



Executive
10th October 2005

**Report from the Director of
Environment and Culture**

For Action

Wards Affected:
ALL

Authority to award the contract for the installation of CCTV cameras for Brent Council and Wembley National Stadium

Forward Plan Ref: E&C-05/06-025

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1.0 Summary

- 1.1 This report requests authority to award the contract for the supply, installation and maintenance of CCTV cameras on roads around Wembley National Stadium as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

2.0 Recommendations

- 2.1 That the Executive agree that the contract for the supply, installation and maintenance of twelve public safety and traffic monitoring CCTV cameras around Wembley National Stadium (including the supply and installation of ducting and fibre to enable the Council to own, rather than rent, the CCTV transmission lines) be awarded to Tyco Integrated Systems Limited subject to the Director of Finance and Corporate Services being satisfied that adequate funding is in place.

3.0 Detail

- 3.1 The award of this contract in October 2005 will enable the supply and installation of twelve public safety and traffic monitoring CCTV cameras around Wembley National Stadium to be completed in time for the opening of Wembley National Stadium.
- 3.2 Time frames slipped from those stated in the authority to invite tenders report submitted to the Executive Committee on December 2004 for the following reason. The original s106 Agreement states that Wembley National Stadium Limited (“WNSL”) will procure the CCTV cameras. Subsequently, WNSL and the Council agreed that the Council will procure the CCTV cameras and WNSL will reimburse the Council. Negotiations over the amount of funding, in particular the transmission and maintenance costs, took longer than anticipated. Funding terms were only provisionally agreed when WNSL gave its consent for the Council to go out to tender on 30 June 2005. As a result of this delay, the invitations to tender for the contract were sent out to the eight organisations that were short-listed after prequalification questionnaire stage on 1 July 2005.
- 3.3 The s106 Agreement is currently being amended by Legal Services to ensure that WNSL will reimburse the Council for the procurement of the CCTV cameras and will pay for the costs of the CCTV maintenance. At the time of writing this report, the s106 Agreement amendments had not yet been finalised. The Council received a letter of intent from WNSL dated 22 December 2004 in which WNSL agreed that the Council may draw down from the s106 agreement funding to cover the procurement of this contract subject to certain conditions. One of the conditions was that WNSL was to be consulted throughout the process. Subsequent to this letter, Council Officers have been in discussion with WNSL about the funding arrangements and WNSL has verbally agreed to contribute to the purchase and installation of ducting and fibre to enable the Council to own the transmission for the CCTV cameras rather than renting the lines from BT. Council officers are of the view that ownership of the lines by the Council, while more costly to procure in the short term, will save the Council and WNSL money in the long term. Tenderers were requested in the invite to tender documentation to submit prices for both options, namely: (a) the costs if the lines were to be supplied and installed by the contractor as part of the CCTV contract (“Option A”) and (b) the costs if the lines were to be rented from BT (“Option B”). The Council has not received written agreement from WNSL on the final terms of the funding. Officers anticipate having received this final written agreement by the time of the 10 October Executive. This report recommends that the Executive award the contract subject to the Director of Finance and Corporate Resources being satisfied that adequate funding is in place.

The tender process

- 3.4 The new contract will be let using the Institute of Electrical Engineers Model form 1 – 2000 rev4.

- 3.5 The tender process followed the EU restricted tendering procedure for tendering a supply and installation contract in accordance with Public Supply Contracts Regulations 1995, because the supply and installation of the CCTV cameras fits within the EU Regulations definition of a supply and installation contract rather than a works contract. However, due to the type of supplies and installation work to be performed, officers decided that it would be preferable to use the industry standard works contract format to let the contract (as stated in paragraph 3.4 above) rather than a supply contract format.
- 3.6 The procurement of this contract commenced in August 2004 when it was advertised in OJEU. Forty expressions of interest were returned in September 2004 and they were sent pre-qualification questionnaires.
- 3.7 PQQ short-listing of the contractors was carried out in October 2004 on the basis of the contractors' financial viability, technical ability and health and safety investigations. An officer from Brent Financial Services recommended by Procurement and Risk Assessment carried out the financial evaluation, and a Health, Safety and Licensing Officer did the Health and Safety evaluation. The outcome was that eight organisations were short-listed for the tendering of the CCTV contract. Short-listed tenderers were sent invitations to tender on 1 July 2005. The deadline for submission of tenders was 11 August 2005.
- 3.8 The tendering instructions stated that the Contract shall be awarded on the basis of the tender that is the most economically advantageous to the Council and that in evaluating tenders, the Council would have regard to the following criteria in accordance with the weightings in brackets:
- price and cost effectiveness (60%)
 - technical merit (5%)
 - delivery date (10%)
 - methods and resources (10%)
 - quality control and quality assurance (5%)
 - post installation technical sales and operational support (5%)
 - operational lifetime costs (5%)
- 3.9 Tenderers were required to submit additional information providing details of their proposed arrangements for performing the work including options for providing ducting and fibre that would be owned by the Council.

Evaluation process

- 3.10 All tenders had to be submitted no later than noon Thursday 11 August 2005. Tenders were opened at 14.00 Thursday 11 August 2005, and three valid tenders were received. These were photocopied and distributed on 13 August 2005 to each member of the evaluation panel and the Council's consultant from the Wembley Infrastructure Technical Team ("WITT) for their preparation for the evaluation meeting. The names of the submitted tenders are contained in Appendix 1.

