

DECISION NO: PCCG-2014-100

OFFICE OF THE POLICE & CRIME COMMISSIONER

LEAD CHIEF OFFICER:

Nigel Stephens, Assistant Chief Officer - Resources

TITLE:

Provision of Mobile Telephony Services

DATE:

17th December 2014

TIMING:

Urgent

PURPOSE:

For Approval

1.

RECOMMENDATION

1.1

It is recommended that the contract for the Provision of Mobile Telephony Services be awarded to the Single Provider (Vodafone) on the National Police Framework for the Provision of Mobile Telephony Services which was established by the Metropolitan Police (MET). This contract award is in accordance with paragraph 20 of the Manual of Corporate Governance.

2.

INTRODUCTION & BACKGROUND

2.1

Gwent Police's current mobile telephony service provider is Everything Everywhere (EE), previously known as Orange. EE have been contracted by the force since 2009 to provide the service provision of a mobile network covering voice, data and supply of devices.

2.2

In 2009, Gwent Police utilised the National Orange Business Service Master Agreement (OBSMA) to supply the force with equipment and network services, the agreement commenced December 2009 for three years.

2.3

In 2011, a further competition was run under the National Mobile Solution II Framework (MSII). The successful provider was EE and the contract was awarded for a period of three years. During the contract period the force rolled out Blackberry devices.

2.4

Both the OBSMA and MSII have expired but there are still a number of devices that remain on three year contracts. Where device contracts have ended, they remain in use by the force on rolling contracts.

3.

ISSUES FOR CONSIDERATION

3.1

In 2011, the National Police Framework for the Provision of Mobile Telephony Services was awarded by the MET Police to Supplier A, Vodafone. The framework covers all of the requirements required by a force to establish and run an efficient mobile data/telephony service for officers and staff.


