

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>13 MAY 2013</b></p>
<p><b>LETTING OF A SERVICE CONCESSION CONTRACT TO ALLOW NETWORK EQUIPMENT TO BE FITTED TO LAMP POSTS, STREET FURNITURE AND OTHER COUNCIL - OWNED ASSETS (AS APPLICABLE)</b></p>	
<p><b>Report of the Deputy Leader (+ Residents Services) – Councillor Greg Smith</b></p>	
<p><b>Open report</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt information regarding the outcome of the procurement process and recommends that a concession contract be awarded to the highest scoring tenderer.</p>	
<p><b>Classification - For noting</b>  <b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: ALL</b></p>	
<p><b>Accountable Executive Director:</b> Lyn Carpenter, Executive Director of Environment, Leisure and Residents' Services</p>	
<p><b>Report Author:</b> Sharon Bayliss, Director for Customer and Business Development</p>	<p><b>Contact Details:</b>  Tel: 020 8753 1636  E-mail:  sharon.bayliss@lbhf.gov.uk</p>

**1. EXECUTIVE SUMMARY**

- 1.1. Since July 2012, H&F has been part of a pan London procurement initiative for the letting of a service concession contract to allow networking equipment to be fitted to Council - owned assets, namely lamp posts, street furniture and other Council - owned assets as agreed with the Council (eg buildings).

- 1.2. The benefits of adopting a pan London approach to procurement was to obtain an increased interest from the market; seventeen authorities participated in the process.
- 1.3. The report outlines the outcome of the tender process and seeks approval to award the concession contract to the highest scoring tenderer.

## **2. RECOMMENDATION**

- 2.1 That the report be noted.

## **3. REASONS FOR DECISION**

- 3.1. The recommended provider was fully compliant with the tender requirements for the following areas: price, weighted at 60% of the total marks available, and quality, weighted at 40%, (criteria were grouped under operational, health & safety, technical, coverage, and customer engagement). A confidence factor was applied on the estimated revenue income. The highest scoring tenderer scored the highest marks in the evaluation.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. Since July 2012, H&F has been part of a pan-London procurement initiative for the letting of a service concession contract to allow network equipment to be fitted primarily to lamp posts and other street furniture, but the devices may be installed on other Council-owned assets by mutual agreement with the borough.
- 4.2. There are a range of direct and indirect benefits associated with the award of a service concession contract to the recommended provider. These include:
  - Increased wifi coverage throughout the borough
  - Access to wifi for anyone with a wifi enabled device, eg a smartphone, tablet or PC
  - Free access to the Council's choice of three websites (eg [www.lbhf.gov.uk](http://www.lbhf.gov.uk)) for residents and visitors to the borough, within range of the network
  - Free access to all other internet sites for residents and visitors, within range of the network, for the first 30 minutes of use each day
  - H&F branded 'landing pages', which will guide users to the H&F website and promote council services, events and commercial services as required by the Council
  - A flexible pay as you go model without any commitment from users to spend after the first 30 minutes free has finished

- An online portal for the Council with access to statistics on usage of the network, types of devices accessing the network and more.
  - Potential to support economic regeneration and customer channel shift objectives through increased access to the internet for local businesses and residents
- 4.2. This proposal will assist the Council with achieving MTFs savings. A target of £300k per annum from 2013/14 had been assigned to this project.

## **5. PROPOSAL AND ISSUES**

- 5.1 It is proposed that the contract is for a period of ten years. The contract is expected to commence on 1 June 2013, following the ten day cooling off period.
- 5.2 The deployment of the mobile devices will be scheduled in three phases. The deployment timetable will be agreed with the Council once the cooling off period and contract has commenced.
- 5.3 Monitoring of the contract will be carried out by an H&F officer from the Transport and Technical Services Department (TTS) to ensure that the concession is delivered at key milestones, on time and against agreed targets. Quality checks will be carried out periodically to ensure all specifications are adhered to. A risks and issues register will be maintained to manage and mitigate any risks or issues that occur.
- 5.4 Consultation with key stakeholders will be undertaken by the recommended provider, and as agreed by the Council, using various methods such as: community drop in sessions and consultation forums, training with local businesses and the customer service helpline, available 24/7 for 365 days per year.

