the 18 providers to be ranked with AFI Group Limited ranking first.

- Based on the financial proposals submitted by the preferred contractor and the incumbent provider the tender could generate a 55% reduction in furniture costs.

5.16 A comprehensive list of providers, who submitted full bids along with their scores awarded under the competitive process, can be found in the table contained in PART 2 of this report.

6 Conclusion

It is recommended that Cabinet ratify the contract award recommendations for both the Mobile Telephony and Office Furniture contracts.

7. Appendices Attached in Part II

Model Tender Evaluation Reports for Furniture and Mobile Telephony

8. Background Papers

None