

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 05 <sup>th</sup> February 2020	<b>Meeting Name:</b> Strategic Director of Environment and Leisure
<b>Report title:</b>		<b>Gateway 1 Procurement Strategy Approval</b> Procurement strategy for CCTV repairs and maintenance contract	
<b>Ward(s) or groups affected:</b>		All wards	
<b>From:</b>		Head of Regulatory Services	

## RECOMMENDATION(S)

1. That the Strategic Director of Environment and Leisure approves the procurement strategy outlined in this report for a single CCTV repairs and maintenance contract via a new framework agreement in partnership with the London Boroughs of Hounslow, Ealing and Islington. The framework duration will be 4 years commencing October 2020, with an estimated total contract value of £640,000.

## BACKGROUND INFORMATION

2. Southwark CCTV team currently manages 482 town centre, housing estate and open space cameras, as well as 18 re-deployable cameras. These are monitored from the CCTV control room based at Southwark Police Station. Through a camera sharing agreement with Transport for London the control room also has access to a further 70 Transport for London owned cameras located on red routes throughout the borough. The control room is staffed by 9 operators on a 24/7 basis providing support to partners in the prevention and detection of crime and anti social behaviour.
3. The repair and maintenance of the cameras, backhaul, CCTV operating system, recording platform, monitor wall and operator workstations is currently contracted to Tyco Fire and Integrated Solutions Ltd (trading as Tyco Fire and Security). The contract was awarded at a value of £610,739 for 4 years, with a contract completion date of 31st July 2020.
4. Due to an increased number of camera systems coming online, such as the Brandon Estate Tenants and Residents Association (TRA) six camera system and Burgess Park Open Space System, the total repairs and maintenance requirement has increased the contract value for the four year term to £627,454.
5. The incumbent CCTV repairs and maintenance contract covers the following systems and equipment:
  - Central CCTV control room
  - CCTV transmission network
  - Town centre, housing estate and relevant open space CCTV systems
  - Redeployable CCTV cameras
  - Planned replacement of cameras and other CCTV equipment
  - Transmission between partners' CCTV systems and the CCTV control room

6. The current contract consists of three main elements:
  - Contract Maintenance: to respond to all incidents/faults reported by the council within the designated response time and effect a repair or replacement. Provision of a fully comprehensive maintenance service 24 hours a day/365 days per year.
  - Planned Preventative Maintenance: To carry out a periodic (every 6 months) inspection/routine maintenance.
  - Chargeable Maintenance: Minor works that are not considered by the council as reactive contract maintenance or planned preventative maintenance, including repairing faults arising as a result of third party actions or default (for example vandalism or accident damage) and modification works.
7. Southwark initially held discussions with the London boroughs of Islington, Ealing and Hounslow on the potential to join a framework procurement in October 2018, with the London Borough of Islington being the lead procurer. Delays with progress against this route were encountered as LB Islington removed themselves from the development of the framework procurement.
8. The LB Hounslow subsequently agreed to be the lead borough for the framework procurement in February 2019 and discussions began again in August 2019.
9. In March 2019 LB Islington re-joined discussions to enter into the framework procurement.
10. A meeting was held by the lead borough in December 2019 with all relevant boroughs to discuss next steps and proposed timescales.

### **Summary of the business case/justification for the procurement**

11. The council has a statutory duty under S.17 Crime and Disorder Act 1998, to do “all it reasonably can to prevent crime and disorder in its area” (including anti-social and other behaviour adversely affecting the local environment).
12. CCTV is an essential component supporting partners in the prevention and detection of Crime and Anti-social behaviour.
13. The council is required to maintain its public space surveillance systems as part of the Surveillance Camera Code of Practice laid out by the Surveillance Camera Commissioner (SCC). Failure to have an effective and clear maintenance process in place would result in the failure to meet statutory guidance.
14. The current repairs and maintenance contract is due to end on the 31<sup>st</sup> July 2020. Other procurement routes i.e. sole procurement by Southwark through competitive tender process via EU restricted procedure would involve significant officer resource and time, which may be more costly to the council.

### **Market considerations**

15. There are a number of specialist organisations in the market place with the experience and expertise of delivering the range and scale of services required for the framework.

16. Due to the size, wide spread geographical area and evidential requirements of our system, the council's public space CCTV system requires a dedicated specialist supplier for maintenance. The technical requirements of the system and the standard of support, development and maintenance required to deliver a service fit for purpose means that a conventional security CCTV maintenance provider would be insufficient. As a result, it is important that a specialist CCTV supplier is contracted to provide the specific technical knowledge and expertise required by our system.

