



Procurement Evaluation Report

For

The Provision of CCTV Services

Ref: 5000004944

Document Status:	FINAL	Date:	29/11/13
Author:	Vanessa Amissah	Owner:	Kevin Bates

Document Location

Version Control

Description/Reason for Change	Author	Version	Type of Review	Date
1 st Draft incorporating all documents into one	Vanessa Amissah	1.0	Full draft of report	28/11/13
Business Partner Revisions	Susan Lowe	1.1	Amendments	29/11/13
Final Amendments	Vanessa Amissah	1.2	Final Amendments	29/11/13

Contents

1	EXECUTIVE SUMMARY.....	4
1.1	PURPOSE.....	4
2	BUSINESS REQUIREMENT.....	5
2.1	BUSINESS CASE.....	5
2.2	SOFT MARKET ASSESSMENT.....	5
2.3	DECISION ON PROCUREMENT.....	6
3	PROCUREMENT PROCESS.....	6
3.1	PROCUREMENT ROUTE.....	6
3.2	PRE-QUALIFICATION QUESTIONNAIRE (PQQ).....	6
3.3	PQQ EVALUATION.....	6
3.4	INVITATION TO TENDER (ITT).....	7
3.5	RECEIPT AND OPENING.....	7
3.6	DECLARATION OF INTEREST.....	7
3.7	ITT EVALUATION CRITERIA.....	7
3.8	ITT TECHNICAL EVALUATION.....	7
3.9	ITT COMMERCIAL EVALUATION.....	8
3.10	ITT FINAL COMBINED EVALUATION.....	8
3.11	LEGAL EVALUATION.....	9
4	FINANCIAL IMPLICATIONS.....	9
4.1	TENDERER COST AND AFFORDABILITY.....	9
4.2	VALUE FOR MONEY.....	9
5	OTHER CONSIDERATIONS.....	10
5.1	STAFFING IMPLICATIONS.....	10
6	CONCLUSION.....	10
6.1	EVALUATION SUMMARY.....	10

1 Executive Summary

1.1 Purpose

- 1.1.1 London Borough of Barnet (hereinafter referred to as the "Authority"), seeks approval to award a contract for the provision of a fully managed CCTV Service. The Restricted procedure as set out in the Public Contracts Regulations 2006, as amended (the "Regulations") has been followed to select the most advantageous tender based on set quality and pricing criteria.
- 1.1.2 The purpose of this procurement is to address crime reduction and community safety which is a top priority for Barnet residents. One of the Authority's Corporate Plan priorities is to "promote family and community well-being and encourage engaged, cohesive and safe communities".
- 1.1.3 The CCTV service is therefore an essential element to reduce fear of crime and anti-social behaviour, improve crime prevention and increase the detection of crime.
- 1.1.4 The future CCTV service must continue to help police prevent and tackle these priority issues to make a significant impact on resident's perception of safety.
- 1.1.5 The existing CCTV service is managed in house and it is proposed that this will cease on the 31st March 2014. To ensure business continuity, a procurement exercise has been conducted to outsource the service. It is envisaged that the new contract will commence on 1st April 2014.
- 1.1.6 The project board is asked to consider and approve the award of the new CCTV Services contract.

Contract Items	Contract Details
Proposed Awarded Supplier:	Supplier B
Short Description of Goods / Service:	<p>This contract includes the fit out, operation and management of Barnet's CCTV service.</p> <p>The contract will involve the installation and maintenance of a new CCTV digital recording and monitoring system, the staffing and operation of a control room for monitoring CCTV and the maintenance/upgrade and repair of the camera network.</p> <p>The award of this contract will result in a cost effective solution for the future management of the monitoring service and technical platform, with the primary aim of improving delivery against the service's community safety objectives.</p>
Initial Contract Term:	Five (5) years
Extension Period(s):	Option to extend for two (2) years (1 x 1)

