

Cabinet Member Delegated Decision Report 03 April 2019

Report title: The Supply, Installation & Maintenance of CCTV Infrastructure

Wards: All

Report Authorised by Bayo Dosunmu, Strategic Director, Resident Services

Portfolio: Councillor Claire Holland, Cabinet Member, Environment & Clean Air

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Report summary

This report seeks authority to award a contract to TYCO Integrated Services following the completion of a procurement process for the provision of a Parking CCTV enforcement maintenance contract and for the supply of new CCTV enforcement hardware (CCTV Cameras).

The total cost of these contracts was above the OJEU threshold for supplies and services and an OJEU process was required. However, as a Framework was already in place to procure these services, this tender was procured as part of a further competitive exercise, conducted under ESPO framework agreement ref. 628 Security and surveillance equipment & services - Lot 1a - Design, consultancy, supply and installation, commission, servicing and maintenance of public space CCTV.

There was no formal approval in place for the spend from 01 March to 03 April 2019 therefore the Cabinet Member is asked to note spend made during this period.

Finance summary

A budget of £1.748m will be required to deliver the services procured under this contract over the next four years. These costs, which are outlined in part 2, will be met from the Parking Reserves and Parking Revenue. Total savings of £470,000 have been achieved on this procurement and are outlined in full in the Part II report.

Recommendations

- (1) To note the spend from 01 March to 03 April 2019 for an amount of £36,416.67.
- (2) To award a contract to start on 03 April 2019 for a period of 4 years to 28 February 2023 to TYCO Integrated Services Ltd for the supply, installation and maintenance of CCTV infrastructure for an amount of £1,711,583.33 and a total contract value of £1,748,000.

Reason for Exemption from Disclosure

The accompanying Part II of this report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972.

Paragraph three: Information relating to the financial or business affairs of a particular person. (Including the authority holding that information)

1. Context

- 1.1 The Council's Parking Services operate a CCTV Suite of thirty-nine fixed cameras, a digital recording system and nine Automatic Number Plate Recognition (ANPR) cameras that record vehicles committing moving traffic, parking keep clear areas and bus lane contraventions from its control room.
- 1.2 CCTV enforcement is used to monitor and enforce moving traffic offences and used to enforce driving in bus lanes as well as some Parking Contraventions. The cameras are used to:
- Deter motorists from driving in bus lanes
 - To ensure the bus network is kept clear
 - To reduce congestion and improve air quality
 - To deter motorists deliberately taking wrong turns on the roads which can lead to danger to other road users and pedestrians
 - To encourage road users to use public transport instead of driving
- 1.3 The fixed CCTV cameras are operated by Parking Civil Enforcement Officers who monitor multiple cameras and capture potential contraventions. The footage is then reviewed by another Civil Enforcement Officer to ensure non-compliance is observed before issuing the Penalty Charge Notices (PCNs). In 2017/18, 79,974 PCNs were issued to drivers who contravened traffic and parking regulations.
- 1.4 Following a competitive tender, the current contracts were awarded to Tyco Integrated Systems Ltd, on 1 May 2009 for three years, with an option to extend for another two years. There are currently two contracts in place, the CCTV Digital Upgrade Contract, C002591, which provides the necessary IT software to operate the system and the CCTV Digital System Maintenance and lease of ANPR cameras - C002592 which provides and maintains the CCTV camera hardware.
- 1.5 The option to extend was taken from 1 May 2012 to 30 April 2014. Subsequent extensions were approved between 1 May 2014 and 31 January 2019. A further extension has been applied to allow the completion of this procurement.
- 1.6 The current contract has been delivered consistently over the contract term, with no operational issues. Maintenance response times have been good and the contractor has proven to be reliable supplier. The contract has been managed on a monthly meeting basis.
- 1.7 This tender was issued on 17 August 2018 under ESPO framework agreement ref. 628 Security and surveillance equipment & services - Lot 1a - Design, consultancy, supply and installation, commission, servicing and maintenance of public space CCTV.