## KEY ISSUES FOR CONSIDERATION

### Options for procurement route including procurement approach

Options	Rationale / Recommendation
<b>Do Nothing</b>	To not tender a repairs and maintenance service for CCTV would mean that the council would be in breach of the Surveillance Camera Commissioner's Code of Practice, leading to reputational damage. CCTV cameras and systems would not be repaired and would lead to the failure to support key partners in the prevention and detection of Crime and Anti-social behaviour. Not an option
<b>In Sourcing</b>	The CCTV system, cameras and its associated transmission system incorporates a wide range of integrated technologies, which are installed across various different infrastructures such as high rise buildings and CCTV columns. (Fibre transmission, wireless transmission, analogue and IP cameras, storage arrays and command systems). The In-house teams within the council, such as electrical engineers, ICT teams and facility maintenance engineers do not have the specialist competencies, plant and test equipment to undertake the preventative and reactive maintenance. In addition, ensuring skills are kept up to date within the rapidly developing IP transmission and CCTV industry, as well as the continually developing software packages, will be a large investment for the council to service a single internal contract. Not an option.
<b>Competitive Tender</b>	A competitive tendering exercise undertaken by Southwark. This would involve using the approved list or public advertisement. This would be time and resource intensive. The nature, scope and specialised nature of the services in this contract means the council's approved list is not appropriate. Not an option
<b>Single Supplier Negotiation</b>	This route is not appropriate because under Contract Standing Orders (CSOs) the contract value requires that at least five tenders be invited for consideration. Not an option
<b>Other frameworks</b>	London boroughs of Hounslow, Ealing and Islington are progressing with the joint procurement of repairs and maintenance for CCTV under a framework agreement,

	led by the LB Hounslow. It is envisaged that this will provide the most economically advantageous tenders through economies of scale. <b>Recommended option</b>
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17. A joint procurement by the London Boroughs of Hounslow, Ealing and Islington will make the contract opportunity more attractive to suppliers and will most likely deliver better value for money within their tender. London Borough of Hounslow has agreed to pay the legal fees for the procurement advice / support, whilst the cost of consultancy provided by Cognetix (specialist with regard to CCTV) will be equally shared between all boroughs participating, estimated at £3,100 per borough.
18. A Gateway 3 report will be prepared in order to vary the existing contract to allow time for this framework procurement process to be completed. Contract variation will be for a 12 month period at a value of £160k, in line with current annual repairs and maintenance contract value. There will be a termination clause within the extension contract allowing us to enter into the framework once awarded.

### **Proposed procurement route**

19. This report seeks strategic director approval to allow Southwark to join a procurement process that will follow an EU restricted procedure, led by the London Borough of Hounslow to create a framework contract.
20. The Framework will be for a 4 year period and let under a single lot providing;
  - Lower procurement costs and officer time requirements
  - Lower overall contract costs as a result.
21. It is envisaged that savings on the total contract value should be realised through economies of scale as the framework is being let for use by multiple councils.
22. The estimated total value of the repairs and maintenance contract for Southwark under the framework agreement is £640,000 over 4 years which is above the EU threshold for contracts for services awarded by public sector authorities; therefore the EU public procurement directives apply.
23. The framework contract will include: CCTV maintenance comprising of a specification for a schedule of rates for a maintenance response service for cameras, the control room, communications / server room, remote sites and wireless networks. This is in line with the current service provision.
24. Infrastructure works will include a specification for a schedule of rates for all and any new camera sites, system upgrades or control room enhancement, relocations (including the relocation of the redeployable cameras), integrations and building works associated with CCTV. This is in line with current service provision.
25. The CCTV maintenance contract period is from 1 October 2020 – 30 September 2024.