## **6. PROCUREMENT ARRANGEMENTS, OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1. In accordance with the Council's procurement process, a Tender Appraisal Panel (TAP) was established to oversee the procurement process for the letting of a service concession to allow network equipment to be fitted primarily to lamp posts and other street furniture as set out in the Contract Notice placed on 19 September 2012 in the Official Journal of the European Union (OJEU) (reference 2012/S 180-296448) by the London Borough of Camden on behalf of the participating councils.

- 6.2. The London Borough of Camden was the lead authority in procuring services on behalf of 16 other participating local authorities. The procurement exercise was conducted by means of competitive dialogue (CD) which took place in two and three stages (dependant on each council's choice). Camden used an online portal for communications with bidders and to manage the receipt and issue of tender documentation.
- 6.3. A total of ten bidders submitted compliant Pre-Qualification Questionnaires (PQQs). Of these four successfully succeeded to competitive dialogue stage which commenced in January 2013.
- 6.4. The financial standing, insurance, technical capability, quality and capacity of the four accepted tenders were assessed by members of the H&F TAP. All four tenderers met the minimum standards set out in the tender documents and proceeded to the next stage of the procurement exercise.
- 6.5. The first stage of CD commenced week beginning 28 January 2013 and the second stage of CD commenced week beginning 11 February 2013. Closing date for receipt of final proposals (ITSFTs) from all bidders was 18 March 2013.
- 6.6. Three final bids were submitted on 18 March 2013. Of the three bids received, all three were deemed to be satisfactory.
- 6.7. The bidders' responses to the proposal were then evaluated by the TAP on a basis of a 60:40 Price/Quality Model in accordance with the evaluation criteria set out in the Invitation to Submit Final Tenders (ITSFT).
- 6.8. Evaluation of quality and price was undertaken on 19 March 2013. All bidders underwent a qualitative assessment by the panel. Technical advice was provided by Regional Networks Solutions, an organisation specialising in local authority installations of network equipment.
- 6.9. A confidence factor was applied to the non-guaranteed revenue offered by each bidder to reflect the risk of non-delivery of the estimated revenue. This rating was determined using 24 criteria to ascertain the robustness of the business model.
- 6.10. The results of the evaluation are set out in the exempt report.

## **7. CONSULTATION**

- 7.1. Consultation has not been carried out with residents or members of the public as yet as the concession was commercially sensitive.

## **8. EQUALITY IMPLICATIONS**

- 8.1. There are no equality implications associated with this report.

## **9. LEGAL IMPLICATIONS**

- 9.1. It is noted that it is proposed to award the contract to the highest scoring tenderer.
- 9.2. Implications verified/completed by: Catherine Irvine, Principal Contracts Lawyer telephone: 020 8753 2774

## **10. FINANCIAL AND RESOURCES IMPLICATIONS**

- 10.1 The financial benefits expected to flow to the Council are set out in the exempt report.
- 10.2 Other financial and resources implications are set out in the exempt report.
- 10.3 Implications verified/completed by: Mark Jones, Director for Finance and Resources (020 8753 6700) and Andrew Lord. Head of Strategic Planning and Monitoring. Corporate Finance (Ext 2531).

## **11. RISK MANAGEMENT**

- 11.1. The Wifi programme is included on the Market Management portfolio register and is monitored at the Market Management Board and Transformation Board.

## **12. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

- 12.1. The Director for Procurement and IT Strategy and her team have been actively involved throughout this project. This award relates to a service concessions contract and the tendering of such contracts is exempt from the regulated provisions of the Public Contracts Regulations 2006 (as amended). However, in order to demonstrate transparency in letting a pan-London service concession contract the principles of the Regulations were adopted by the London Borough of Camden (as lead Council) including the publication of a voluntary Contract Notice in the OJEU (see paragraph 6.1 above for details).

- 12.2. Being a multi-Council procurement exercise has produced its own challenges mainly due to the varying requirements by the other participating councils. These have been overcome, but it has had an impact on the overall timetable leading up to the award.
- 12.3. Implications verified/completed by: Alan Parry, Procurement Consultant (020 8753 2581).
- 12.4. There are no IT strategy implications.
- 12.5. Implications verified/completed by: Howell Huws, Head of Business Technology, (020 8753 5025).

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
	CMDs were taken on 25/6/12 and 9/7/12 respectively.	S Bayliss x 1636	ELRS