3.2

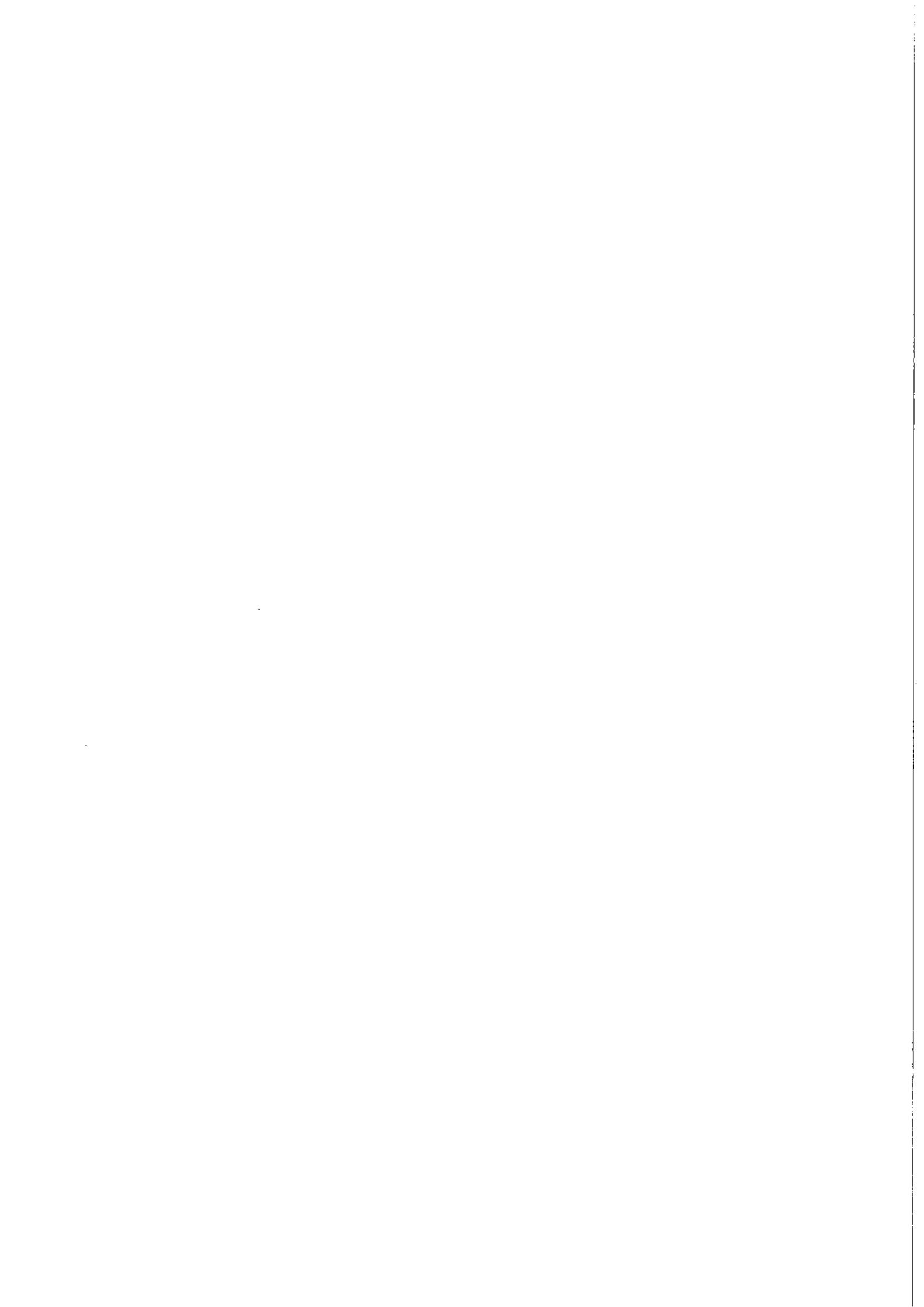
A review of the services available under the framework was carried out to establish if it was fit for purpose for the force. A cost benchmarking exercise was undertaken to establish if the National Framework would achieve savings for the force, the outcome of the benchmarking showed that significant savings would be achieved (paragraph 5.5 refers). However, it was identified that network coverage in certain geographical locations within the force area was lower than the incumbent provider.

3.3	The force's mobile data project team have raised the coverage concerns with the service provider and asked if there were any planned improvement or development of network coverage scheduled in the force area. Vodafone stated that a committed investment was being carried out across the country including within the force area, to significantly improve network coverage to high levels of 3G and 4G across the force.																																										
3.4	Maps were provided showing the planned changes which are scheduled to be in place by March 2015, other remote areas within the force boundaries would be improved but this would not be until quarter two and three of the 2015 calendar year.																																										
3.5	It has been noted that some areas within the force, Pontypool, Monmouthshire and Usk had low network coverage. These have been identified as priority areas to Vodafone which will require urgent attention.																																										
3.6	All correspondence around the proposed move to Vodafone and the concerns raised have been reported and discussed through Programme Fusion, Mobile Data Project Board and Chief Officer Team.																																										
3.7	The forces involvement with Programme Fusion, a collaborative project led by South Wales Police to develop the use of mobile telephony within forces has resulted in a joined up approach to the overall requirement of mobile telephony services. It has allowed for decisions to be made where both forces will be using the same Mobile Device Management System (MDM), Mobile Devices and Application Software System.																																										
4.	<u>NEXT STEPS</u>																																										
4.1	On approval of the report, Vodafone will be notified of our decision and relevant paper work from the National Framework will be completed and signed. It is proposed the new contract will commence on the 1 st April 2015 for a period of twenty eight (28) months in line with South Wales Police.																																										
5.	<u>FINANCIAL CONSIDERATIONS</u>																																										
5.1	The National Framework pricing shall apply to the contract. These figures are based on current data usage and a collaborative approach through Programme Fusion for devices. Mobile Voice, Data and Device Costs																																										
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5.2	The initial outlay for devices will be £300 per device, with the force requiring 1700 of these devices; total cost £510,000. This figure will be covered by the Home Office Innovation Fund which the force successfully secured for the																																										