## Identified risks for the procurement

Risk	Risk level	Mitigation
Challenges to award decision	Low	Ensure procurement is carried out in line with EU / UK regulations and guidance. Evaluation methods to be clearly identified within procurement documents and evaluation carried out as stated.
Finance – Bids come in over estimated value	Low	Joint framework should deliver economies of scale. The CCTV technical consultant contracted to Southwark will provide advice on whether the tendered rates are considered to reflect current market prices.
Finance – Supplier failure	Medium	Due to size of contract under the framework, financial checks will be carried out on the winning bidder to ensure they are financially stable.
Lack of bids	Low	Market research suggests that there may be between 4-5 suitable providers in the marketplace.
Framework not awarded to proposed timescale – potential to leave Southwark out of R&M contract	Medium	GW3 will be done for 1 year extension, with the option to terminate early if the procurement process completes on time.
Regulations and guidance may alter when the UK leaves the EU	Low	Procurement Team to advise of any alterations and ensure any new regulations or guidance is passed on to and considered by the lead procurer.
One or more of the other boroughs decides to remove themselves from the framework – leading to prices under economy of scale being affected.	Low	<p>Post award - contract guarantees no volume or value. Schedule of rates will be fixed so that even if a borough leaves the framework, Southwark will still benefit from pricing agreed as part of the terms and conditions.</p> <p>Pre-award – potential to negotiate fixed prices if two or more borough remove themselves from the process.</p>
That Southwark's repairs and maintenance for the CCTV is affected by contract resources being allocated to other boroughs within the framework	Low	Framework will consist of an SLA with agreed response and repair times for all boroughs.

26. Failure to procure a new contract under the framework agreement would mean that the local authority would need to go out to tender for the contract via the EU public procurement route. This is likely to lead to delays to repairs of faults, downtime in CCTV systems, resulting in the risk of prevention and detection of crime and anti-social behaviour resulting in the potential impact of reputation.
27. The lack of a formal contract has previously resulted in extended fault response and repair times and a lack of control over cost and duration of any proposed installations/small works. A contract with detailed specification will ensure service level agreements are in place and that the service meets the council's operational needs.

### **Key /Non Key decisions**

28. This report is a non key decision

### **Policy implications**

29. CCTV is a key service within the council that supports the council plan commitments:

A safer community – This commitment states that 'Everyone has the right to feel safe and be safe'. CCTV is a key partner in preventing and detecting crime and anti-social behaviour.

30. A greener borough - CCTV work with partners to deliver against the following commitments;
  - 'have zero tolerance on fly tipping and double the number of people we catch and enforce against who illegally dump in the borough'.
  - 'Improve our high streets with timed waste collection'
31. The council has a statutory duty under S.17 Crime and Disorder Act 1998, to do all it reasonably can to prevent, crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment). CCTV is an essential component supporting partners in the prevention and detection of Crime and Anti-social behaviour.
32. CCTV also supports relevant partnership priorities within the Community Safety Partnership Service such as seeking a reduction in knife crime, youth violence.

## Procurement project plan (Non Key decisions)

Activity	Complete by:
DCRB Review Gateway 1:	05/02/2020
Brief relevant cabinet member (over £100k)	05/02/2020
Approval of Gateway 1: Procurement strategy report	06/02/2020
Completion of tender documentation	27/01/2020
Publication of OJEU Notice	10/02/2020
Publication of Opportunity on Contracts Finder	10/02/2020
Closing date for receipt of expressions of interest	12/03/2020
Completion of short-listing of applicants	06/04/2020
Invitation to tender	08/04/2020
Closing date for return of tenders	18/05/2020
Completion of clarification meetings/presentations/evaluation interviews	09/06/2020
Completion of evaluation of tenders	10/06/2020
DCRB Review Gateway 2: Contract award report (virtual)	12/06/2020
Approval of Gateway 2: Contract Award Report	19/06/2020
Debrief Notice and Standstill Period	25/06/2020
Contract award	01/07/2020
Add to Contract Register	02/07/2020
TUPE Consultation period (if applicable)	30/09/2020
Place award notice in Official Journal of European (OJEU)	02/07/2020
Place award notice on Contracts Finder	02/07/2020
Contract start	01/10/2020
Initial Contract completion date	30/09/2024

### TUPE/Pensions implications

33. This procurement may have TUPE implications for external service providers where they do not take part, or are unsuccessful in the tendering exercise. The providers and their staff could potentially be affected by the implementation of the new contracts. There will not be any TUPE implications for Southwark Council staff as none currently deliver the services to be procured.
34. Whether TUPE applies at the point of contract award will depend on whether the incumbent providers continue to be the providers with whom Southwark contracts and other prevailing circumstances.

35. Should there be a change in service provider and the service remains substantially the same it is anticipated that TUPE may apply.
36. Due diligence work will need to be carried out and staffing information sought from the current providers. Once this due diligence information is provided the full TUPE (and any pension implications) can be more closely determined. The due diligence information will, as relevant, also be made available to bidders within the tender documentation pack.

### **Development of the tender documentation**

37. A specification will be developed with input from all participating boroughs under the proposed framework in conjunction with a technical specialist. Supplier selection questionnaire (SSQ) and Invitation to tender (ITT) documents will be developed by the lead borough LB Hounslow team in conjunction with their departmental procurement team, a technical advisor, legal contracts and finance teams. Input will be provided by the other named boroughs.