2. Proposal and Reasons

- 2.1 Parking Services has a statutory duty to enforce bus lanes and moving traffic contraventions. To enable us to meet this statutory requirement, the Council is required to operate a CCTV enforcement operation. Unlike normal CCTV, this equipment is specialist enforcement hardware and therefore the award of this contract is essential to allow the Council to supply and maintain this CCTV Service.

2.2 It is proposed to award this contract to TYCO Integrated Services Ltd for a period of four years from 01 March 2019. TYCO are the incumbent supplier and were the only final bidder for this contract. The contract will provide the means to:

- Purchase new unattended CCTV Enforcement Cameras which operate using Automatic Number Plate Technology. These will allow us to enforce all current contraventions and can also capture new contraventions such as Yellow Box Junctions and Weight Restrictions which were previously enforced by manually operated enforcement cameras. This technology will allow the Council to significantly improve enforcement in areas of high non-compliance around the borough.
- Host the CCTV Service IT requirements which, although currently hosted by Lambeth IT, requires the software to be supported by Siemens, who partner TYCO. This arrangement can lead to delays in resolving issues. Moving this all to the supplier will allow the service to be far more proactive in assessing and resolving issues as it will be the sole responsibility of the supplier with all aspects of the service managed through contractual Key Performance Indicators and agreed Service Level Agreements.
- Maintain the new suite of CCTV cameras and continue to maintain the existing equipment until it has been decommissioned. Having a maintenance contract in place is essential to ensure the system is operational at all times and mitigate against the risk of non-compliance in the event the system goes down

2.3 Although TYCO were the only final bidder for this contract, initial interest was received from a number of suppliers via a benchmarking exercise carried out at the start of the tender process. Once the tender was issued, it became apparent that the majority of potential suppliers who had noted an interest in the procurement would not be tendering for the contract. This was for a number of reasons including:

- Inability to fully meet the requirements of the specification
- Unable to geographically carry out work in London due to resourcing issues
- Unable to commit to the projects due to ongoing commitments elsewhere.

2.4 Hosting

2.4.1 As part of this exercise we have included having the environment hosted due to the efficiencies that this would bring to the service. IT and Procurement were included in the review of the GW2 strategy paper which included the hosting element of the procurement. It is proposed therefore to include the Hosting of this service as part of the contract award.

2.4.2 Continuing with the in-house hosted system was considered with Lambeth ICT Services providing technical advice, however, after an assessment, it was agreed that an externally hosted system would provide the best support for the Parking CCTV service which operates 24/7/365 days per year.

2.4.3 This will allow the service to be far more proactive in assessing and resolving issues as it will be the sole responsibility of the supplier with all aspects of the service managed through contractual Key Performance Indicators and agreed Service Level Agreements. The risks associated with remaining with the in-house hosted solution, although possibly mitigated somewhat through our recent dialogue with Lambeth IT would involve much more time allocated to the smooth running of it due to the system requiring support 24 hours/day. Any delays in service provision can have a major adverse effect on Compliance on the highway.

2.4.4 We pride ourselves in Lambeth on having a robust and well-respected Parking Enforcement Service, the intended supplier also has vested interest not only contractually, but also in terms of their own reputation in providing efficient, proactive systems and dedicated resources for this exact purpose.

3. Finance

3.1 A full summary of the costs associated with this contract are outlined in the Part II report.

3.2 The budget for this project will be £1.748m over four years. This will include the maintenance costs of all new cameras and will also cover the cost of maintaining the old camera network whilst the new cameras are deployed. Once a new camera is deployed, the existing manually operated camera in most cases, (in areas of high non-compliance) may be left in situ as a contingency.

3.3 The roll out of more new cameras will be carried out in phases. Phase 1 will see the purchase of 35 to 40 new cameras which will be implemented across locations with the highest non-compliance. The number of cameras at each location will depend on the number of contraventions being captured. Further roll out of cameras will be carried out in phase 2, which will include new locations, which will be funded from existing budget and the uplift in PCN revenue.

4. Legal and Democracy

4.1 The authority to enact this report's recommendation is delegated to the Cabinet Member for Environment & Clean Air. Before exercising that authority, this paper should be reviewed by the Procurement Board.