2 Business Requirement

2.1 Business Case

- 2.1.1 A business case was drafted to identify the best options for the future CCTV service. Three options were highlighted and reviewed. These options are discussed below.
- 2.1.2 **Option one: The Fully Outsourced Service** – This would involve the operation of CCTV Services including the technical infrastructure that would be delivered by an external provider via a fixed contract outsourced arrangement.
- 2.1.3 **Option two: Outsource the Technical Platform** – This option would involve the council engaging a long term strategic partner to refresh and operate the technical infrastructure. As with option one, the technical infrastructure would be delivered, managed and maintained by an external supplier via a fixed contract outsource arrangement.
- 2.1.4 **Option three: Fully In House Service** - This third option would involve the council specifying the requirements for the technical refresh of the infrastructure and procuring the services themselves whilst engaging with external suppliers on fixed priced contracts for the installation of the CCTV equipment.
- 2.1.5 The three options were assessed based on criteria aligned with the One Barnet priorities. To assist in identifying the relative advantages and disadvantages of the options soft market testing was also conducted to test the markets ability to deliver each option.
- 2.1.6 **Preferred Option: Option one – The Fully Outsourced Service.** Option one scored the highest total overall based on future options for accommodation, potential savings over a seven year contract, transfer of risk of transmissions and technology to the outsourced supplier (allowing the Authority to concentrate on how it wants the service delivered and the requirements).
- 2.1.7 The conclusion of the soft market testing lead to the decision to commission a procurement for a fully outsourced CCTV service that would lead to a more efficient CCTV monitoring service and reduction in economic and social costs of crime.

2.2 Soft Market Assessment

- 2.2.1 Prior to commencing the tender process a review of the marketplace was undertaken by issuing questionnaires to leading suppliers/soft market testing participants to inform the business and understand how the new services could be performed whilst identifying any issues. General questions around proposed contract length, stakeholder management, implementing ANPR and technical upgrades were also asked.
- 2.2.2 Some of the following challenges were identified during the market assessment:
- Challenges:
- Initial Capital cost to the outsourced supplier;
 - Transfer of existing employees to outsourced supplier;
 - Need for clear and unambiguous service level agreement;
 - Balanced risk and reward approach
- 2.2.3 As these challenges have been identified, the project team will be taking the necessary action to manage and reduce their impact.

2.3 Decision on Procurement

- 2.3.1 On the 18th April 2013, the Cabinet Resources Committee (CRC) approved the recommendation to proceed with the Procurement for the future CCTV Service.

3 Procurement Process

3.1 Procurement Route

- 3.1.1 The restricted procedure (two-stage) was selected as the preferred route to market.

3.2 Pre-Qualification Questionnaire (PQQ)

- 3.2.1 The OJEU notice for the CCTV service was published on Wednesday 29th May 2013 with Pre-Qualification Questionnaire (PQQ) documentation accessible via Supply4London portal (the Authority's procurement portal).
- 3.2.2 The PQQ submission deadline date was Tuesday 2nd July 2013 and the Authority received 40 expressions of interest in this section of the procurement process.. Ten PQQ submissions were received by the submission deadline.

3.3 PQQ Evaluation

- 3.3.1 The tenderer's PQQ submissions were evaluated based on the PQQ assessment criteria shown in the below table. It was envisaged that a minimum of five and a maximum of seven suppliers would be taken through to the next stage of the process (Invitation to Tender).

PPQ Assessment Criteria	Weighting
Section A – Potential Provider Information	1%
Section B – Technical Resources & References	60%
Section C – Financial Information	30%
Section D – Health & Safety	5%
Section E – Environmental Issues	4%
Total Weighting	100%

- 3.3.2 As only a maximum of seven suppliers were to be shortlisted for the next phase, the three lowest scoring suppliers were eliminated from the process. The top seven received the following scores and proceeded to the Invitation to Tender (ITT) stage.

PQQ Evaluation Results	100%
Supplier	Score (%)
Supplier 1	75.00
Supplier 2	74.37
Supplier 3	68.70
Supplier 4	67.54
Supplier 5	66.73
Supplier 6	62.73
Supplier 7	60.39
Supplier 8	57.42
Supplier 9	53.43
Supplier 10	48.97

3.4 Invitation to Tender (ITT)

- 3.4.1 The ITT documentation was prepared and issued to the top seven suppliers on 01 August 2013 via the Authority's sourcing e-portal Curtis Fitch:
- 3.4.2 On Tuesday 13th August 2013 a Tenderer clarification session was held where the Authority invited all seven participants to attend to provide additional information on the tender requirement to assist them in completing their submissions.
- 3.4.3 Following this session, 78 clarification questions were submitted by the tenderers via the e-portal. Procurement collated the responses with assistance from the project team/HR and issued them to all suppliers.
- 3.4.4 During the tender clarification period three tenderers withdrew from the process prior to the tender response deadline.

3.5 Receipt and Opening

- 3.5.1 The Tender submission date was Friday 20th September 2013. Four tenders were received on time via the portal and successfully met the initial compliance checks upon receipt and opening.

3.6 Declaration of Interest

- 3.6.1 None of the members on the evaluation panel had a commercial or personal interest in the contract or the suppliers invited to submit tenders and have declared this accordingly.

