



Executive
14th November 2005

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

For Action

Wards Affected:
Tokyngton,
Wembley Central, Preston

**Authority to Invite Tenders and apply a Contract Variation for the
Wembley Crowd Management Scheme**

Forward Plan Ref: ES-04/05-329

1.0 Summary

- 1.1 The scheme involves enhancements to the Council's ability to monitor crowd movement between the Stadium and the three stations (Wembley Park, Wembley Stadium and Wembley Central)
- 1.2 This report requests approval to invite tenders in respect of the procurement of CCTV and PA systems as required by Contract Standing Orders 88 and 89.
- 1.3 In addition the recommendation to apply a contract variation in order to deliver the control room upgrade and the use of Brent term contractors to install the duct network is requested.

2.0 Recommendations

- 2.1 The Executive notes the packages of works necessary to deliver the Wembley Crowd Management Scheme as set out in the report and the routes for procuring them.
- 2.2 The Executive gives approval to the pre - tender considerations and the criteria to be used to evaluate tenders for the supply and installation of CCTV cameras and public address system as set out in paragraph 3 of the report.
- 2.3 The Executive gives approval to officers to invite tenders for the supply and installation of CCTV cameras and public address system and evaluate them

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in accordance with the approved evaluation criteria referred to in 2.1 above.

- 2.4 That the Executive agrees that for the reasons set out in this report there are good financial and operational reasons to include the digital recording system to the recently awarded S106 (WNSL) contract without seeking 3 written quotes in accordance the Council's Standing Orders.

3.0 Detail

- 3.1 The purpose of this report is to provide details of the proposed scheme and recommendation as to the most advantageous procurement route for consideration by the Executive Committee.
- 3.2 The scheme involves the introduction of sixteen additional CCTV cameras on pedestrian routes between Wembley Stadium and the three stations (Wembley Park, Wembley Stadium and Wembley Central). With the introduction of these additional cameras the Council will obtain complete CCTV coverage of the three pedestrian routes via the Brent House control room. An upgrading of the Brent House control room will also take place in order to provide digital recording and downloading capability consistent with the latest Metropolitan Police requirements.
- 3.3 The additional cameras represent a significant enhancement in the ability of Brent / the Metropolitan Police / others to monitor the movement of event day crowds and maintenance of public safety. Although prompted by the need to monitor and manage event day crowd movement, the Council will also derive the benefit during non-event days.
- 3.4 It should be noted that the additional cameras noted above are in addition to those provided by the recently approved contract for the installation of CCTV cameras for Brent Council and Wembley National Stadium on 10th October 2005.
- 3.5 In addition the scheme involves the introduction of public address systems on Olympic Way between the Stadium - Wembley Park station and also on the northern approach to Wembley Stadium station.
- 3.6 The project is based on a previously undertaken *Wembley Environs Communications Scheme – Scheme Design Report, April 2005* funded by TfL. The detailed design development, award documentation and installation supervision will be undertaken by specialist teams within the Transportation Service Unit.
- 3.7 Including a 15% allowance for contingencies, the cost of the overall project including design, investigations and Brent charges is estimated at £2,483,430. It is understood that external funding for the project is forthcoming although no formal commitments have been received to date. The following external funding is anticipated:

| | | |
|------------|--------------|-----------------------------|
| 3.8 | | 2005/06 |
| | TfL | £1.130,000 |
| | | 2006/07 |
| | TfL | £550,000 |
| | LDA | £300,000 |
| | WNSL | £500,000 |
| | Total | £2,480,000 (rounded) |

3.9 Taking into consideration the need to have disruptive works completed prior to the Stadium opening, time constraints imposed by TfL on funding take up, delivery of the scheme in the most cost effective and technically advantageous manner to the Council, it is proposed to deliver the scheme via three separate procurement packages. The proposed three procurement packages are:

- A. Trenching and Duct Installation
- B. CCTV and PA Installation
- C. Control Room Upgrade

Details of the proposed packages now follow:

A. Trenching and Duct Installation:

The works in this package involve excavation of trenches, installation of ducting and reinstatement with an estimated value of £420,000. It is proposed that the work is carried out by Brent highway term contractors and managed by the Highway Maintenance Unit. The work would be based on standard rates derived via competitive tendering for a set period of time. Term contractors currently install trenching and ducting associated with the implementation of traffic and other improvement schemes, and possess the technical expertise to undertake these works.

Comparison with prevailing market rates for this type of work and in particular the rates received for the recently tendered S106 CCTV scheme indicates that no overall cost advantage would be achieved in letting the work on competitive basis.

TfL funding applies to this component of the work based on the stipulation that the work is completed in this (2005/2006) financial year. If let on a competitive basis the additional time required would prevent the work being completed this financial year and also have a programme knock on effect that would delay the remaining work beyond stadium opening.

