




Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	Full Cabinet Date of decision: 6 October 2014	 hammersmith & fulham
	Cabinet Member for Community Safety, IT and Corporate Services Date of decision: 10/09/14 Forward Plan reference:	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	N/A	 City of Westminster
Report title (decision subject)	APPOINTMENT OF CONTRACT TO DELIVER CCTV MAINTENANCE AND NEW INSTALLATIONS IN HAMMERSMITH & FULHAM AND KENSINGTON & CHELSEA	
Reporting of	Report of the Deputy Leader - Councillor Michael Cartwright	
Key decision	Yes	
Access to information classification	Open report A separate report on the exempt Cabinet agenda provides exempt information on the outcome of the procurement process.	
Reporting officer	Lyn Carpenter : Executive Director of Environment, Leisure and Residents Services	
Key decision	Yes	

1. EXECUTIVE SUMMARY

- 1.1. The current contract for the maintenance and installation of borough wide LBHF CCTV cameras is delivered by Chroma Vision, who was awarded the contract when it was last tendered in 2007. The current contract is due to expire on 31st December 2014. Under the current contract LBHF is charged £48,500 per annum in fixed maintenance charges and incurs

variable annual maintenance costs of circa £160,000 (excluding one off capital works). This was an LBHF only maintenance contract.

- 1.2. The CCTV service became a Bi Borough service in June 2014. Therefore the contract was tendered on the basis of delivering the service in both the London Borough of Hammersmith & Fulham and Royal Borough of Kensington & Chelsea. The contract will be for both planned maintenance and emergency repair of existing equipment, new installations across both boroughs and the maintenance of these new installations. The number of cameras in use at the time the existing and previous contracts were last awarded was 201 (148 in LBHF and 58 in RBKC). The current establishment across both boroughs is 963 (905 in LBHF and 58 in RBKC).
- 1.3. The previous RBKC maintenance contract was awarded to Tyco MTI and Protea at an annual sum of £54,000 per annum, on top of which variable maintenance charges of circa £18k per annum are incurred. This contract expired in March 2014 and the service has been provided by the LBHF contractor on an ad hoc basis since then in order to align the contracts in both boroughs and allow the new contract to be tendered on a Bi-borough basis.
- 1.4. The combined annual CCTV maintenance spend for LBHF and RBKC is £280,000 (£103,000 fixed and £177,000 variable). Tenders for the new contract were invited for sums ranging from £100,000 to no more than £300,000 per annum. The increase in the contract value reflects the increase in the number of CCTV cameras in both boroughs from 201 when the existing and previous contracts were awarded to a current establishment of 963 cameras (from 143 to 905 for LBHF, whilst RBKC has remained static at 58 cameras). It also reflects an expectation for more of the regular variable works to be incorporated into the new fixed contract.
- 1.5. The contract has now been retendered and the recommendation is that the contract is awarded to the highest scoring tenderer as set out in Appendix 1 to the exempt report.
- 1.6. The new contract will run for five years from 1 January 2015 to 31 December 2019, with an option to extend for a period of up to three further years to 31 December 2022. The annual contract sum will be £98,400 (£79,700 LBHF and £18,700 RBKC).
- 1.7. The new contract is expected to deliver a saving of £59,000 per annum across both boroughs (£24,000 LBHF and £35,000 RBKC), when comparing total fixed and variable maintenance spend. This is on the assumption that variable CCTV spend will remain unchanged under the new contract, with the exception of housing for which there will now be a fixed rate charge (excluding any one off capital spend). The £24,000 saving for LBHF is a £12,000 saving for the general fund and a £12,000 saving for the Housing Revenue Account. This is summarised in the table below. It should be noted that as variable spend is variable in nature, this

cannot be predicted with any certainty but it is the view of officers that this will significantly reduce under the new and more comprehensive fixed contract, particularly given the more centralised contract client side going forwards. This will need to be closely monitored in year. Any increase in CCTV capacity in LBH&F will have no negative financial impact on RBKC. Whilst the successful contractor will be engaged to carry out the new installations there is a provision whereby the client can engage other contractors for installations if the costs from the incumbent contractor are deemed to be poor value.