3.7 ITT Evaluation Criteria

- 3.7.1 The evaluations were based on the criteria and weightings below:

ITT ASSESSMENT CRITERIA	Weighting
Commercial Costs	40%
Total Cost to Deliver Minimum Specification	32%
Uplift Costs for 24hour Operation	4%
ANPR Costs	4%
Quality	60%
Mobilisation and Transition	10%
Minimum Technical Requirements	35%
Staffing	3%
Contractual Performance	3%
Increasing Income Stream	3%
ANPR	6%
Total Weighting	100%

3.8 ITT Technical Evaluation

- 3.8.1 responses to each question were assessed and based scored on the 0 – 5 range marking scheme shown below:

Score	Scoring Guidance
0	Completely fails to meet required standard or does not provide a proposal.
1	Proposal significantly fails to meet the standards required, contains significant shortcomings and/or is inconsistent with other proposals.

Score	Scoring Guidance
2	Proposal falls short of achieving expected standard in a number of identifiable respects.
3	Proposal meets the required standard in most material respects, but is lacking or inconsistent in others.
4	Proposal meets the required standard in all material respects and delivers added value for money to the Authority.

3.8.2 The results of the technical evaluation are detailed in the table below:

ITT Technical Evaluation Scores (60%)		
Rank	Supplier Name	Score in % (Max is 60%)
1	Supplier A	54.11
2	Supplier B	52.71
3	Supplier C	48.85
4	Supplier D	36.16

3.9 ITT Commercial Evaluation

3.9.1 The pricing matrices and any accompanying commercial information were provided to Finance who conducted the evaluation in conjunction with Procurement. The Price Evaluation was calculated on the basis of the method below (inclusive of VAT):

Stages	Method
The mean price among all bidders meeting the required Quality standard threshold is calculated.	Sum of Prices divided by the number of bids submitted
Calculate the % difference between the actual price and mean	$\frac{\text{Sum of Price} - \text{Mean Price}}{\text{Mean Price}} \times 100$
The mean is given the value of 50. (1 point is deducted/added from the score of each bidder for each percentage point above/below the mean.	% Difference x -1 (Round to nearest whole number) + Mean Value (50)
Multiply price score by the agreed weighting for price.	Points Score (x) 40%

3.9.2 The results of the commercial evaluation are detailed in the table below:

ITT Commercial Evaluation Scores (40%)		
Rank	Supplier Name	Score in % (Max is 40%)
1	Supplier B	25.38
2	Supplier C	20.51
3	Supplier D	19.49
4	Supplier A	13.95

3.10 ITT Final Combined Evaluation

3.10.1 The Final Combined Evaluation Scores are detailed in the table below:

	Combined Total Percentage Score
Supplier B	78.09
Supplier C	69.36
Supplier A	68.06
Supplier D	55.65

3.11 Legal Evaluation

3.11.1 In respect of the Legal evaluation, the risk assessment is based on a review of the tenderers mark-up and comments against the Contract. The Legal Team has examined the response to the Authority's Terms and Conditions along with Procurement. All proposed terms are minimal or agreeable and any final discussions on contract schedules or TUPE will be progressed in due course.

4 Financial Implications

4.1 Tenderer Cost and Affordability

- 4.1.1 The initial financial evaluation at PQQ stage confirmed compliance with requirements over submission of accounts, cash flow guarantees and financial standing assurance.
- 4.1.2 The highest scoring tenderer has demonstrated that their internal financial structures and ability to deliver the services within the pricing was satisfactory and the total price submitted is within budget.

4.2 Value for Money

- 4.2.1 The value for money benefits the Authority will receive after having conducted this procurement process and the plan to outsource this contract are detailed below:
- The fully outsourced option is likely to deliver more savings over a seven year contract period;
 - Responsibility for improving the monitoring service lies with the supplier and these savings will be built into the contract;
 - It is possible to define the service outcomes required by the council and leave the transmission and technology issues to the supplier;
 - A faster pace of transformation can be achieved;
 - The supplier is likely to be more successful than the council in commercialising some parts of the service and maximising income from these streams;
 - Greater flexibility in the council's accommodation strategy can be achieved.

5 Other Considerations

5.1 Staffing Implications

- 5.1.1 The procurement of a fully managed CCTV service will result in a TUPE transfer of the existing CCTV team to the new provider. The Council does not propose to make any redundancies within the service relating to the transfer. Where there is a service provision transfer then The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will operate to transfer in scope employees to a new provider. All of the Council's rights, powers, duties, and liabilities (except criminal liabilities) under or in connection with the contracts of employment of the relevant staff will transfer.

6 Conclusion

6.1 Evaluation Summary

- 6.1.1 Based on the evaluation scores and the overall process Supplier B has achieved the highest total score of 78.09% (technical and pricing evaluation scores combined). The project team therefore propose to award a contract to Supplier B to deliver CCTV services for the next 5 years.