

Committee: Cabinet

Date: 11 October 2021

Wards: All

Subject: Public Space CCTV and ANPR procurement

Lead officer: Cathryn James, Assistant Director Public Protection
Merton Council

Lead member: Agatha Akyigyina, Cabinet Member for Partnerships, Public Safety and Tackling Crime

Contact officer: Adrian Rutkowski, CCTV Manager, Merton Council

Exempt or confidential report

The following paragraph of [Part 4b Section 10 of the constitution](#) applies in respect of information within the appendix and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of the appendix.

Recommendations:

- A. To approve the award of a contract for CCTV and ANPR upgrade including maintenance to the successful bidder identified in Appendix 1 for a term of four years with the option to extend for a further 12 or 24 months.
- B. To delegate authority to exercise the option to extend this contract to the Director of Environment and Regeneration.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report summarises the procurement and evaluation process followed to secure a provider to deliver a borough wide public safety CCTV camera and network upgrade, including maintenance cover for both CCTV and ANPR¹ and the purchase of additional ANPR cameras. It contains the options for going forward as well as the financial implications of going ahead with awarding the contract to the bidder with the highest score.

2. DETAILS

- 1.2 Merton CCTV service based in Public Protection and Safer Merton, commenced in 1994 with a mere four cameras, one operator and was operational 14 hours a day. Through the ongoing investment made by the council, we now have some 212 public space cameras, and 7 CCTV operators supported by a CCTV

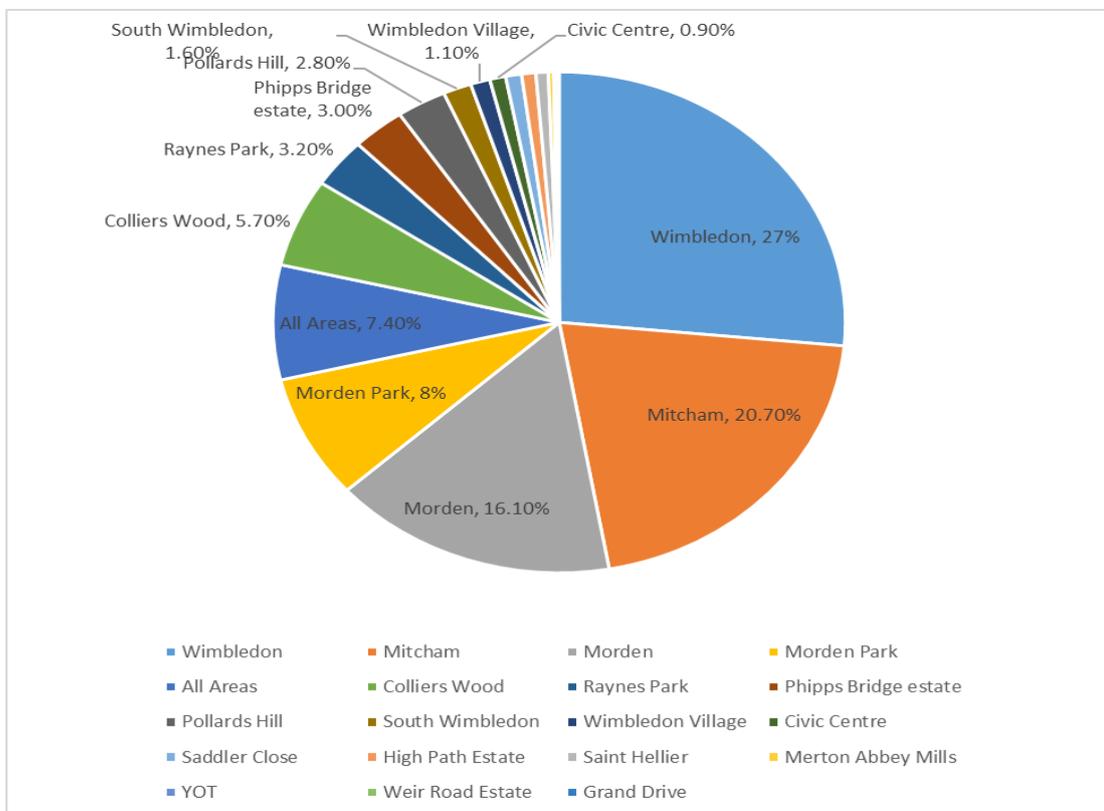
¹ ANPR – Automated Number Plate Recognition cameras used for parking enforcement and traffic contraventions

