

5.3 TENDER FOR MOBILE SERVICES

(CF2019043: AJ)

Responsible Officer: Jarrod Doake, Chief Operating Officer

RECOMMENDATION*That Council:*

1. *Awards the tender from Telstra Corporation Ltd. And Optus Networks Pty. Ltd. for Mobile Services, Contract No. 2019043 for a schedule of rates based contract with an estimated annual contract value of \$215,694 (Telstra) and \$11,340 (Optus) for a total of \$227,034 and an estimated total contract value of \$908,136 inclusive of all available extension options;*
2. *Authorises the Chief Executive Officer or her delegate to execute the contract agreement; and*
3. *Notes that the contract will commence from 2nd May 2019, with an initial term of 2 years and the contract has two extension options of 1 year each and authorises the Chief Executive Officer to approve extension options subject to satisfactory performance.*
- 4.

*(*Please note that all dollar figures are GST Inclusive unless stated otherwise)***INTRODUCTION**

Council has tendered for State Government: Monash Mobile Services (Ref: TPAMS 2025)

BACKGROUND

City of Monash, via State Purchase Contracts, contract TPAMS2025 – Telecommunications, has conducted a request for quote for the supply of Mobile Services.

City of Monash has 548 mobile services currently provided by Optus Networks Pty. Ltd. It has been reported during the contract period that coverage issues within the municipality are impacting Council operations and staff performing their roles.

Issues has also been reported outside the municipality impacting staff mobility and the ability to work remotely.

Although Telstra has better coverage in general, data transfer tests performed at some Council sites has reported Optus to have better data transfer rates at specific locations.

NOTIFICATION

Two Tenderers were selected from the State Government Purchase Contracts, contract TPAMS2015 – Telecommunications. TPAMS 2025 Telecommunications Services Contract is State Purchasing Contract (SPC) accessible to Councils across Victoria. The contract is a result of a competitive and rigorous tender process in line with the Victorian Government Purchasing Board, thereby satisfying Council procurement requirements.

These two tenderers were selected because they are the only panel members able to provide comprehensive mobile coverage within and outside the municipality.

The Tenderers were invited via Council's e-Tendering portal on 17 January 2019, to submit a tender, with a closing date of 2 pm on 1 February 2019.

TENDERS RECEIVED

Tender submissions were received from the following two (2) suppliers by the appointed closing time.

Count	Tendering Respondent
1	Telstra Corporation Ltd
2	Optus Networks Pty Ltd

Tender Conformance:

All submissions were assessed for their compliance with the tender conditions including the contractual terms and conditions and the requirements of the response schedules.

All tender submissions were deemed conforming.

TENDER EVALUATION

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms and no conflicts were raised.

Evaluation Criteria:

The tenders were assessed in accordance with the evaluation criteria published in the tender documentation: *(Note: Financial Viability may be treated as either a weighted percentage or pass/fail)*

Key	Key Evaluation Criteria	Weighting (%)
Non-Price (40%)	<i>Network Coverage</i>	<i>20%</i>
	<i>Suitability</i>	<i>10%</i>
	<i>Timeframes</i>	<i>5%</i>
	<i>References</i>	<i>5%</i>
Price (60%)	<i>Price</i>	<i>60%</i>
	Total	100%
Mandatory Items	<i>Completed and signed Quotation Response Form and Respondent Declaration Insurance Certificates of Currency (as outlined in the Respondent Declaration) Australian Business Number (ABN) Certification Australian Company Number (ACN) Certification ISO or other Certification of a OHS&R Management Systems</i>	Pass/Fail

DISCUSSION

The following information supports the evaluation panel's recommendations.

The invited suppliers, Telstra Corporation Ltd. and Optus Networks Pty. Ltd., provided very similar solutions and pricing.

Based on user feedback, Telstra's coverage around Monash municipality is generally better than Optus's coverage. However, data transfer test results, at some Council locations, shows Optus performance to be superior to Telstra's data transfer rate.

In order to provide the best possible outcome to the City of Monash, it is recommended that Council engages both Telstra Corporation Ltd. and Optus Networks Pty Ltd., to provide mobile services to City of Monash.

Mobile services would be ported to either supplier based on user/location requirements. It is estimated that around 95% of Council services will be ported to Telstra, with 5% or less to remain with Optus.

For this category, the panel confirms that two suppliers are required to satisfy Council's service needs.

1. Telstra Corporation Ltd.
2. Optus Networks Pty. Ltd.

As such, the evaluation panel recommends these suppliers as representing the best value outcome for Council.

FINANCIAL IMPLICATIONS

City of Monash current mobile fleet consists of 548 services. Optus Networks Pty Ltd. provides the service. The current contract mobile plan is \$48 per service per month.

The proposed mobile plan is \$34.50 per service per month (Telstra) and \$35.00 per service per month (Optus). It represents savings of approximately 28% compared to the previous plan and best value proposition including unlimited calls and SMS messages within Australia and shared data pool for Council mobile services.

Estimated current Annual Cost inc GST	Estimated Annual Cost inc GST	Annual Savings
\$ 315,648	\$ 227,034	\$ 88,614

It is anticipated that approximately 95% of current services would be provided by Telstra and the remaining 5% of services by Optus.

CONCLUSION

That Council approves the recommendations contained within this report.