

**NORTH LANARKSHIRE COUNCIL  
COMMITTEE REPORT**

<b>To:</b> POLICY AND RESOURCES (REGENERATION & INFRASTRUCTURE) SERVICES SUB COMMITTEE		<b>Subject:</b> CONTRACT AWARD FOR THE PROVISION OF CLOSE CIRCUIT TELEVISION (CCTV) SERVICES
<b>From:</b> HEAD OF PLANNING AND REGENERATION		
<b>Date:</b> 5 September 2013	<b>Rep:</b> 1738	

**1. Purpose of Report**

1.1 The purpose of this report is to seek approval to award a contract for the provision of CCTV services to Scotshield Ltd following a comprehensive procurement process. This contract has two elements, a price for specified maintenance works and a detailed Schedule of Rates (SOR) for future works.

**2. Background**

2.1 In February 2013, the committee approved the appointment of Town Centre Activities (TCA) as project consultants to design and manage a tender process for the provision of CCTV services on behalf of North Lanarkshire Council. For the first time this amalgamated the existing maintenance contracts for external CCTV services across the council.

2.2 The contract period will be for 3 years with an option to extend for a further period not exceeding two years and key elements include:-

- o Maintaining the existing camera infrastructure;
- o Replace end of life equipment and/or upgrade;
- o React to the Councils security needs within short timescales;
- o Design, install and commissioning of ad hoc or comprehensive CCTV camera(s) including subsequent maintenance;
- o Any associated works i.e. lighting upgrades or installation of floodlighting;
- o CCTV Control Room alterations and/or upgrades.

**3. Pre Qualification Questionnaire Outcome**

3.1 The procurement strategy was to enable an appropriate number of suitably qualified candidates to be selected for the second stage of the procurement process (Invitation to Tender) on the basis that they demonstrate the capability, capacity and range of specialist knowledge and multi-disciplinary technical skills required to deliver the contract.

3.2 A Pre Qualification Questionnaire (PQQ) was published on the Public Contracts Scotland portal on 29<sup>th</sup> March 2013 and eight expressions of interest (EOI) received however only 1 PQQ was returned. The interested contractors provided feedback on the portal as to why a PQQ was not submitted. It was evident that the majority of contractors felt that they do not have the capability or the specification of works is out with their experience. The specification was designed to ensure minimum disruption to CCTV services, minimising downtime of the service and providing quality evidence as an output.

The North Lanarkshire CCTV network is vast and complex and it is essential to ensure that the appropriate contractor can meet the demands of the contract. With this in mind the decision was taken to proceed to ITT with a single bidder – Scotshield Ltd. Scotshield are the current incumbent contractor.

#### 4. Invitation to Tender (ITT) Evaluation

4.1 The contract award is based on the Most Economically Advantageous tender to the Council and the tender was evaluated using a Cost/Quality ratio of 60% Cost and 40% Quality. In accordance with the ITT a fully compliant tender was received on 12<sup>th</sup> August 2013 from Scotshield Ltd and was evaluated with a result of 92.4 for the Scotshield Ltd tender.

4.2 As previously outlined this contract has two elements, a price for specified maintenance works and a detailed Schedule of Rates (SOR) for future works.

##### 4.2.1 A) Specified Maintenance Works;

As part of the quality matrix a specific question was included regarding any added value a tenderer could bring to the contract for example cost savings opportunities, technological improvement and service delivery improvements to help drive cost out of maintaining the North Lanarkshire CCTV portfolio. As an added value commercial offering Scotshield proposed an alternative cost model for consideration (specified maintenance – option 2). The alternative cost model of £86,358 for the comprehensive maintenance regime has been selected after tender checking. The tender return rates for specified works were priced as follows;

Tenderer Name	Specified Maintenance – Option 1	Specified Maintenance – Option 2
Scotshield Ltd	£175,643	£86,358

4.2.2 The contract sum of £86,358 allows for the preventative maintenance regime across the existing North Lanarkshire CCTV network. As well as this budget for preventative maintenance, each department will be required to hold an ad hoc repairs and planned maintenance budget to allow for repairs not included within the contract (for example proposed that works exceeding £100 in value, vandalism etc). Over the duration of the contract it allows for the procurement of up to a total of £2 million to cover service, maintenance and repair.

4.2.3 In order to test the market with the Scotshield bid a comparison was made between the previous contract rates that were competitively tendered and the new proposed rates. In summary there are a total of 102 CCTV area/sites requiring a comprehensive maintenance regime which on average will cost £488 per site per annum. Comparing with the previous maintenance contract rates, this represents a reduction of an average of £424 per site per annum. The pricing model evaluated has demonstrated the benefit of combining the existing maintenance contract whereby economies of scale has allowed for an improved pricing structure for the complete network reducing the average maintenance cost per site.

##### 4.2.4 B) Schedule of Rates (SOR)

4.2.5 The second element of the contract details a comprehensive SOR which allows up to a total of £4m spend for future CCTV works. The SOR element of the contract will not commit the Council to spend this amount on future works. Any spend or budget approval for future works will require going through the proper approval processes in line with Contract Standing orders. Service areas across the Council will use the contract as demand requires.

- 4.2.6 As part of a due diligence exercise and to test the market there was a comparison between current contract SOR's provided by the incumbent contractor and the proposed SOR's provided as part of the new contract. In summary there were 92 existing SOR items that could be directly compared to the previous contract. Of the 92 SOR items, 51 had decreased in price by a total cost difference of £13,797, 12 items had increased in price by a total of £2,014 and there was no change in price for 29 items. New SOR's have also been provided for 47 new items.
- 4.3 The bid provided by Scotshield was a fully compliant quality bid that demonstrated that they have the skills, knowledge and experience required to fulfil a contract of this scale and nature. The added value bid for specified maintenance combined with the reduction in rates for the detailed SOR's represents the best value for the council providing long term value for money over the duration of the contract.

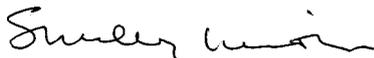
## **5. Financial Implications**

- 5.1 The two current contracts for CCTV maintenance end in September 2013. This contract award will allow continuity of service and will address the current and future requirements of Council Services allowing them to procure annual maintenance work for CCTV as and when required. The maintenance contract costs will be funded through existing departmental budgets.
- 5.2 New CCTV systems and upgrades through the Schedule of Rates (SOR) element of the offer will need to go through the approval process of each of the Service areas using the contract as demand requires.

## **6. Recommendations**

It is recommended that the committee approve the appointment of Scotshield for;

- A) The provision of specified CCTV maintenance services at a cost of £86,358 per annum allowing up to a total spend of £2M over the duration of the contract.
- B) Utilising the Schedule of Rates (SOR) element of the contract for future works as and when required allowing up to a total spend of £4M over the duration of the contract.



Shirley Linton

### **Head Of Planning and Regeneration**

Local Government Access to Information Act: for further information please contact Emma Walker at Tel 01236 638916.