manager. The cameras are proactively monitored 24/7, 365 days a year. In order to further, improve the technology and the quality of Merton's Public Safety CCTV the council have agreed to invest a further £1.2million to upgrade the cameras and the supporting transmission system.

1.3 CCTV supports partners and the council to secure evidence of anti-social behaviour, crime and environmental crime. Operators have assisted in alerting the police of crimes taking place and then further supported them to catch the individuals involved. CCTV presence has also assisted in providing reassurance to the community and increasing the feeling of safety. Requests for the installation of CCTV remain high where the community and members see CCTV as a key response to crime and ASB.

1.4 Between 1st of April 2021 and 23rd of August 2021, the CCTV service has captured 1,909 incidents. Chart 1 below shows a breakdown of where these incidents captured took place.

Chart 1: Break down of CCTV incidents captured



1.5 In addition to the Public Safety CCTV Cameras that are fixed in permanent locations, Safer Merton also, have 13 mobile cameras to respond to anti-social behaviour and fly-tipping hotspots. Although the mobile camera assets will be maintained under this new contract, this commission does not include the purchase of these mobile deployable cameras. The funding of the mobile cameras are subject to a separate capital-funding bid.

1.6 Merton public safety CCTV cameras are an aging stock, with cameras over 10 years old, some are over 20 years old. This has resulted in the need for further

council investment to upgrade the cameras and to improve the network transmission, bringing the CCTV system up to a level comparable with other London boroughs and to improve the quality of images and an improvement on the technical capability.

- 1.7 The age and lack of available spares for these obsolete items will result in increased levels of failure, protracted downtime and increased maintenance cost. The network system also uses rented circuits (hard fibre) that come with an annual rental charge, although reliable, the ongoing revenue costs are high in comparison with other transmission methods.
- 1.8 The council has therefore agreed to invest £1.2 million to upgrade the cameras the supporting network, maintenance and software, which is also part of this tender.
- 1.9 The CCTV upgrade project will be delivered in three phases. Phase 1 will be maintaining the current assets and designing the new network and CCTV system; phase 2 will see the upgrade of the network and phase 3 will be the upgrade of the cameras. Below is the description of the project requirements.

ANPR cameras

Requirements for provision and implementation of:

- 18 ANPR cameras for school streets enforcement, via approved CIL funding in year 1 of the contract.
- 53 replacement ANPR cameras to replace the existing cameras
- Provision within the terms of the contract to purchase additional ANPR cameras for Moving Traffic Contraventions (MTC) or other environmental purposes.
- If required, this contract will also allow the provision of software and other associated technologies for the processing of PCNs and relevant data.

CCTV upgrade and maintenance

- 1.10 CCTV camera upgrade – upgrading of 150 public safety CCTV cameras from analogue to High Definition (HD) quality and maintaining the assets. Upgrading the transmission method by introducing a hybrid fibre-wireless solution to improve service delivery and lead to reduced fibre transmission costs. The annual rental cost of the fibre network is approx. £80k for 77 fibre lines. The contract will be for an initial term of, commencing on 5th of November 2021, with the option to extend for a further two years (24 months).
- 1.11 On 24 June 2021, an Invitation to Tender (ITT) was published on the London Tenders portal and was made available to all those suppliers expressing an interest in the opportunity.
- 1.12 By the submission deadline of 5pm on 26 July 2021, one tender submission was received and deemed compliant.
- 1.13 Ten potential suppliers opted out of bidding. Of these, four said that they had insufficient resources to perform the contract at this time. Three stated they were unable to meet our requirements, and three were unable to meet the timescales set out in the Invitation to Tender.

