

**Report of: Executive Member for Finance, Performance and Community Safety**

<b>Meeting of:</b>	<b>Date:</b>	<b>Ward(s):</b>
Executive	6 <sup>th</sup> February 2020	All

<b>Delete as appropriate</b>		Non-exempt
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**SUBJECT: Procurement Strategy for the supply, installation and maintenance of CCTV Equipment (CCTV Service Provision)****1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of CCTV Service Provision in accordance with Rule 2.7 of the council's Procurement Rules.
- 1.2 This proposal will bring the installation, maintenance and review of all CCTV provision across the Council under one contract. This will allow the council to better understand and control the service requirements, improving the quality and value for money obtained in this area.

**2. Recommendations**

- 2.1 To approve the procurement strategy for CCTV Service Provision as outlined in this report.
- 2.2 To approve a collaborative procurement with Hounslow (lead authority), Ealing and Southwark to establish a suitable framework agreement.
- 2.3 To delegate authority to award a call-off contract to the Corporate Director of Environment and Regeneration, in consultation with the Executive member for Finance, Performance and Community Safety.

**3. Background**

### 3.1 Nature of the service

This procurement is for a contract with a duration of four years to encompass supply, installation and maintenance for the Council's overall CCTV infrastructure, as part of a collaboration with Hounslow, Ealing and Southwark. The overall procurement and contract management will be led by Hounslow.

The procurement will cover the supply, installation and maintenance of CCTV throughout (but not exclusively):

- Public Protection Crime and Disorder
- Traffic and Parking Service
- Facilities Management
- Housing

This procurement will bring the supply, installation and maintenance of CCTV services in Islington under one contract with one provider to offer the best service and value for money possible. Currently each Directorate within the Council has its own contract with different providers, each receiving a different level of service, this procurement aims to unify service levels across the Council to achieve greater control of our purchasing decisions and the associated costs.

By 1 October 2020, each individual contractual arrangement within directorates would have reached expiry; this provides an opportunity to align contractual arrangements for services and increase collaborative procurement both internally and externally. This procurement strategy will ensure Islington is in a much stronger place when going to market than in previous years.

We have already gained verbal agreement with Hounslow, Ealing and Southwark to procure the supply, installation and maintenance of CCTV services together under one framework agreement.

### 3.2 Estimated Value

The funding arrangements would come from current capital and revenue funds paying for the CCTV services listed in 3.1. A capital growth bid is being pursued for the Public Protection CCTV replacement schemes identified below.

The value of the procurement is up to approximately £2m per annum over the four-year period, £8m in total, based on spending over the previous two years plus necessary upgrades. This is split between maintenance (approx. £800k) and capital (approx. £1.2m) costs each year.

There will be additional costs of approximately £5.5m for current CCTV replacement work (summarised below) taking the overall value of this contract over the four-year duration to £13.5m.

The spend on this service each year over the last two years breaks down as follows:

<b>Supply, Installation and Maintenance CCTV</b>	<b>Cost per annum</b>
Housing Installation	£517k
Housing Maintenance	£150k
Facilities	£22k
Waste Recycling Centre	£27k
Environment and Regeneration	£551k
<b>Total</b>	<b>£1.267m</b>

Any budget reduction would mean reducing the current CCTV coverage. The legal frameworks the Council operates within means we have to review new installations and existing cameras, and cameras are decommissioned if not longer required.

We review cameras and explore new technologies and ways of working to ensure we deliver best value for money. Benchmarking is undertaken during the Information Commissioner’s Office’s annual audit and through representation at the London CCTV Forum, identifying areas of good practice. This is supported by regular visits to other boroughs deemed to have good set-up and service delivery.

There will be savings to deliver though multiple contracts coming together into one corporate contract but these won’t be apparent until the tendering process is complete. As well as savings, there will be improvements in management and control of CCTV by bringing it under one corporate contract.

Over the lifecycle of the four-year contract, Public Protection will need to replace the recording system and upgrade the front operational system for the borough’s CCTV. This will cost approximately £530k.

Each crime and disorder camera will need replacing as within the next two years, analogue cameras will cease to be usable and not be supported on any platform. This has generated higher costs for maintenance and repair as they are now at the end of their lifecycle. Replacement with IP cameras (An Internet Protocol camera, or IP camera, is a type of digital video camera that receives control data and sends image data via the Internet) with a view of transferring over to the borough’s current wireless network in order to move away from the use of commercial fibre connections which would eventually be an overall cost saving to the council. This is effectively a spend to save but comes at a total cost of £5.5m (£40k per camera). This additional £5.5m is factored into the overall stated value of the contract.

### 3.3 Timetable

A new council-wide CCTV contract needs to be in place on 1 October 2020.