### **Advertising the contract**

38. The contract will be advertised by LB Hounslow in the Official Journal of the European Union (OJEU) and the contracts finder.

### **Evaluation**

39. The repairs and maintenance of CCTV cameras and systems will have a significant impact on the council's ability to meet statutory guidance from the Surveillance Camera Commissioner as well as the ability to support partners in the prevention and detection of crime and anti-social behaviour. It is imperative the works are carried out to a high standard to protect the council's asset, reputation and support the council commitment for every resident to feel and be safe. All other boroughs intending to enter into the framework have previously tendered using a 60:40 price/quality ratio and have proposed the same ratio for this framework. Therefore it is intended that the evaluation will be assessed using a 60% price and 40% quality ratio. This has been agreed by all boroughs proposing to take part in the framework procurement.
40. Social value will be considered under the quality assessment criteria. The evaluation process will be managed by the lead borough (LB Hounslow). Shortlisting and the evaluation of the bids will be undertaken by a panel comprising of the CCTV managers, business unit managers and the departmental procurement manager from each Borough and a finance representative from Hounslow. All Boroughs hold a contract with a common technical consultant Cognetix Ltd who will also form part of the panel.
41. The evaluation methodology will be detailed in the ITT.

### **Community impact statement**

42. The Public Sector Equality Duty imposed by the Equality Act 2010 states that public authorities must give 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share protected characteristics (including disability) and those who do not. The procurement of this contract is intended to provide benefits to all sections of the community and be broadly reflective of service users, residents, business owners and business users in areas of CCTV coverage.

43. All areas of the borough are affected by crime, anti social behaviour and fear of crime but they do not affect everybody equally. CCTV plays a significant role in reducing, deterring and detecting crime and anti-social behaviour in known hot spots: it also increases public reassurance by reducing the fear of crime.
44. A fully functional CCTV system is necessary to fulfil our statutory obligation arising from S.17 of the Crime and Disorder Act 1998 and SCC code of practice.

### **Social Value considerations**

45. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.
46. The council requires that any bid received must be based on the London living wage (LLW). To assure the LLW scales are exceeded, staff salaries will be covered at the SSQ stage and in future contract monitoring meetings.

### **Economic considerations**

47. Consideration has been given to the possibility of building in local economic benefits to the contract. However, as this is specialist procurement the usual routes through advertising locally, engagement in partnership schemes, and requiring suppliers to use local companies are not appropriate.

### **Social considerations**

48. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to:
  - (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not;
  - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
49. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equalities Duty also applies to marriage and civil partnership, but only in relation to (a) above. There are considered to be no equalities issues arising from the procurement of this contract, since the scheme is intended to generate benefits for all individuals and groups within the local community.

### **Environmental/Sustainability considerations**

50. The contract award will require that the successful contractor will sign a declaration to commit to work with the local authorities to minimise their

environmental impact, and be able to demonstrate the effectiveness of this commitment through the life time of the contract.

### **Plans for the monitoring and management of the contract**

51. A specification, including minimum service levels will be developed for CCTV installation, repairs and maintenance contract. The specification of the contract will be overviewed by the CCTV management team.
52. The performance of the contractor /supplier will be monitored within existing resources through contract monitoring meetings to be held every month. These will have a clear agenda and be held monthly and minuted for the duration of the contract.

### **Staffing/procurement implications**

53. Not applicable

### **Financial implications**

54. The total estimated value of the CCTV repairs and maintenance contract is £640,000 over four years with an annual average of £160,000.
55. The estimated cost of the repairs and maintenance contract is based on the current annual cost (2019/20) for repairs and maintenance for CCTV cameras and systems in the borough. The number of cameras is not expected to increase significantly over the contract period, which would affect future costs of repairs and maintenance as they are volume-driven.
56. The existing base budget of the CCTV is sufficient enough to meet the £160,000 estimated annual cost of the contract. The contract will be monitored on a regular basis as part of the departmental revenue monitoring process.

### **Investment implications**

57. Not applicable

### **Legal implications**

58. Please see concurrent from the Director of Law and Democracy

### **Consultation**

59. Not applicable

### **Other implications or issues**

60. Not applicable

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

61. This report seeks approval from the Strategic Director of Environment and Leisure to participate in a joint procurement exercise with the London Boroughs of Hounslow (lead borough), Ealing and Islington for CCTV repairs and maintenance contract.
62. The procurement will create a framework for the 4 Boroughs to use for a period of 4 years commencing October 2020. The total contract value for Southwark will be £640k for the 4 years.
63. The value of the framework for these services means that they are both subject to the tendering requirements of the Public Contract Regulations 2015 (PCR15) and the council's Contract Standing Orders. This procurement route should maximise competition and ensure that the participating Boroughs achieve the best value for money.