1.14 The procurement documents states that the contract award is based on the most economically advantageous tender to the Council, based on a 40% Quality: 60% Price split.

1.15 The bids were evaluated against the following Quality criteria:

- i. Please describe your approach to managing the maintenance element of this contract, including Contract Maintenance, Planned Preventative Maintenance and Chargeable Maintenance
 - ii. Please detail how you intend to carry out reactive and preventative maintenance visits for all locations given in the specification
 - iii. Please provide details of how your organisation will record, maintain and share accurate asset information. Your response should include an explanation of how you will ensure information is current and relevant
 - iv. Please provide a full functional specification of the proposed systems to meet the requirement of Section 10 of the specification
 - v. Describe how your organisation will comply with the New Roads and Street Works Act 1991 and Highway Authorities and Utilities Committee (HAUC) standards whilst undertaking works on this contract.
 - vi. Provide your organisations Health and Safety method statements and risk assessment for the works detailed in Section 10 of the specification
 - vii. A scenario has been set [Specification - Section 10], to deliver a camera and system upgrade, the project is of a time critical nature. For this scenario, please provide a detailed project management methodology.
 - viii. For the scenario to deliver the camera and system, upgrade. [Specification - Section 10], please provide a Factory Acceptance Test (F.A.T) & Site Acceptance Test (S.A.T) document
 - ix. Provide details of your organisations dedicated management and operational team highlighting their skills, experience, and professional attributes. Give details on how you intend to structure your delivery and how you ensure the ongoing professional development of all staff.
- 1.16 A panel of officers from Safer Merton, Parking Services, IT Department, and the councils commissioned external CCTV consultant carried out the tender evaluation.
- 1.17 Each member of the evaluation panel individually evaluated the compliant tender. Comments on how well each of the award criteria was addressed were noted on the evaluation sheets.

- 1.18 A moderation meeting was held on 10th August 2021 where the panel met to discuss individual scores and comments for each question in order to arrive at an agreed, moderated score.
- 1.19 The individual scores across the panel were consistent, and therefore it was relatively easy to agree the final score across the panel. The panel discussed areas where there were some discrepancies in the scores and collectively moderated the score.
- 1.20 The names of the tenderer and their respective scores are included in Appendix 1. Officers therefore recommend the award of the contract to the highest scoring tenderer.

3. ALTERNATIVE OPTIONS

Table 1: Options considered, benefits and risks

	Options	Benefits	Risks
1	<p>Award to the successful bidder, all parts of the contract as set out in the specification:</p> <p>a) ANPR Maintenance b) CCTV Maintenance c) Upgrade of cameras and transmission</p> <p>(Recommended option)</p>	<ul style="list-style-type: none"> • Awarding this new contract to a single provider will ensure the upgrade, maintenance and purchase of cameras is co-ordinated and seamless. • Minimal impact on the current system and procedures – no need to invest in new GUI (graphic user interface). • No need for lengthy mobilisation period, therefore, able to start the technical design process, maintenance and purchase of cameras funded by the capital investment, ensuring we stay on track to spend the allocated capital funding. • Maintenance of the camera and related assets will be in place. 	<p>If a new contractor is not appointed, there is a risk that the cameras may stop working and increase the risk to the community through a reduced camera provision.</p>
2	<p>Do nothing i.e. not award the contract and either</p>	<p>a) Should the current provider agree to extend the current contract at the current</p>	<p>a) Extending current contract</p> <ul style="list-style-type: none"> • The current provider may not wish to enter