- 1.8. This report is being submitted for decision to LBHF Cabinet on 6 October 2014 and as a key single member decision at RBKC on 10 September 2014 by Councillor Gardner.

2. RECOMMENDATIONS

- 2.1. That the contract for CCTV maintenance and new CCTV installations in the London Borough of Hammersmith & Fulham and the Royal Borough of Kensington & Chelsea be awarded to Chroma Vision who submitted the most economically advantageous tender in terms of the specified price/quality evaluation model, for a period of 5 years from 1 January 2015 to 31 December 2019, with an option to extend for a period of up to three further years to 31 December 2022; the annual contract sum will be £98,400 (£79,700 LBHF and £18,700 RBKC).
- 2.2. That the Deputy Leader, in consultation with the Executive Director of ELRS, extends the contract in line with the provisions contained within the contract documentation, if the extension is considered appropriate at the time.
- 2.3. That the RBKC Cabinet Member for Community Safety, IT and Corporate Services note recommendation 2.2 above. LBHF will seek RBKC approval before any extension of the contract takes place to ensure that both council's wish to extend their provision. Should LBHF wish to extend the contract but RBKC do not agree to this LBHF will seek to vary the specification when exercising the option to extend so that RBKC elements are not included in the extension.

3. EQUALITY IMPLICATIONS

- 3.1. There are no equality implications to the award of the contract.
- 3.2. An equality impact assessment has been completed by the CCTV manager and is available to view on request.

4. LEGAL IMPLICATIONS

- 4.1. The proposed award of the Service Contract has been carried out in the compliance of the Council's Contract Standing Orders and the Public

Contracts Regulations. Accordingly the Bi-Borough Director of Law endorses the recommendations in this report.

- 4.2. Legal Services will be available to assist the client department with preparing and completing the necessary contract documentation.
- 4.3. Implications completed by: Kar-Yee Chan, Solicitor (Contracts), 020 8753 2772

5. FINANCIAL AND RESOURCES IMPLICATIONS

- 5.1. The recommendation to award the contract to Chroma Vision is supported from a financial perspective as they submitted the most economically advantageous tender in terms of the specified price/quality evaluation model. Overall, for both fixed and variable works it is expected that this will deliver ongoing cost savings for both LBHF and RBKC, which has already been factored into the budget for 2014/15 as part of the targeted savings for the ELRS department. Given that these savings are expected to be delivered through a combination of increased fixed costs and reduced variable costs, variable costs will need to be closely monitored in year to ensure no budget pressures arise.
- 5.2. Implications verified/completed by Kellie Gooch, Head of Finance ELRS, 0208 753 2203.

6. RISK MANAGEMENT

- 6.1. Privacy impact assessments (PIAs) are a tool that can be used to identify and reduce the privacy risks of projects. A PIA can reduce the risks of harm to individuals through the misuse of their personal information, including CCTV images. It can also help design more efficient and effective processes for handling personal data. The core principles of the PIA process can be integrated within existing project and risk management policies. This reduces the resources necessary to conduct the assessment and spreads awareness of privacy throughout the service and contracts.
- 6.2. Information management risk identification, assessment and mitigation remains the responsibility of the ELRS department. It is advised that a privacy impact assessment is undertaken at the preliminary stages of a procurement prior to award by the department to assess information risk. A PIA has not been made available for consideration in association with this award decision however some provision will exist to mitigate some risk in the contractual agreement. Whilst the award of the contract in itself is unlikely to infringe on privacy, new installations of CCTV cameras may. Therefore new installations will be expected to be the subject of a PIA. If deployed effectively the use of CCTV is an important tool to manage and maintain a safe and secure environment.
- 6.3. Implications verified/completed by: (Michael Sloniowski, Bi-borough Risk Manager, 0208 7532 587)

7. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 7.1. The proposed strategy to align the RBKC contract with the end point of the current H&F contract seeks to improve service delivery and contain costs. This is in line with the Council's Procurement Strategy.
- 7.2. The Corporate Procurement Team has offered support and guidance throughout the procurement process.
- 7.3. The Director confirms that the Council's procedures as defined in Contract Standing Orders have been complied with. The Director supports the recommendations contained in the report.
- 7.4. Implications verified/completed by: (Joanna Angelides, Procurement Consultant, 0208 753 2586

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		