### **Director of Law and Democracy**

64. This report seeks approval of the procurement strategy for a CCTV repairs and maintenance contract involving a joint exercise with the London Boroughs of Hounslow, Ealing and Islington to create a framework. The procurement strategy is consistent with the council's statutory duties and powers and its corporate policy objectives.
65. The estimated value of the proposed framework is such that the procurement is subject to the application of the (EU) Public Contracts Regulations 2015 and the council's Contract Standing Orders (CSOs). The report advises that Hounslow (as lead borough) will conduct an EU compliant process and that tenders will be evaluated in line with a methodology which has been agreed by all of the participating boroughs.
66. The decision to approve the report recommendation is one which may be taken by the Strategic Director in line with CSOs.

### **Strategic Director of Finance and Governance (EL19/077)**

67. This report seeks approval from the Strategic Director of Environment and Leisure for the procurement strategy outlined in this report for a single CCTV repairs and maintenance contract via a new framework agreement in partnership with the London Boroughs of Hounslow, Ealing and Islington. The strategic director of finance and governance notes that the framework duration will be 4 years commencing October 2020, with an estimated total contract value of £640,000.
68. The strategic director of finance and governance notes that the funding for the contract will be from existing departmental revenue budgets and that there are no additional financial implications arising from this contract at this stage.
69. All staffing and other related costs to be contained within existing departmental revenue budgets.

**PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS**

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report.



Signature .....

Date: 7<sup>th</sup> February 2020

Designation: Strategic Director of Environment & Leisure

**PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:**

- 1) All key decisions taken by officers
- 2) Any non-key decisions which are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available.

<b>1. DECISION(S)</b>
As set out in the recommendations of the report.

<b>2. REASONS FOR DECISION</b>
As set out in the report.

<b>3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION</b>
As set out in the report.

<b>4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION</b>

<b>5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST</b>
<i>If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.</i>

**5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST**

*If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.*

**6. DECLARATION ON CONFLICTS OF INTERESTS**

**I declare that I was informed of no conflicts of interests.\***

**or**

**I declare that I was informed of the conflicts of interests set out in Part B4.\***

(\* - Please delete as appropriate)

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Title of document(s)	Title of department / unit Address	Name Phone number
Link: ( Insert hyperlink here)		
Title of document(s)	Title of department / unit Address	Name Phone number
Link: (Insert hyperlink here)		

## APPENDICES

No	Title

## AUDIT TRAIL

<b>Lead Officer</b>	David Littleton, Head of regulatory Services	
<b>Report Author</b>	Tracy Umney, Unit Manager - Environment and Community Protection Sarah Pope – CCTV Manager	
<b>Version</b>	Final	
<b>Dated</b>	February 2020	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (for housing contracts only)	No	No
Cabinet Member	Yes/No	Yes/No
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes/No
Corporate Contract Review Board	No	No
<b>Cabinet Member</b>	Yes/No	Yes/No
<b>Date final report sent to Constitutional /Community Council/Scrutiny Team</b>		

**BACKGROUND DOCUMENT -CONTRACTS REGISTER ENTRY FORM - GATEWAY 1**

Contract Name	CCTV Repairs and maintenance
Contract Description	CCTV Repairs and maintenance framework
Contract Type	Framework
Lead Contract Officer (name)	Sarah Pope (CCTV Manager)
Lead Contract Officer (phone number)	0207 525 1010
Department	Environment and Social Regeneration
Division	Regulatory Services
Procurement Route	EU tender
EU CPV Code (if applicable)	
Departmental/Corporate	Departmental
Fixed Price or Call Off	Fixed price
Contract Total Value	£640,000
Contract Annual Value	£160,000
Contract Start Date	1 <sup>st</sup> October 2020
Initial Term End Date	30 <sup>th</sup> September 2024
Number of Remaining Contract Extensions	Not applicable
Contract Review Date	30 <sup>th</sup> September 2023
Revised End Date	Not applicable
SME/ VCSE (If either or both include Company Registration number and/or registered charity number)	Not applicable
Comments	Not applicable
London Living Wage	Yes

On approval by the decision maker this document should be passed to the member of staff in your department who is responsible for keeping your departmental contracts register up to date.