4.2 Calling-off contracts from legitimately procured framework agreements meets the requirements of both the Contract Standing Orders and the Public Contracts Regulations 2015 provided the Council complies with the call-off terms and was named or was part of an identifiable group cited in the original contract notice.

4.3 As soon as possible after making the decision to award the contract, the Council must provide a written notice to the unsuccessful bidders, naming the winning bidder and describing the characteristics and relative advantages of the successful tender.

4.4 The notice also has to state when the 'standstill period' is expected to expire and the date before which the contracting authority will not enter into the contract or conclude the framework agreement.

4.5 This proposed key decision was entered in the Forward Plan on 10 August 2018 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

5.1 The Gateway 2 report was approved in June 2018. This outlined the positive potential impact approval of this contract would have, on addressing the Council's traffic issues. The decision was also entered onto the Forward Plan in August 2018.

6. Risk management

6.1 The main potential risks associated with the procurement of the contract are shown in the following table. There is no risk associated with GDPR as the supplier's software and hosting fully complies with all relevant legislation.

Risk	Probability	Impact	Mitigating Action
Risk of traffic congestion if cameras unsupported	Low	High	Negotiations with the incumbent supplier will take place to continue to supply maintenance services during the transitional period.
Impact of service delivery if implementation of new contract unsuccessful	Low	Low	Any implementation requirements will be project managed using relevant methodology. Contingency plans are also in place to ensure continuous service delivery.
Framework Agreement is deemed unsuitable by the board	Low	Low	Procurement officers have been engaged with from the start of the procurement exercise and have confirmed framework suitability.

6.2 All necessary due diligence will be carried out such as D&B check to minimise any risks.

7. Equalities impact assessment (EIA)

7.1 The Council has a statutory duty to enforce traffic and bus lanes within the borough. Enforcement is taken against vehicles observed contravening the regulations and this does not have a negative impact on any particular characteristic or group as these restrictions apply to all road users.

8. Community Safety

8.1 The CCTV system is a vital tool used in the management of anti-social traffic management. It is used to deter motorists from causing congestion to the bus networks and to deter motorists from ignoring traffic regulations which can cause danger to other road users and pedestrians.

9. Organisational implications

9.1 **Staffing and accommodation** – There is no impact on the current staffing or accommodation. CCTV enforcement is carried out in the Council's new CCTV suite in Shakespeare road. The operation is currently run via our Enforcement Contractor, APCOA UK Ltd. Although the new cameras will reduce the number of officers required to operate this, the contracted FTE will remain the same due to an increase in other duties within the services.

9.2 Economic Sustainability Risks

- **Value for Money** – This Framework contract enables the Council to undertake projects that improve the quality and coverage of the CCTV system. Projects of the size that are normally undertaken, would require a tendering process on each occasion if a framework was not in place and therefore increase the legal and procurement costs
- **Ethical Practices** – ESPO undertook screening and management of suppliers on the framework to ensure compliance with all ethical requirements.
- **Legal and Compliance** – The terms and conditions of the Framework Agreement address all requirements for legal compliance.
- **Abuse of Power** – ESPO undertakes benchmarking studies of all suppliers on the framework periodically to ensure value for money is delivered at all stages of the contract.
- **Competitiveness** – The Framework has already undertaken an open competitive tender exercise in compliance with OJEU regulations.
- **Fair Dealing** – The existing terms and conditions of the Framework Agreement address all requirements for fair dealing for all parties.