	financial year 2014/15.																																
5.3	The monthly cost (based on 1700 devices) will be £12,000 per month, voice charges will also be added to this each month. The estimated call charge per month for the force is £2,669 per month, which equates to £1.57 per device.																																
5.4	<p>In addition, Vodafone will provide the force with a voice APN which will replicate the APN in place with the incumbent supplier; this is where specific telephony communications are redirected through the APN. The cost relating to this are detailed below;</p> <p>Voice APN Costs</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Quantity</th> <th>Cost Per Item</th> <th>Cost per Month</th> <th>Total Cost per Annum</th> <th>One off cost</th> </tr> </thead> <tbody> <tr> <td>Link Installation</td> <td>1</td> <td>£3,000.00</td> <td>-</td> <td></td> <td>£3,000</td> </tr> <tr> <td>Managed Link Rental</td> <td>1</td> <td>£416.00</td> <td>£416.00</td> <td>£4,992</td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td>£4,992.00</td> <td>£3,000.00</td> </tr> </tbody> </table> <p>In addition to these costs, call charges apply and will be billed monthly. Calls made between Gwent Police devices, other Vodafone devices, other mobiles and fixed line extensions from landlines will be reduced. The costs for these calls are detailed below;</p> <p>Voice APN Call Charges</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Costs per Minute</th> </tr> </thead> <tbody> <tr> <td>Calls to own devices/other Supplier A from Landlines</td> <td>2p</td> </tr> <tr> <td>Calls to other mobiles from landlines</td> <td>9p</td> </tr> <tr> <td>Calls from mobiles to fixed line extensions</td> <td>2p</td> </tr> </tbody> </table>	Description	Quantity	Cost Per Item	Cost per Month	Total Cost per Annum	One off cost	Link Installation	1	£3,000.00	-		£3,000	Managed Link Rental	1	£416.00	£416.00	£4,992		Total				£4,992.00	£3,000.00	Description	Costs per Minute	Calls to own devices/other Supplier A from Landlines	2p	Calls to other mobiles from landlines	9p	Calls from mobiles to fixed line extensions	2p
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5.5	<p>By utilising the National Framework the force will achieve considerable savings in comparison to the current spend on Mobile Telephony Services with the incumbent supplier. Details of the savings are detailed below and based on 1,400 devices we currently have within force;</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Current Cost</th> <th>New Cost</th> <th>Saving</th> <th>Total Saving</th> </tr> </thead> <tbody> <tr> <td>Voice Line Rental</td> <td>£2.50 per device</td> <td>£0.00 per device</td> <td>£2.50 per device</td> <td>£3,500 per month</td> </tr> <tr> <td>Data Costs</td> <td>£15.00 per device</td> <td>£7.14 per device</td> <td>£7.86 per device</td> <td>£11,004 per month</td> </tr> <tr> <td colspan="4" style="text-align: right;">Total Saving per Month</td> <td>£14,504</td> </tr> <tr> <td colspan="4" style="text-align: right;">Total Saving per Annum</td> <td>£174,048</td> </tr> </tbody> </table> <p>In addition to this saving, the force has achieved a reduced purchase price on the chosen device, the Samsung Note 4. The saving was achieved by collating the force quantities with South Wales Police to increase buying power. The original cost of the device was £425.00 each; this was reduced to £300.00 generating a £125.00 saving per device. Resulting in a total cost avoidance saving of £212,500.</p>	Description	Current Cost	New Cost	Saving	Total Saving	Voice Line Rental	£2.50 per device	£0.00 per device	£2.50 per device	£3,500 per month	Data Costs	£15.00 per device	£7.14 per device	£7.86 per device	£11,004 per month	Total Saving per Month				£14,504	Total Saving per Annum				£174,048							
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5.6	It should be noted that on approval of the report and the commencement of the new contract with Vodafone, the incumbent provider's remaining device contracts will need to be co-terminally ended at an agreed date. The force will have to pay costs to end the contracts; as at August 2014 the cost was £52,049; this figure continues to reduce each month the force uses the incumbent provider. These costs are far outweighed by the financial benefits.																																