- 3.11 The tender evaluation was carried out by the evaluation panel which comprised three Council Officers, one from StreetCare, one from Transportation, and the Deputy Director of Environment and Culture. Also in attendance at the initial tender evaluation meeting on 5 September 2005 as advisors to the panel were the Council's consultant from the WITT team, a representative from the Procurement Unit and a representative from Legal Services. The Council's consultant from WITT prepared a report analysing the three tenders which he circulated to members of the evaluation panel. Invited representatives from Wembley National Stadium Limited were unable to attend because they had not been able to take legal advice concerning the confidentiality undertaking which the Council required them to sign before attending the meeting. Consultation over the tenders submitted and the tender evaluation with WNSL has taken place and WNSL were also given the opportunity to review and comment on the tender documentation prior to the invitations to tender being sent out.
- 3.12 At the evaluation meeting on Monday 5 September, each tender submission was marked by the whole panel against the award criteria listed in paragraph 3.8 above. Based on the scores at this meeting the panel decided that two members of the evaluation panel (one officer from StreetCare and one from Transportation) would meet and interview the two leading organisations, and the meeting was also to be attended by the Council's consultant from the WITT team and his assistant engineer. The panel also decided not to proceed to interview the third tenderer as they scored quite low against the award criteria and their price for the work exceeded the total amount available in the section 106 fund for this work. The evaluation panel agreed adjusted scores for the interviewed tenderers following the interviews. These final scores are set out in Appendix 2.
- 3.13 The two leading organisations were interviewed on Friday 9 September. The final scoring of the tenders was calculated and agreed by the evaluation panel. The panel made the final decision to recommend award of the contract to Tyco Integrated Systems Limited who score higher for Option A which is also the panel's preferred option. However, it should be noted that the second tenderer scored higher for option B.
- 3.14 Tenderer Three was not interviewed because its tender greatly exceeded the budget available and the Council could not afford to award the contract to that tenderer.
- 3.15 The contract will commence ten days after the award of the contract is authorised by the Executive (in accordance with the new EU Directive on the stand down period for award of a contract).

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval of the award of the contract.

- 4.2 The estimated value of the contract at the beginning of the tender process exceeded the £500,000 threshold.
- 4.3 As stated in paragraph 3.3, the cost of this contract will be externally funded by WNSL from the budget secured in the Section 106 agreement with Brent Council. However, as noted above, the terms of this funding have not yet been finalised. For this reason, this report recommends that the Executive award the contract subject to the Director of Finance and Corporate Resources being satisfied that the funding is in place. Thus, this contract will only be awarded once the Council has received a finalised written agreement from WNSL as to the funding arrangements.
- 4.4 The actual value of the contract may be less than that quoted because Brent Council has been placing ducting within the public highway around Wembley when the opportunity has arisen. This may mean that the Council may not have to rent as many ducts, or construct as many ducts, as are provided for in the tenders submitted. Tenderers quoted prices for ducting to each CCTV camera site in their tender submissions. Any decision to exclude particular routes to any of the cameras will not affect the unit price for laying ducting and cable and the contractor will not have a reimbursement claim against the Council for a reduction in this area work.
- 4.5 Funding will be drawn down from the WNSL s106 Agreement, as and when expenditure is incurred. The amount available under the s106 Agreement for the procurement of (1) signage around the Wembley National; (2) CCTV around the Wembley National Stadium; (3) Variable Message Signs around the Wembley National Stadium is capped at £1.1 million. WNSL has agreed that the order of priority of the procurement of these projects out of the funding pot should be, firstly, the signage, secondly, the CCTV, and third, if there is still sufficient funding in the pot, the procurement of the VMS. Current indications are that sufficient funds are available in the s106 agreement funding pot for the procurement of the CCTV contract. This will be clarified with WNSL during the consultation process.

5.0 Legal Implications

- 5.1 The value of this contract over its lifetime is higher than the EU threshold for a supplies and installation contract and the procurement of this contract is therefore governed by the Public Supply Contracts Regulations 1995.
- 5.2 The estimated contract value is more than £500, 000 and it is thus a High Value Supply Contract for the purposes of the Council's Standing Orders and Financial Regulations. Thus, Executive approval is required for the award of this contract.
- 5.3 As explained in paragraph 3.5 above, due to the type of supplies and installation work to be performed, officers decided that it would be preferable to use the industry standard works contract format to let the contract (the Institute of Electrical Engineers Model form 1 – 2000 rev 4) rather than a supply contract format.

6.0 Diversity Implications

6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 This is a new supply and installation contract and there are therefore no implications for Council staff arising from tendering the contract.

8.0 Background Papers

8.1 London Development Agency and Wembley National Stadium Limited Funding Agreement relating to the English National Stadium Project Wembley and London Borough of Brent dated 26 September 2002.

8.2 Deed of Agreement pursuant to s106 Town and Country Planning Act 1990 (as amended) relating to The National Stadium Wembley, London

8.3 Authority to invite tenders for the installation of Closed Circuit TV cameras for Brent Council and Wembley National Stadium Executive Report ES-04/05-277.

Contact Officers

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