Hounslow, as the lead procuring authority, have devised the below timescales for delivery:

- Contract notice published February 2020
- Invitation to tender issued April 2020
- Evaluation June 2020
- Award of contract July 2020
- Mobilisation July – October 2020

Contract start date 1 October 2020

The current contract arrangements end on 30 September 2020. This is also the expiry date for the other CCTV contracts in question, outlined below:

- Environment and Regeneration: entering the cooling off 12 month period which finishes on the 30 September 2020.
- Housing maintenance: the current contract arrangement ends 30 September 2020.
- Facilities: have a contract in place which finishes 2023. However, new / replacement installations can be completed under any newly agreed contract.

There are no statutory deadlines to meet in relation to this area.

During this process, we have consulted internal departments that have existing CCTV contracts, and the commissioning leads for Hounslow, Ealing and Southwark.

### 3.4 Options appraisal

Option 1: A collaborative procurement with Hounslow, Ealing and Southwark. This has been discussed and agreed in principle with the relevant authorities and is deliverable in the timescales described.

Option 2: Procuring a contract for the provision of CCTV services on our own.

Option 3: Insourcing. There is not currently the technical ability to perform the servicing and maintenance elements of the contract in-house. Islington Council on its own would have less buying power than working in collaboration with other boroughs, therefore, the cost of hardware would likely be higher if undertaken by the council on its own.

Preferred option (1) is to enter into a contract for the supply, installation and maintenance of CCTV provision following a collaborative procurement with the three other local authorities mentioned.

The proposed coverage and scope of the framework agreement has been reviewed and meets the requirements of supplying and maintaining the existing infrastructure in the medium and longer term for Housing, Facilities, Waste Recycling Centre and Environment and Regeneration.

This option allows continuity of service to support future strategic aims going forward in regards to outcome based budgeting and a greater holistic approach to procurement and contract management for the supply, installation of maintenance of CCTV cameras.

It is anticipated that the Council will benefit from greater economies of scale through a collaborative procurement as opposed to procuring on our own.

The benefits of this collaborative arrangement will be the ability to demand a better deal and more competitive price as the size of the contract should attract the market leading supply services in this field.

### 3.5 Key Considerations

The procurement seeks to help deliver the Council's commitment to maximize community benefits for the improvement of the borough and for the benefit of its residents.

With the anticipated size of the contracts across four boroughs, it would be expected that the organisation that is successful would deliver social value through the offer of apprenticeships and / or employment to Islington residents over the four-year contract. This would be delivered alongside the iWork team.

London Living Wage will be a contract of the condition, where permitted by law.

Social value expectations we will be considering for inclusion in this contract are:

### **Employment and Skills**

- Up to 6 apprentices (Islington residents – with two potentially employed by the Council directly) over the duration of the contract.
- Participation in the LBI 100 Hours of World of Work programme, whereby the Council is a broker for businesses to deliver experiences for local schools. Experiences can include career insights, work tasters, mentoring, part-time work, careers events, work experience placements and other activities.

### **Local Supply Chain**

- Where there are sub-contracting opportunities, that priority is given to suppliers within Islington and its neighbouring boroughs (sub-regional economy).
- Offering expert business advice to Islington micro- and small businesses on business system needs.

### **Community Engagement**

- Offer 'expert volunteering' hours to Islington-based VCS organisations and new business start-ups e.g. by running a number of practical workshops or enterprise clubs.
- Commit to supporting the Council's initiatives on digital inclusion and deliver digital resources and training to local residents.

### **Climate emergency**

- Only use zero/low emissions vehicles to deliver the service.

It is possible that TUPE, pensions or staffing implications may apply and will be covered in the contract discussions with Hounslow.

## 3.6 Evaluation

The council is working closely with the other boroughs to agree on the award criteria and what areas will be assessed during the tender process. We will have a strong influence around the final agreed criteria and will weight this towards a company specialising in public space CCTV and traffic management.

The following criteria and weighting have so far been agreed:

Quality – 50%

Price – 40%

Social Value – 10%

3.7 Business Risks

Not having any provision in place for the supply and maintenance of CCTV infrastructure could result in systems or local equipment failure, impacting upon crime and social disorder services such as supporting police and Council investigation, insurance company claims, traffic and parking budget and general public safety.

Without a new contract being in place, we will not have the ability to install new cameras or upgrade existing ones as new technology becomes available.