<p>(a) extend the current maintenance contract</p> <p>(b) not extend the current maintenance contract</p> <p>(Not recommended)</p>	<p>costs, the annual maintenance cost will remain the same, therefore no increase in the annual cost of maintenance.</p> <p>b) If there is no maintenance contract in place for both ANPR and the Public Safety CCTV Cameras the maintenance cost for the council will be zero</p>	<p>into an extension, putting the council at risk of having no maintenance cover for ANPR and CCTV</p> <ul style="list-style-type: none"> • The current provider may not agree to keep the costs at the same level as the current contract • There is no provision for us to further extend the current contract for a further period as we have already extended the contract – procurement implications • The current contract has no provision for the provider to deliver the camera and network upgrade required leaving the council with outdated cameras and a risk of high camera down time due to failure and/or less active cameras in the borough as they are not replaceable. The quality of the camera images will remain poor and not to the standard required for evidential purposes. <p>b) not extend the current contract maintenance :</p> <ul style="list-style-type: none"> • Cameras will not have preventative or reactive maintenance in place resulting in the borough having camera's that do not work or at risk of failure. • The contract also includes the provider
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			<p>taking down and putting up cameras – the cameras will either remain up or not replaced, this would be a reputational risk to the council and potential breach of the Surveillance Commissioners code of conduct</p> <ul style="list-style-type: none"> • There is no provision in the current contract for CCTV transmission upgrades, which means that we would still have to rely on expensive rented fibre, limiting our ability to use more advanced cameras • No maintenance contract for ANPR cameras would result in camera failures not addressed with the potential of not being able to enforce. • ANPR impact on the revenue streams for environmental upgrades and works as set out in the Road Traffic Act 1984 and negative reputational impact.
3	<p>Only award the upgrade of the cameras and not award the maintenance part of the contract (parts (a) and (b) listed in option 1)</p> <p><i>(Not recommended)</i></p>	<ul style="list-style-type: none"> • The upgrade of the system would continue as planned i.e. the purchase and the replacement of the cameras and the upgrade of the network. 	<ul style="list-style-type: none"> • Cameras will not have preventative or reactive maintenance in place resulting in the borough having camera's that do not work or at risk of failure. The life of the asset will not be extended. • The maintenance contract also includes the provider taking down and putting up cameras – the cameras will either remain up or not replaced, this would be a reputational risk to the

			<p>council and potential breach of the Surveillance Commissioners code of conduct</p> <ul style="list-style-type: none"> • No provider will be in place to maintain the new cameras, network and control room resulting on the risk of increased camera down time • Reputational risk • No maintenance contract for ANPR cameras would result in camera failures not being addressed with the potential of not being able to enforce which could also impact on the revenue streams for environmental upgrades and works as set out in the Road Traffic Act 1984 and negative reputational impact.
4	<p>Award the maintenance and not the upgrade part of the contract <i>(Not recommended)</i></p>	<ul style="list-style-type: none"> • The existing CCTV and ANPR cameras and network will have maintenance cover in place 	<ul style="list-style-type: none"> • The quality of the images as a result of the outdated network and cameras will be poor • The faulty camera will be irreparable and not replaceable • Increased maintenance costs as a result of the aging and out of warranty camera assets • A failing CCTV service causing reputational risk to the council • Loss of the £1.3 capital secured to upgrade and maintain the CCTV system.
5	<p>Award the public safety CCTV maintenance and the upgrade and</p>	<ul style="list-style-type: none"> • The annual revenue costs for the ANPR maintenance will either remain the same (if the existing provider 	<ul style="list-style-type: none"> • No proactive or reactive maintenance in place for the ANPR cameras resulting in a high risk of

<p>not the ANPR maintenance (Not recommended)</p>	<p>agrees to extend the current arrangements) or there will be zero annual maintenance costs for the ANPR cameras (if the current provider does not agree to extend the contract)</p>	<p>cameras failing or camera down time</p> <ul style="list-style-type: none"> • ANPR Camera down time having a detrimental impact on the ability for Parking services to carry out their enforcement function • ANPR Camera down time impacting on the income generated by the ANPR cameras – any income which in turn will reduce the investment back into council services supported by this income provides • Should the procurement of the ANPR maintenance costs be conducted separately, the delay in this would cause all the risks listed above and also the risk of duplicated costs and therefore overall increased costs and not value for money for the council
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4. CONSULTATION UNDERTAKEN OR PROPOSED

1.21 Colleagues in Parking, Commercial Services and ITSD have been consulted and involved in the project. A specialist CCTV consultant was engaged to write the tender specification.