In addition the nature of the work involving the avoidance of extensive existing underground services requires a highly interactive and flexible approach between the designer, the contractor and supervising engineer. Such a relationship exists via the term contractor and established over a period of

years. It is doubtful if such flexibility would be obtained via a normal works let competitively.

For the above reasons approval is requested to the direct award using Brent existing term contractors for the installation.

B. CCTV and PA Installation:

This work involves the installation of cameras and public address speaker, column foundations, columns, pull through of cables through ducts installed in the previous package and connection with the control room. The work would follow on immediately after the installation of the ducting at the end of March 2006

The value of the work is estimated at £1,276,500 (including 15% contingency). A further £78,200 (including 15% contingency) has been estimated to cover Brent charges and other associated costs.

At £1,276,500 this would be classified as High Value contract and would be let competitively in accordance with Council and OJEU procedures

In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Executive.

| Ref. | Requirement | Response | |
|-------|-------------------------------------|---|--|
| (i) | The nature of the Contract. | Supply and Installation of CCTV and PA | |
| (ii) | The estimated value. | £1,276,500 | |
| (iii) | The contract term. | 2 months duration installation 1 month snagging/ commissioning | |
| (iv) | The tender procedure to be adopted. | To be let in competitively on accordance with Council and OJEU procedures | |
| (v) | The procurement timetable. | Indicative dates are: Adverts placed Expressions of interest returned Shortlist drawn up in accordance with the Council's approved criteria | 24 Nov 2005 3 Jan 2006 10 Jan 2006 |

| | | | |
|-------|---|---|---|
| | | <p>Invite to tender</p> <p>Deadline for tender submissions</p> <p>Panel evaluation and shortlist for interview</p> <p>Interviews and contract decision</p> <p>Report recommending Contract award circulated internally for comment</p> <p>Executive approval</p> <p>Alcatel Standstill Period</p> <p>Contract start date</p> | <p>10 Jan 2006</p> <p>21 Feb. 2006</p> <p>7 Mar 2006</p> <p>14 Mar 2006</p> <p>21 March 2006</p> <p>18 April 2006</p> <p>30 April 2006</p> <p>15 May 2006</p> |
| (vi) | The evaluation criteria and process. | <p>Shortlists are to be drawn up in accordance with the Council's Contract Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. The panel will evaluate the tenders against the following criteria:</p> <p>Price and cost effectiveness</p> <p>Technical merit</p> <p>Delivery date</p> <p>Methods and resources</p> <p>Quality control and quality assurance</p> <p>Post installation technical support</p> | |
| (vii) | Any business risks associated with entering the contract. | Refer to para 4.5 for potential business risks and proposed risk mitigation measures | |

| | | |
|--------|---|---|
| (viii) | The Council's Best Value duties. | The upgrade / digitalising of the recording process represents Best Value as it provides greater memory and significantly reduces storage space. The use of Brent owned ducts and fibre optic cable will result in greater efficiency and reliability. When considering whole life costs, the installation of fibre optic cables which will be in the Council's ownership will have significant cost advantages over the recurring costs involved in rented telephone lines. |
| (ix) | Any staffing implications, including TUPE and pensions. | There are no staffing or TUPE implications |
| (x) | The relevant financial, legal and other considerations. | see sections 4 and 6 for financial and legal implications |

The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

C. Control Room Upgrade

The works comprises the supply and installation of equipment to allow digital recording and downloading for compatibility with the latest Metropolitan Police requirements.

The value of this supply contract is estimated at £120,000 and will be funded by TfL. However TfL have stated that this amount has to be accounted for in the current (2005/2006) financial year and that no roll over into the next year. If let competitively in accordance with Council procedures we will be unable to complete the works this financial year.

It is proposed to apply a contract variation of £120,000 for this work to the S106 (WNSL) contract which has a value of £852,384.78 and was recently awarded to Tyco.

Apart from the advantage of securing funding if completed in this financial year this proposal would have the advantage of equipment compatibility and easier integration if awarded to the S106 contractor. Conversely if the S106 contractor, Tyco, is to install the S106 cameras and another contractor is used to install the larger digital system to accommodate all of the Brent CCTV cameras there will be conflicts over compatibility, liabilities, warranties, future maintenance and access during construction. It is also likely that subsequent costs will be higher.

Ordinarily the Council's contract standing orders would require that 3 written quotes were sought for the contract. However, for the reasons set out above

officers consider that there are good financial and operational reasons for not doing so and for including this work in the s106 (WNSL) contract.