3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	<p>The supply and maintenance of CCTV provision for Islington Council</p> <p>See paragraph 3.1</p>
2 Estimated value	<p>The estimated value per year is £2 million over four years, £8 million in total.</p> <p>An additional £5.5 million is required for CCTV camera upgrades meaning the total value of this contract will be in the region of £13.5 million.</p> <p>The agreement is proposed to run for a period of 4 years with an optional extension of a further year.</p> <p>See paragraph 3.2</p>
3 Timetable	<p>The timetable for the procurement process will be led by Hounslow, with our support and influence. The contract will have a start date of 1 October 2020.</p> <p>See paragraph 3.3</p>
4 Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Two options were identified and considered, with the preferred option being to enter into framework arrangement with three other</p>

	local authorities mentioned. See paragraph 3.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	See paragraph 3.5
6 Award criteria	Award Criteria (anticipated): 60% Quality (including Social Value 10%) 40% Price See paragraph 3.6
7 Any business risks associated with entering the contract	Failure to secure a service to supply to and maintain this facility seriously impedes ability for crime detection and impacts upon key Council budgets.  See paragraph 3.7
8 Any other relevant financial, legal or other considerations.	See section 4

## **4. Implications**

### **4.1 Financial implications:**

The Council currently spends around £1.2million per annum on CCTV across a range of service areas. This procurement strategy for the next 4 years will provide a framework for annual spend of up to £2million with £0.8million on revenue spend and £1.2million capital spend. The procurement will also allow for up to £5.5million for CCTV upgrade works.

There is a bid for £0.4million of capital within the 2020/21 budget setting process for urgent software/hardware upgrades. In parallel there is a bid against the Transformation reserve for £130k to fund consultancy engagement to shape a long term strategy and business case for a borough-wide CCTV solution. The outcome of this is likely to require significant investment in the CCTV infrastructure over the medium term that will need to be factored into the Council's Medium-Term financial strategy for revenue and capital investment.

### **4.2 Legal Implications:**

The council has power to provide CCTV on any land in their area for the prevention of crime or the welfare of the victims of crime subject to prior consultation with the Chief Officer of Police for the area (section 163 of the Criminal Justice and Public Order Act 1994). The council may use CCTV for the purposes of enforcing traffic regulations provided that the devices used are approved by the Secretary of State (Statutory guidance under section 87 of the Traffic Management Act 2004 and the Civil Enforcement of Parking Contraventions (Approved Devices) (England) Order 2007). Public space CCTV systems must be operated in accordance with the Data Protection Act 1998 and the principles as set out in the Human Rights Act 1998. The ICO has issued a Code of Practice for the use of CCTV setting out these requirements and principles and these must be complied with. The council is required to notify the Office of the Information Commissioner of the operation of the CCTV system.

Covert 'Directed' surveillance may only be conducted if formal authorisation is provided in accordance with the Regulation of Investigatory Powers Act 2000 (as amended by the Protection of Freedoms Act 2012).

The Council has power to undertake a joint procurement exercise with other local authorities under section 111 of the Local Government Act 1972 which provides the power for the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Council has power to enter into contracts for CCTV supply, installation and maintenance under section 1 of the Local Government (Contracts) Act 1997.

The Executive may provide Corporate Directors with responsibility to award contracts with a value over £2 million using revenue money and over £5 million using capital money (council's Procurement Rule 16.2).

The proposed contract relates to goods and services. The estimated value of the contract is £13.5million over 4 years. The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £181,302 for goods and services. Contracts above this value need to be advertised in the Official Journal of the European Union. The council's Procurement Rules also require contracts over the value of £181,302 to be subject to competitive tender.

The proposed procurement strategy is to use a collaborative approach with Hounslow (lead authority), Ealing and Southwark councils to establish the contract in compliance with the requirements of the Regulations and the council's Procurement Rules. On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council.

#### **4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

The supply, installation and maintenance of CCTV facilities will have several environmental impacts, including use of materials in the production process, the use of fuel and energy and waste generation during the transportation and installation, and ongoing electricity use and transport-related impacts from the running and maintenance of the cameras.

However, the cameras will allow for the enforcement of measures that benefit the environment, such as low emission zones. The tender will also give higher scores to contractors who propose using low or zero emission vehicles when delivering the service.

#### **4.4 Resident Impact Assessment:**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.



A Resident Impact Assessment was completed in May 2019 and is attached at Appendix 1. No adverse impacts or other risks have been identified. The Council operates its own CCTV Code of Practice and also conforms to the CCTV Commissioners Code of Practice, including with a certificate of compliance.

## 5. Reason for recommendations

- 5.1 Not having any provision in place for the supply and maintenance of CCTV infrastructure could result in systems or local equipment failure (which has already happened recently), impacting upon crime and social disorder services such as supporting police and Council investigation, insurance company claims, traffic and parking budget and general public safety.

Without a new contract being in place we will not have the ability to install new cameras or upgrade existing ones as new technology becomes available.

Undertaking a four-borough procurement will ensure that the Council has a better chance of receiving the best value and service possible by increasing the purchasing power when entering the market.

## Appendices

- Appendix 1 - RIA

## Background papers:

- None.

Final report clearance:

## Signed by:



28 January 2020

Executive Member for Finance, Performance and Community Safety. Date:

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