5.7	In addition, there is a charge being issued to the force for the Minimum Expenditure Report (MER) which is currently valued at £121,773. The MER is a minimum usage charge for voice and data which was specified in the original contract document. The figure is based on estimated usage when the contracts were established; each device was required to achieve a minimum usage of £8.78 per month. This figure hasn't been achieved due to the lack of usage from a data perspective, although the voice element was achieved.
5.8	A negotiation meeting has been requested with the incumbent provider to discuss the MER and a proposed reduction in the charge that the force is required to pay.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	There are no personnel considerations related to the award of this contract.
7.	<u>LEGAL IMPLICATIONS</u>
7.1	This report has been submitted in line with the force's Manual of Governance
7.2	The National Framework established by the MET Police was carried out in accordance with the European Union (EU) Directives.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
8.1	This project/proposal has been considered against the general duty to promote equality, as stipulated under the Single Equality Scheme and has been assessed not to discriminate against any particular group.
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
9.	<u>RISK</u>
9.1	The risk for Gwent Police if the award of this contract is not approved and awarded to Supplier A are identified as; <ul style="list-style-type: none"> • The current contract with the incumbent provider is a rolling device contract, meaning there is no overarching contract in place. Therefore we would be non-compliant with the EU Regulations as current spend is in excess of the thresholds set out.
9.2	In addition, there is a risk awarding to Vodafone relating to the network coverage which has been identified in paragraphs 3.3, 3.4 and 3.5. Should Vodafone's proposed timescales for their plan to increase network coverage through the force area slip, then this would result in the force having reduced network coverage for a period of time.
10.	<u>PUBLIC INTEREST</u>
10.1	Following the approval of this report by the Commissioner, this document will be made available to the public following award.
11.	<u>CONTACT OFFICER</u>
11.1	David Hatchley, Senior Procurement Officer

12.	<u>ANNEXES</u>
12.1	 COT Options Report (MDPB).doc



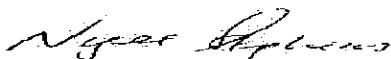
For OPCC use only

Office of the Chief Constable

I confirm that **Provision of Mobile Telephony Services** report has been discussed and approved at a formal Chief Officers' meeting.

It is now forwarded to the OPCC for **approval**.

Signature:



Date: 23rd December 2014

	Tick to confirm (if applicable)
Financial The Chief Finance Officer has been consulted on this proposal.	✓
OPCC (insert name) The Chief Executive has reviewed the request and is satisfied that it is correct and consistent with the PCC's plans and priorities.	✓
Legal The legal team have been consulted on this proposal.	N/A
Equalities The Equalities Officer has been consulted on this proposal.	N/A

Chief Executive/ Deputy Chief Executive:

I have been consulted about the proposal and can confirm that financial, legal, equalities etc... advice has been taken into account in the preparation of this report.

I am satisfied that this is an appropriate report to be submitted to the Police and Crime Commissioner for Gwent.

Signature:



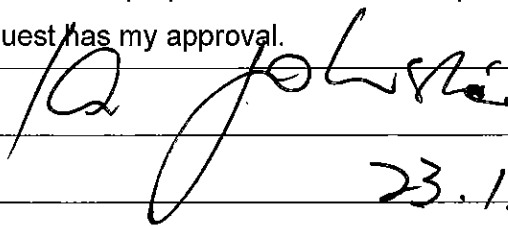
Date: 23/12/14

Police and Crime Commissioner for Gwent

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

Signature:



Date:

23.12.14