4.0 Financial Implications

- 4.1 Funding for capital costs will be provided from external sources as detailed in the preceding sections of this report.
- 4.2 TfL who will be funding this component has stated that it cannot be used to provide for maintenance costs. It is understood that the existing Borough wide maintenance agreement for 122 cameras will shortly be re-negotiated at which time the additional 16 cameras of the Crowd Management scheme will be included representing only a marginal increase. Until the re-negotiation of the Borough wide maintenance agreement is in place it is proposed to include an extended warranty period of 5 years from suppliers for the additional 16 cameras in the Crowd management Scheme.
- 4.3 It is proposed to employ a fibre optic network to provide the prime linkages. Although in terms of capital costs this will initially be more expensive than rented telephone lines. it will however, significantly reduce revenue expenditure on line rental and will be more economic when considering whole life costs.
- 4.4 The revenue costs for operating these cameras will be offset by savings made from the digitalising of the recording process and from the use of new software. The number of monitoring screens will be reduced from 59 to 34.
- 4.5 The delivery of the project will be the subject of high level project and cost management by officers. In addition financial reporting will be included in the monthly WITT (Wembley Infrastructure Technical Team) progress report to the WITT Steering Group which includes representatives from the Council, the London Development Agency and Transport for London. Officers are mindful of the potential for cost over-runs. Areas that may be subject to financial risk and the mitigation measures proposed to minimise these risks include:

Risk : Disturbing existing underground services.

Implications: Additional costs arising from delays in programme while service repairs are undertaken and costs levied by services providers for the repairs.

Risk Mitigation:

- The contract documents will make it the responsibility of the Contractor to identify all underground services and to assume liability for their protection.
- Reference to existing underground services records supplied by services provider + non invasive (radar) surveys at critical locations
- “Designing out” problem areas by seeking alternative column locations where service are not so dense.
- Ducts will be laid at shallow depths, typically 400mm under footways and 600mm under carriageways.

Risk: Project Cost Creep

Implications: Incremental cost increases contributing over time to significant cost over runs

Risk Mitigation: Continuous cost monitoring based on project cost plan tracking actual performance against planned.

Risk: Time over-runs

Implications: Potential for contractor's claims due to external delay causes.

Risk Mitigation: Transfer as much responsibility / liability onto contractor as possible in contract documents placing onus on the contractor to ensure proper project planning (eg identification of long lead items, co-ordination with others, etc)

Risk: Error in estimated costs

Implication: Requested funding insufficient

Risk Mitigation:

- Estimate based on high end of unit cost scale and includes a 15% contingency.
- Comparison made with tendered rates received for recent and similar S106 (WNSL) contract

5.0 Staffing Implications

5.1 At this stage no additional Council control room staff are considered necessary as a result of the additional 16 cameras in the crowd management scheme. However during event days the control room will be made available to Metropolitan Police observers.

6.0 Legal Implications

Trenching and Ducting

6.1 The Highways Maintenance Term Contracts were tendered pursuant to EU procurement procedures and awarded in 2003. They are framework (or 'call off') contracts and it is therefore open to the Council to include the trenching and ducting work within the relevant contract.

CCTV and PA Installation

6.2 The contract for CCTV and PA supply and installation is classified as a supply contract under the EU Regulations. The estimated value of the contract is

higher than the EU threshold for supply contracts and therefore the contract is subject to the full application of the EU regulations as well as the Council's Standing Orders for High Value contracts.

- 6.3 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.

Control Room Upgrade

- 6.4 The supply and installation of the equipment to upgrade the control room from analogue to digital would be classified as a supply contract under the EU Regulations. The estimated value of the falls below the EU threshold of £153,000 and therefore the supply and installation is not governed by the full application of the EU Regulations. It is however, subject to the overriding EU principles of equality of treatment, fairness and transparency in the award process. There could be an argument that the new equipment should have been aggregated with or included in the tender for the s106 (WNSL) contract which was only very recently tendered and awarded to Tyco. However, at that point it looked very unlikely that the Council would have been able to secure the funding for the additional equipment and therefore the Council is able to justify not including it in the contract which was tendered.
- 6.5 The Council's Standing Orders require that 3 written quotes be sought for contracts with an estimated value of between £20,000 and £150,000. However, Standing Order 84(a) provides that the Executive may decide that a contract need not be procured in accordance with the Council's Standing Orders if there are good financial and/or operational reasons for this.
- 6.6 The Director of Environment and Culture has delegated authority to vary the contract with Tyco as the variation is less than £500,000 and would amount to less than 20% of the original contract value.

7.0 Diversity Implications

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

8.0 Environmental Implications

- 8.1 Environmental implications for residents living near Wembley Stadium Station due to the operation of the public address system on stadium event days. This has been addressed in the Wembley Environs Communication Scheme – Scheme Design Report.

9.0 Background Information

- 9.1 Wembley Environs Communication Scheme – Scheme Design Report

Any person wishing to inspect the above papers, or for more detail on the above initiatives should contact Phil Rankmore, Director of Transportation, Brent House, 349-357 High Road, Wembley, Middlesex HA9 6BZ
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