5. TIMETABLE

Table 2: Timetable of steps to take prior to contract award

	Task Description/milestone	Date
1	Cabinet Meeting	11 October 2021 Cabinet meeting
2	Post Cabinet call in period ends	Thursday 14th October (Midday)
3	Writing to bidders	14th October 2021
4	Alcatel ends standstill	25th October 2021
5	Final award of contract	Tuesday 26th October 2021

6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1 The financial implications span both capital and revenue spend to the council and cover associated budgets in the Safer Merton and Parking teams.
- 6.2 The contract covers the procurement of 150 new cameras (over the next 4 years) to replace the ageing CCTV Public Space cameras, the upgrade to the existing CCTV network and the on-going maintenance of the existing and new assets. In addition, the contract combines the cost of the purchase of new ANPR Parking cameras and their associated on-going maintenance over the life of the contract.

ANPR Cameras

- 6.3 The purchase of new cameras, which may include the maintenance package, would look to extend the life of the asset. 7 years is the average expected life of a camera. A combined maintenance package seeks to extend the working life of each asset.
- 6.4 There is a commitment to purchase 18 new ANPR cameras in Year 1 for School Streets enforcement at a cost of £468k and will be separately funded from CIL. This is shown in table 3 below.

ANPR and School Streets Cameras

Table 3: Financial comparison of current costs compared to the bid submitted

Parking Services	Outturn 2021	Proposed cost in bid (Maintenance unit price £3,258)	Variance to outturn
Existing 71 ANPR 47 MTC, 2016 6 x School enforcement (keep clear PTZ) (Feb 2019) 2 x LTN (March 2021)	£87,448		
School Streets 5 x School Safety Zones (2019) and 11 x (March 2021)	£135k.		
Total Existing infrastructure budget	£222,448k	£231,331	£9k.
Proposed purchase 18 ANPR School Streets (CIL £468k). £26k per camera inc install) (2022) Following proposed purchase of 18 School Street ANPR cameras there will be a total of 34.	Annual maintenance budget for additional 18 cameras is £58,644. 6 years = £351,864.		
Total included proposed additional 18 ANPR School Streets			

- 6.5 The annual on-going maintenance cost of the 18 new ANPR cameras is £58,644. The total maintenance cost for the contract term is £351,864 for a 6-year contract. These ANPR cameras will produce a compliance income stream to the council, which will surpass the maintenance costs as each camera is forecasted to result in additional income.
- 6.6 The contract price for the on-going maintenance of the existing 71 ANPR cameras is £231,331 per annum. This is an increased cost against current arrangements of £9k per year.

CCTV – Public Space

6.7 The cost to purchase 150 new cameras will be fully funded from the current CCTV upgrade capital budget of circa £1.2 million. The table below sets out how many new cameras will be purchased each year over the life of the contract subject to the results of the upgrade survey and the corresponding maintenance costs. The cost to purchase 150 cameras at approximately £3k per camera will be £450,000

6.8 The current cost of maintaining the public space CCTV cameras is £52,283 per annum or £313,698 over 6 years. In the new contract, the supplier has quoted for both maintaining the existing cameras (most of which are ten years old) and a new maintenance cost that will be applied each time a new camera is procured. The table below shows the existing cost over the next 6 years compared to the new costs in line with the replacement profiles anticipated. The revised cost of maintenance over the six-year period is approximately £443,470 an overall net increase of £129,772 over 6 years, averaging £74k per annum.

