

London Borough of Hammersmith and Fulham Record of Cabinet Member Decision

The Decision below was subject to call-in which expired at 3pm on Thursday 2 April at 3pm. The decision can now be implemented.

- ❖ Draft Decision List published on: 30 April 2020
- ❖ Confirmed Decision List published on: 2 April 2020

If no call-in requests have been received by the deadline then the decision can be implemented.

1. **TITLE: CCTV Maintenance and Installation Contract - procurement strategy**

2. **DECISION MADE BY:** Deputy Leader

3. **DECISION:**

To approve the procurement strategy for the CCTV maintenance and installations for the public realm, emergency planning and parking enforcement CCTV systems for a contract period of four years (from 1 July 2020) using a mini-competition through the Crown Commercial Service (CCS) framework "Network Services 2 RM3808 Lot 12 Security and Surveillance Services".

4. **REASON FOR DECISION:**

The Council must have a new CCTV maintenance and installations contract that is fully operational from 01 July 2020, the procurement strategy for the procurement of the CCTV maintenance and installations long term four-year contract using a mini-competition through the Crown Commercial Service (CCS) framework "Network Services 2 RM3808 Lot 12 Security and Surveillance Services" is considered to be the best option available to ensure that the operational date of 01 July 2020 is achieved.

5. **ALTERNATIVE OPTIONS CONSIDERED:**

The previous five-year contract for CCTV maintenance and installations was awarded to Chroma Vision in 2014 and this expired on 31 December 2019. A short-term contract was awarded on 24 December 2019 to Boston Networks, this contract is operational for six months and a replacement will need to be in place from 01 July 2020. A new long-term contract for CCTV maintenance and installations therefore needs to be prepared and to go to market in accordance with the Council's governance structure.

The CCTV maintenance and installations contract is made up of three elements, the first being the service maintenance element (revenue), the second being the adhoc installations element (funded by capital/S106), and the third being the phased upgrade element (funded by capital/S106). The service maintenance element is expected to

cost in the region of £100,000 per annum, and this covers the cost of planned preventative maintenance of the CCTV Control Room and the network. The adhoc installations element is expected to cost in the region of £700,000 per annum (depending on the council's programme of works), and this covers new installations and minor upgrades of the CCTV control room and the network. A phased upgrade of the CCTV Control Room and the Network from a bespoke analogue system with digital elements which has now gone beyond its practical life to a fully digital system is expected to cost in the region of £400,000 per annum. The contract value is therefore in the region of £1.2m (£100,000 Revenue and £1.1m Capital) per annum or £4.8m (£400,000 Revenue and £4.4m Capital) over a four-year contract.

Under the Public Contracts Regulations 2015 ("PCR 2015"), the CCTV maintenance and installations contract is a services contract. The current threshold services contracts under the PCR 2015 is £189,330 (the "Threshold"). As the Contract is above the threshold it must be procured in accordance with the PCR 2015. This means either a new procurement competition or the use of a framework agreement. This is also the requirement under the council's CSOs.

The procurement strategy for the procurement of the CCTV maintenance and installations long term four-year contract using a mini-competition through the Crown Commercial Service (CCS) framework "Network Services 2 RM3808 Lot 12 Security and Surveillance Services".

Options considered for the procurement of CCTV maintenance and installations, are as follows:

Option 1: Extension of the existing CCTV maintenance and installations contract. The existing CCTV maintenance and installation contract is a stripped-down interim short-term contract which includes a service maintenance element and a limited emergency only installations element. This contract is only operational for six months and has a financial authorisation of £200,000 (£57,000 maintenance and £143,000 installations and upgrades). There is no provision to extend this contract and therefore this option is not viable. An annual contract is expected to have an annual value of £1.2m (£100,000 maintenance, £700,000 installations, and £400,000 upgrades).

Option 2: An open procurement contract. This would give the Council maximum flexibility on the duration of the contract and allows further flexibility on the use of extensions. However, to ensure a 01 July 2020 operational date the Council has insufficient available time for an open procurement contract.

Option 3: Mini-Competition Call Off from a Framework. A mini-competition for a call-off contract using a suitable framework. Different frameworks were reviewed (See Appendix 1 – Framework Review) and it was determined that the preferred framework that best suits a long-term CCTV maintenance and installations contract is the Crown Commercial Service (CCS) framework "Network Services 2 RM3808 Lot 12 Security and Surveillance Services". This framework allows for a call off up to 7 years.

The framework provides quality and financial standing assurances of the contractors on the frameworks, there are 10 framework providers on the framework many with international standing who have already completed a pre-selection exercise to be included on the framework. This provides confidence to the Council that the providers are suitably financially stable and have the relevant experience and capabilities.

Completing a further competition under the framework will ensure that the call off is

competitive as framework providers will be invited to submit prices for the contract. These should not be greater than the framework rates (which were also competitively tendered). Further the call off allows the Council some flexibility to set out its own requirements and tailor the contract to its needs.

Option 4: Direct Award from Framework. A Framework contract direct award was considered. A direct award call-off contract under framework RM3808 Lot 12 has a maximum contract period of 5 years (including any extensions). A direct award is only suitable for simple, easily defined requirements which can be priced without discussion from the proposals included in the framework. The schedules included in the call-off contract would be limited under this procedure and no special terms could be included. This would not enable the Council to seek priced submissions to carry out its services and therefore is not suitable for a contract of this size and nature.

The preferred option is to procure through a mini-competition under the chosen framework (Option 3). This will allow all contractors on the framework to take part in the mini-competition, which ensures competition at the framework level which provides the Council with a very good access to proven contractors of international standing.

6. CONFLICTS OF INTEREST DECLARED AND DISPENSATIONS GRANTED:

None

Date of Decision
20 February 2020