10. Procurement

- 10.1 The entire procurement process was undertaken via the ESPO framework agreement ref. 628 Security and surveillance equipment & services - Lot 1a - Design, consultancy, supply and installation, commission, servicing and maintenance of public space CCTV. The tender and further competition was administered electronically on EU Supply, reference 32393. All suppliers on the Framework were invited to bid for the requirement, creating a fair and open tendering exercise.
- 10.2 The Procurement Strategy was approved by Procurement Board in June 2018. Although early market testing indicated a number of companies were interested in bidding for this contract, only one formal bid was received from the incumbent supplier (TYCO). This tender has been fully evaluated and has successfully met all the requirements set out in the Council's specification.
- 10.3 The re-procurement of this contract was included on the Forward Plan on 10 August 2018 and the necessary 28 clear days' notice has been given. The decision will also be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period will be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period will then be given before the decision is enacted.
- 10.4 The procurement commenced on 17 August 2018 with the release of the ITT. In total the Framework included fifteen potential suppliers:
- Quadrant Security Group Ltd
 - Jackson Fire & Security Ltd Tyco Fire & Integrated Solutions (UK) Limited
 - SPIE Scotshield Ltd

- OpenView Security Solutions Limited
- Veriserv Limited
- Chubb Fire & Security Ltd
- Siemens Building Technologies
- Leisuresec PLC
- STS Defence
- Audax Global Solutions Ltd
- Edesix Ltd
- Pinnacle Response Ltd
- ICTS (UK) Limited
- Custom Technology Solutions
- ProudCastleSolutions

10.5 Tender Evaluation Process

10.5.1 The Framework Agreement ESPO 628 set out the evaluation criteria to be used 60% Price 40% Quality; however it has an option to adjust the weightings accordingly for further procurement competition. Although the Council's standard weighting is 70/30 Price/Quality, as part of the gateway 2 process it was approved to use a 60/40 Price/Quality split in this instance as there was an extensive Quality aspect to the evaluation criteria.

10.5.2 The nature of the services being supplied, especially with regards to maintenance, rely heavily on the quality aspects of the contract, including fault reporting processes, call out times, levels of reactive maintenance planning and risk management. Failure to ensure adequate weighting is applied to these criteria could lead to significant risk to the Parking Infrastructure leading to increased down time, increased non-compliance and loss of revenue.

10.5.3 Pricing Evaluation (60%)

10.5.3.1 The Pricing aspect of this tender was to be evaluated via the E-Auction process. Tenderers were requested to submit pricing for:

- The supply of CCTV Enforcement Cameras (tenderers will be asked to outline economies of scale which can be achieved based on the volume of cameras which will be purchased over the life of the contract).
- Associated software to run back office and CCTV operating systems.
- System Hosting
- Installation costs (including the cost of moving cameras during the life of the contract).
- Project management transitional and on-going costs.
- Maintenance costs (including call out charging).

10.5.3.2 The bidders were required to submit a schedule of rates for the above services. The aim was to then conduct the E-Auction once the non-price evaluations had taken place. This would have allowed bidders to lower their prices to compete to win the contract.

10.5.4 Quality Evaluation – Non Price (40%)

10.5.4.1 Tenderers were also asked to respond to a number of method statements which are intended to explain how they will meet specific requirements. Each method statement was scored on a scale of 0 to 5 points.

10.6 Tender Outcome Non-Price

10.6.1 Although the Framework provided the opportunity for fifteen suppliers to bid for this contract, only one bid was eventually received (see point 2.4 to 2.6 of this report).

10.6.2 The Non-Price evaluation required the bidders to submit a series of method statements based around the following weighted questions:

Criteria	Weighting
Service Requirements	30%
Storage and Hosting	10%
Maintenance/Fault Reporting	20%
Managing the Contract	30%
Service Development	7%
Social Value	3%

10.6.3 The methods statements were scored on a 0 – 5 basis

Score	Rating
0	No Response
1	Unacceptable
2	Poor
3	Acceptable
4	Good
5	Excellent

10.6.4 The tender submitted by TYCO scored acceptable or above in all questions in the Non-Price method statements. The bid was awarded an average score of 4 and a weighted score of 44.88% out of a possible 60%. The Tender demonstrated a complete understanding of the requirements of the specification in all aspects of the services being tendered for including:

- The enforcement capabilities of the cameras.
- The maintenance requirements.
- The hosting requirements.

The tender also scored highly in regards to social value, providing examples how the contract will benefit our citizens locally and the employment opportunities that will be made available.