Table 4: Maintenance cost of the Public Safety CCTV

	21/22	22/23	23/24	Ongoing annual maintenance cost of all 212 cameras for the remainder of the contract once the 150 cameras have been upgraded			
				24/25	25/26	26/27	27/28
Cameras Upgraded	Nil	50	100	Nil	Nil	Nil	Nil
Maintenance Cost *If proposed reduction of maintenance cost as per bidder submission is £60 per camera	£22k	*£77,725 (50 cameras @ £320.78 each, 162 cameras @ £380.78 each)	*£71,725 (150 cameras @£320.78 and 62@£380.78)	£68,005	£68,005	£68,005	£68,005

6.9 The capital costs associated with the network upgrade will be funded from the current capital pot of circa £1.2 million. It is difficult to estimate the final upgrade cost at this stage as this will be subject to a technical survey as part of this project. Once the technical survey has been completed, a revised costing will be provided.

6.10 The ongoing revenue implications associated with the upgrade are set out in the table below over the next 6 years. This is similar to the camera replacement in

that the on-going revenue cost of the new network will decrease as elements are upgraded.

Table 5: Network Transmission Cost

	21/22	22/23	23/24	24/25	25/26	26/27	27/28
Network Transmission Costs	33k	65k	65k	40k	40k	40k	40k

- 6.11 The total cost of the upgraded network transmission costs over 6 years is £323,000, compared to a cost of £480k over 6 years at the current rate of £80k per annum. The net benefit over 6 years is £157k.
- 6.12 When all elements of the CCTV public space on-going revenue costs are taken into account, there is an overall net saving compared to current cost of £27k over 6 years.

Upgrade Public Space CCTV project

- 6.13 The budget envelope secured through capital funding and SCIL is £1.2 million. The bidder awarded this contract will be required to work with the council on the technical design for the borough wide network and CCTV camera upgrades and ensure the package includes the maintenance and purchase of cameras and other supporting equipment.
- 6.14 Prior to this procurement and as part of the work to develop the specification, the council commissioned an external consultant specialising and an expert in public safety CCTV systems and networks to conduct a technical review of the council’s current systems and provide recommendations as to the improvements required as part of the upgrade. The consultant was also part of the tender evaluation panel and supported the council in drafting the technical specification required for the tender and market testing the prices provided to ensure the council achieves best value.

CREDIT CHECK

- 6.15 A credit check was carried out and the recommended credit limit is £5,000,000. There was no recommendation for a limit to the total value of all contracts awarded to the supplier.

7. LEGAL AND STATUTORY IMPLICATIONS

- 7.1 The procurement as described in this report is in accordance with the Council’s procurement obligations as set out in the Public Contracts Regulations (2015) (PCR) and the Council’s Contract Standing Orders (CSOs).
- 7.2 The Council must comply with its obligations to:

- Observe a ten day period prior to entering into the contract as required by regulation 87 of the PCR;
 - Give notification to bidders and candidates as stated in regulation 57 of the PCR;
 - Issue a contract award notice under regulation 50 of the PCR;
 - Published the information on Contracts Finder as required by regulation 108 of the PCR.
- 7.3 Once awarded the Council must enter the contract on the Council's contracts register in accordance with the CSOs.
- 7.4 In deploying and managing the CCTV cameras the Council must comply with the Surveillance Camera Code of Practice issued by the Home Office and any updated versions thereof.

(Jonathan Miller, Procurement & Information Team, South London Legal Partnership).

