

Report

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Report to:	Finance and Information Technology Resources Committee
Date of Meeting:	1 February 2011
Report by:	Chief Executive

Subject:	Award of Extension to Contract for the Supply and Maintenance of Small/Medium Telephone Systems
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise of the recent approval by the Chief Executive under Section 14.3(b) of Standing Orders on Contracts to enter into a 12 month contractual extension for the supply and maintenance of small/medium telephone systems with effect from 1 February 2011.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the action taken by the Chief Executive to enter into a 12 month contract extension for the supply and maintenance of small/medium telephone systems with effect from 1 February 2011 is noted.

3. Background

- 3.1. The Chief Executive recently approved a recommendation that the Council enters into a 12 month extension in terms of Standing Order 14.3(b) with Scotphone Ltd for the supply and maintenance of small/ medium telephone systems.
- 3.2. The provision of an efficient, reliable and robust telecommunications service is critical to the delivery of many Council services. Council employees at over 200 sites, predominantly schools, are provided with access to the public telephone network via small scale telephone systems.
- 3.3. Following a competitive tendering process carried out in 2005, Scotphone Ltd was contracted to provide services including the provision of new telephone systems, and maintenance of the Council's existing telephone system estate.
- 3.4. The contract period ended on 1 February 2008, and following approval, the three year contractual extension was implemented.
- 3.5. In May 2010 a team comprising of staff from IT Networks Services, Strategic Procurement and Legal Services was put in place to complete the tender process for contract renewal.
- 3.6. A review of the anticipated contract costs indicated the need for procurement via the Official Journal of European Union.

- 3.7. Following advertisement a prequalification questionnaire was issued in August 2010 to those applicants expressing an interest in tendering for this contract.
- 3.8. The Council received 15 responses of which 8 applicants were unsuccessful in the Council's evaluation of their financial status. Of the remaining 7 applicants, only one applicant (the incumbent) satisfied the technical evaluation criteria.
- 3.9. A review of the evaluation criteria took place and it was found that although a number of applicants failed the financial evaluation, they did offer a very compliant technical submission.
- 3.10. The team agreed that the pass/fail criteria of the financial assessment should be replaced with a subjective scoring system. This would enable the Council to carry out a more detailed in-house evaluation of each Applicant's financial accounts.
- 3.11. Following subsequent discussions it was agreed to suspend the tender process, and re-tender with the revised financial evaluation criteria. This decision was reached as the Council would be unable to test the market place fully and satisfy Best Value within the confines of the current evaluation criteria.
- 3.12. There was insufficient time to complete the OJEU restricted procurement process and renew the contract by 1 February 2011. There is therefore a requirement to extend the current contract.
- 3.13. The extension sought was initially for a 3 month period but this would have incurred additional unbudgeted costs. A one year extension attracts no additional costs.

4. Contract Performance

- 4.1. The contractor has delivered the service to the agreed standard throughout the term of the contract.

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. The supplier has confirmed that the cost for an onsite engineer will increase from £65 to £75 for the first hour, and £40 to £50 per hour thereafter. These prices, which have not changed since 2005, are due to inflation and fuel price increases.
- 6.2. The supplier has confirmed that the existing cost for the supply and maintenance aspects of the contract will not change.
- 6.3. The extension will be funded and operated by the existing customer budgets.

7. Other Implications

- 7.1. None.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. There is no requirement to carry out an impact assessment in terms of the proposals contained within this report.
- 8.2. The Council's Legal Services section was fully consulted in regard to this report.

Archibald Strang
Chief Executive

20 December 2010

Link(s) to Council Values/Improvement Themes/Objectives

- ◆ Value: Accountable, effective and efficient

Previous References

Finance and Information Technology Resources – 6 May 2008

List of Background Papers

- ◆ Proposal from Integrated Communications (Scotland) Ltd., offering to extend contract

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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