10.6.5 A full outline of the scores can be found in part 2 of this report

10.7 Tender Outcome Price

10.7.1 As only one final bid was received, TYCO have been awarded a full score of 40% for the price of the contract. That said, the bid provided the Council with significant savings

compared to the original budget. A full outline of proposed savings can be found in part 2 of this report.

10.7.2 As TYCO were the only bidder the E-Auction process was not conducted as there would have been no incentive for TYCO to lower their prices in the absence of competition. That said, as the tender included this process the Council has seen lower prices submitted for these services and we believe that the potential auction process was responsible for driving down the cost of these services and realising the savings outlined in part 2 of this report.

10.8 Tender Final Outcome

10.8.1 Based on the evaluation, the tender submitted by TYCO has been successful with an overall score of 88.8%.

10.8.2 A saving was achieved on this tender.

10.9 Lambeth's Responsible Procurement Policies

10.9.1 Lambeth's responsible procurement policies will be addressed in the proposed contract as follows:

- **Social Sustainability:** - Lambeth Parking Services will ensure via the contract documents that employment conditions are adhered to. Successful contractors will deliver a range of social value initiatives as detailed in their bids. These include; development of local employment opportunities, work with defined community partners, developing job opportunities for the vulnerable residents, apprenticeships and educational development opportunities. Delivery of their proposals will be tracked through contractually binding performance indicators over the life of the Contract. Contractors will promote and comply with fair working practices, and Cooperative Council goals. Contracts are London Living Wage compliant.
- **Environmental** - The use of unattended cameras will ensure that areas of high non-compliance can be rigorously enforced which will ensure the traffic network is kept moving, avoiding any unnecessary congestion. This procurement will also explore the current market possibilities of including air quality monitoring systems as part of the CCTV Camera units. The removal and disposal of existing hardware will be carried out in an environmental friendly manner.

11. Timetables for Implementation

Item Description	Date
Completion & Circulation of GW3 Report	18 th January 2019
Submission of GW3 to Procurement Board	21 st January 2019
Procurement Board – GW3 Approval	12 th February 2019

Decision Date	03 April 2019
Anticipated Contract(s) Award Date	1 st March 2019
Contract End Date for 4 years	28 th February 2023

12. Contract Management

12.1 These contracts are managed by the Supplier Relationship Team by regular monthly meetings and by using (SMART) Key Performance Indicators

12.2 The contracts documents will include the following

- Effective management and monitoring processes incorporated into the specifications
- Agreed clauses appended to the Terms and Conditions of contract
- Robust pricing mechanisms / schedules
- Agreed and applicable KPI's

12.3 Regular meetings will also be held with the service providers during implementation and during the course of the contract.

Audit trail				
Consultation				
Name/Position	Lambeth directorate/division or partner	Date Sent	Date Received	Comments in para:
Raj Mistry	Director of Environment and Streetscene	6/3/19	6/3/19	throughout
Neil Fenton	Assistant Director Parking & Enforcement	11/02/2019	11/02/2019	throughout
Jonathan Pook	Parking and Enforcement Operations Manager	21/01/19	21/01/19	throughout
Andrew Ramsden Finance	Corporate Resources	28/01/19	31/01/19	3 / part 2
Michael O'Hora Legal Services	Legal and Governance	23/01/19	23/1/19	4
Deborah Opoku-Baah	Procurement	21/01/19	21/01/19	throughout
Wayne Chandai, Democratic Services	Legal and Governance	26.02.19	28.02.19	4
Councillor Claire Holland	Cabinet Member, Environment and Clean Air	22.03.19	25.03.19	

Report history	
Original discussion with Cabinet Member	August 2018
Report deadline	N/A
Date final report sent	N/A
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	10/08/2018
Key decision reasons	Expenditure, income or savings in excess of £500,000 and community impact
Background information	Expression of Interest to Tender ESPO Frameworks CCS Frameworks Contract Extension report
Appendices	None.

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature _____ **Date** _____

Post Raj Mistry, Director Environment

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature _____ **Date** _____

Post Councillor Claire Holland, Cabinet Member for Environment and Clean Air

Any declarations of interest (or exemptions granted): None