8. PROCUREMENT IMPLICATIONS

- 8.1 The procurement process was carried out in accordance with the relevant provisions of the Public Contracts Regulations and CSOs and the sole compliant bid was evaluated in detail to ensure compliance with the specification, which was drafted for the Council by an expert consultant.
- 8.2 The potential suppliers that opted out of bidding were either unable to meet the specification (likely attributable to the need for a B2B agreement with Siemens) or were unable to deliver due to competing resource requirements and the project timescales. Further feedback will be requested from non-bidders to inform future re-procurements.
- 8.3 The Council has undertaken significant due diligence on the sole compliant bid to assess value for money and benchmark against other similar contracts. Although having only a single bid is not ideal in terms of competition this must be weighed against the impact of abandoning the procurement and re-publishing the tender with an amended specification, e.g. by separating the ANPR and public space CCTV elements.
- 8.4 The benefits of having a single supplier for both camera estates set out in the Gateway 1 report still hold true and separating them now would lead to duplication of costs, e.g. paying two engineers to carry out PPM visits. Unless we decide to entirely replace the Siemens enforcement camera system (which would incur significant additional capital expenditure) we consider it unlikely that the current offer could be improved upon by starting again.
- 8.5 Accordingly, we recommend that this contract is awarded, subject to the business areas confirming it can be funded.

(Tom Davis, Category Advisor, Commercial Services Merton Council)

9. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

9.1 A Data Protection Impact Assessment was completed and approved prior to the publication of the tender. The key areas covered by the DPIA are as follows:

Table 6: DPIA assessment summary

1	Information Systems	<p>The ANPR and CCTV system will be supplied by a third party supplier that will have access to vehicle registration and CCTV footage whilst performing the maintenance. They will only be granted access when required to conduct maintenance of the system, fix problems or conduct upgrades.</p> <p>Staff accessing the system will require a username and password to access the ANPR system to review evidence packs. Citizens will be able to view evidence online using the Penalty Charge Notice (PCN) issued, the charge number and the vehicle registration noted on the PCN.</p> <p>Public signage will be displayed where there is an ANPR camera or a CCTV Public Safety Camera.</p>
2	Records management	<p>This procurement does not include the handling of records. All record management is handled by the council where documents are scanned to ensure they are held in a way that preserves their integrity.</p>
3	Security	<p>The ANPR system is password protected and restricted to authorised users only.</p> <p>The public safety CCTV system lies outside of the council network and is password protected to authorised users only. The CCTV control room is also a secured area with restricted access.</p> <p>The ANPR software and data is held on the council internal server and therefore secured as per the wider council security of servers.</p> <p>The CCTV viewing software is not connected to the internet and cannot be accessed by a third party.</p>
4	Personal data handling	<p>Personal data will not be linked to other data sets and we are satisfied that Merton will be able to meet the obligations in respect of file access requests.</p>
5	Multiple organisations systems	<p>Merton is the data controller for both ANPR and CCTV. This procurement does not change the way information is shared with other parties such as the police and insurance companies. Relevant information sharing</p>

		protocols are in place where this is required. The data is not linked to any other systems.
6	Data Quality	This procurement does not change the way the data is handled. CCTV has a 31-day retention period after which time it is automatically overwritten. Data shared with the police is held for a maximum of 2 years in a secure video locker on Merton controlled servers with restricted access.
7	Information Governance	Data will be held in line with the council policies.

10. CRIME AND DISORDER IMPLICATIONS

- 10.1 Awarding of the contract ensures continued support and maintenance of the public safety cameras, which are used to tackle crime and ASB incidents. The camera upgrade project will improve the camera performance allowing for better coverage of the borough and improvement the quality of evidence secured. The CCTV service is working closely with other council departments and with external partners such as the police to ensure that the Merton remains one of the safest boroughs in London.

11. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

TABLE 7: RISKS

RISK	RISK RATING	MITIGATION
Risk of challenge	Low	The tendering exercise is compliant with PCR 2015 and the Council's Contract Regulations
Mobilisation	Low	The maintenance part of this contract is required to be ongoing and commence on day 1 of this contract. Given the outcome of this procurement and the bidder we are proposing the contract to be awarded to the risks are minimal.

11.1 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

Appendix 1 – Details of the successful bidder and scoring

13. BACKGROUND PAPERS

NONE