



Report for: Cabinet

Date of Meeting:	29 th June 2023
Subject:	CCTV Infrastructure - Contract Value Increase
Key Decision:	Yes - as it is significant in terms of its effects on communities living or working in an area of two or more wards of the Borough.
Responsible Officer:	Dipti Patel - Corporate Director Place; Cathy Knubley - Divisional Director Environmental Services
Portfolio Holder:	Councillor Anjana Patel - Portfolio Holder for Environment and Community Safety
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Section 1 – Summary and Recommendations

This report seeks authority to increase the value of the Council's contract for the upgrade and maintenance of the Council's CCTV infrastructure, to enable additional capital expenditure with the awarded contractor if required.

Recommendations:

Cabinet is requested to:

1). Grant approval to increase the value of the CCTV contract with DSSL Group Ltd, by up to £100,000 per annum to a maximum of £1,000,000 over the life of the contract.

Reason (for recommendations):

To ensure the Council fulfils its responsibilities for enforcement and community safety activities and to ensure there is sufficient contract value to pay for the contractor services over the contract term.

Section 2 – Report

1. Introductory paragraph

- 1.1. Following approval at the Council's Cabinet meeting in October 2018, a tender was published for the fitting out of a new CCTV control room, upgrading of the borough's public space CCTV infrastructure and maintenance thereafter for a period of up to 10 years. The contract value published in the tender notice was £2,640,000 and included a non-guaranteed contract value allowance of £50,000 per year for any CCTV related ad hoc works / services needed over the contract term. This non-guaranteed allowance would cover items such as the new/replacement network cameras installations, replacement or upgrading of other related CCTV equipment or procurement of additional associated security systems or products.
- 1.2. DSSL Group Ltd were awarded the contract for an initial term of 5 years from 23rd May 2022 to 22nd May 2027 with an option to extend for a further two years, plus two years, plus one year, up to 22nd May 2032.
- 1.3. The awarded / aggregate value of the contract (including any extension options) is £1,872,100 and includes the initial capital contract costs and ongoing maintenance costs as tendered by DSSL Group Ltd. These costs remain unchanged. However, the non-guaranteed contract value allowance was omitted from the awarded / aggregate value stated in the Council's internal Gateway 2 award report and the published contract award notice.
- 1.4. The awarded contract value therefore did not account for additional works which may be required outside of the tendered fixed price

elements, and this will need to be added to enable spend of any future funding for items such as additional cameras, systems and replacement of damaged equipment.

- 1.5 In addition it has been identified that the non-guaranteed allowance of £50,000 per annum may not be sufficient if other service areas of the Council are seeking to procure CCTV related goods and services and wish to utilise the CCTV Contract as part of a single point of supply / accountability approach (recommended).

2. Options considered

- 2.1. Increase the non-guaranteed contract value allowance by £100,000.00 per annum – This would enable scope for other areas of the Council to potentially procure CCTV related goods and services from DSSL Group Ltd which are not part of the current public space CCTV Infrastructure. Given the current drive towards more automated systems being linked to the new CCTV platform this option would ensure sufficient contract value to cover the full contract term. This option is recommended
- 3.2. Increase the non-guaranteed contract value allowance by £76,700 per annum. This will enable some scope for other areas of the Council to potentially procure CCTV related goods and services from DSSL which are not part of the current public space CCTV infrastructure and keep within the value published in the contract tender notice, although it may not be sufficient contract value to cover the full contract term.
- 3.3. Introduce the non-guaranteed contract value allowance of £50,000 per annum. This will correct the omission from the Gateway 2 report and contract award notice. This option is not recommended as £50,000 per annum may not be sufficient contract value to support potential CCTV infrastructure projects from user departments.

3. Background

- 3.1 Since DSSL Group Ltd have commenced commissioning the new CCTV equipment across the borough and fitting out the new control room, there has already been approaches made from other service areas looking at integrating CCTV systems for their own service areas to link into the new control room. Additionally, there has been an approach from elected members seeking to increase the number of demountable cameras in Harrow for use in preventing and detecting fly-tipping and other anti-social behaviour.
- 3.2 For the above reasons, it is clear that the original non-guaranteed allowance of £50,000 per annum may not be sufficient which is why the request has been increased to £100,000 per annum.

Ward Councillors' comments: Not applicable

Risk Management Implications

Risks included on corporate or directorate risk register? No

Separate risk register in place? No

The relevant risks contained in the register are attached/summarised below.
N/A

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
If the recommendation of the report is not accepted the Council may fail to fulfil its responsibilities for enforcement and community safety activities in the Borough	<ul style="list-style-type: none">▪ The report sets out a process by which this risk can be mitigated	GREEN
Contract award challenge from other unsuccessful bidders to recommendation of £100,000.00 per annum	<ul style="list-style-type: none">▪ The recommendation is compliant with the Public Contracts Regulations.	GREEN

Procurement Implications

The current value of the contract with DSSL Group Ltd is based on the tendered price of £1,872,100 which was confirmed in the Council's internal Gateway 2 Award Report and in the published Contract Award Notice. The tender documentation was clear that the overall contract value of the tender opportunity was £2,640,000 for the full 10-year period including extensions, and that this includes a non-guaranteed contract value allowance for any ad hoc works / services that may be needed over the contract term.

The proposed increase in contract value set out within this report is compliant with the Council's Contract Procedure Rules and is a permissible increase under the Public Contracts Regulations 2015 therefore the procurement team fully support the recommendations made in this report

Legal Implications

The increase in the advertised contract value as part of the original procurement of this contract is around £232k, representing less than a 10% increase in the contract value. Therefore, it is not a substantial modification of the contract under regulation 72 of The Public Contracts Regulations and is lawful.

Additionally, the original contract terms expressly permit contract amendments and consequent increases to the contract sum.

The Council's internal governance procedures can be followed to document the increase in contract value.

Financial Implications

The CCTV contract was awarded to DSSL Ltd to complete the fit out of the new CCTV room and to provide on-going support and maintenance service. The costs are fully funded from the approved capital programme and annual revenue budget in Parking Service.

As the current contract value only reflects the works in the tender specification, it does not accommodate any additional CCTV related works that may be required during the contract period. The proposal of increasing the contract value by £100k per annum is to provide an allowance for ad hoc requests. There is no guarantee of spending to this value as each request is subject to funding availability of any project proposal.

Equalities implications / Public Sector Equality Duty

None

Council Priorities

1. A borough that is clean and safe

CCTV is a vital part in the capture and prevention of crime and antisocial behaviour.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 2nd June 2023

Statutory Officer: Stephen Dorrian

Signed on behalf of the Monitoring Officer

Date: 18th May 2023

Chief Officer: Dipti Patel

Signed off by the Corporate Director

Date: 2nd June 2023

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement

Date: 2nd May 2023

Head of Internal Audit: Neale Burnes

Signed on behalf of the Head of Internal Audit

Date: 6th June 2023

Mandatory Checks

Ward Councillors notified: NO as it impacts on all Wards

EqIA carried out: NO

An EqIA has not required as this report seeks authority to amend an omission from a gateway 2 report regarding the non-guaranteed spend limits of an already awarded contract.

Section 4 - Contact Details and Background Papers

Contact: Ian Slaney, Head of Parking and Network Management, 020 8424 1829. ian.slaney@harrow.gov.uk

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee - NO