

Cabinet



Tuesday, 18 January 2022 at 5.30 p.m.

C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent,
London, E14 2BG

Supplemental Agenda

Further Information

The full agenda item list is set out in the main agenda.



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5.30 p.m.

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<p>Report Summary: Mayor in Cabinet decision on procurement options, for the first element of a series of critically inter-dependant items in the CCTV Capital Transformation Programme. The Report sets out proposed procurement route for the upgrade of the CCTV user interface software. This item is first in the procurement critical path for the overall CCTV Transformation Programme.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Community Safety Corporate Priority: A dynamic outcomes-based Council using digital innovation and partnership working</p>		



<p>Cabinet</p> <p>18 January 2022</p>	
<p>Report of: Denise Radley – Corporate Director Health, Adults and Community</p>	<p>Classification: Unrestricted</p>
<p>CCTV Transformation Programme (procurement) – Synectics Graphical User Interface (GUI) software upgrade.</p>	

Lead Member	Councillor Sirajul. Islam, Lead Member Community Safety
Originating Officer(s)	Keith Stanger (Safer Neighbourhoods Team)
Wards affected	All Wards
Key Decision?	Yes
Reason for Key Decision	To be significant in terms of its effects on communities living or working in an area comprising two or more wards
Forward Plan Notice Published	10 January 2022 – General Exception Notice
Strategic Plan Priority / Outcome	A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough

Reasons for Urgency

This report was published after the statutory deadline for the 18 January Cabinet meeting. This item is first in the procurement critical path for the overall corporate CCTV Transformation Programme.

There is a need to fast-track a direct award given there is only one single-supplier, the overall tight delivery timescales being working to and the need to ensure there is no break in service provision in order to maintain continuity for all Council and partner services that utilise public space CCTV in Tower Hamlets.

Executive Summary

Tower Hamlets Council operates a CCTV network made up of over 1,040 cameras which cover streets and the wider public realm, such as parks and green spaces. Cameras, which include those with automatic number plate recognition technology, are monitored and recorded 24 hours a day, seven days a week by Tower Hamlets operators.

In 2020, the council approved a £3.1 million capital investment into the CCTV network which will see every camera upgraded with digital technology and a

complete refurbishment of the control room, all improving the quality of the network.

The location of cameras is continually under review, to ensure they are in the right place and can be used to respond to any crime and antisocial behaviour hotspots. As part of this we also work closely with partners operating CCTV cameras in the borough, including registered social landlords and Transport for London.

The Council works with the Metropolitan Police, Registered Social Landlords (RSLs) and other law enforcement agencies to monitor public space CCTV in the borough and support civil and criminal proceedings. Live CCTV footage is monitored in the Tower Hamlets control room and regularly used to assist with the prevention, detection and reduction of crime and the fear of crime, in order to make residents feel safer.

The CCTV Service is tasked with visually monitoring the public space and enabling a proportionate response to incidents as they occur. This can relate to street crime, counter terrorism, environmental crime, vehicle theft, drug or traffic offences, anti-social behaviour, dangerous conditions and/or a major incident. Many of these cameras have been operating for up to 21 years and using outdated analogue technology. Capital funds were authorised by Cabinet to finance the replacement of all the cameras and essential control room CCTV equipment prior to relocation of the control suite to the new Town Hall. This will also extend to improving the capacity of the CCTV network infrastructure to meet identified and emerging needs around utilising digital technologies to achieve a more effective and resilient camera deployment system.

As part of the overall Programme of work - the Council's Procurement Review Panel reviewed and approved the proposed Procurement Strategy for the upgrade of the CCTV network on 12/10/2021. Procurement processes started immediately thereafter. This report seeks a decision on the procurement route, for the first element of a series of critically inter-dependent items in the CCTV Capital Programme.

The Report sets out proposed procurement route for the upgrade of the CCTV graphical user interface (GUI) software. This item is the first in the procurement critical path for the delivery of the overall CCTV Transformation Programme.

Recommendations:

The Cabinet is recommended to:

1. Approve option one (see 3.10 below) which is the recommendation for a direct award, following publication of a VEAT (Voluntary Ex-Ante Transparency Notice) under Regulation 32, in respect of the upgrade of the CCTV graphical user interface (GUI) software.
2. Note the specific risks relating to recommendation 1
3. Authorise the Corporate Director Health Adults and Communities to enter into any and all appropriate contracts to give effect to recommendation 1

1 REASONS FOR THE DECISIONS

- 1.1 This is an urgent decision. This item is first in the procurement critical path for the overall corporate CCTV Transformation Programme. Alternative procurement options (detailed at 2.1 below) have a minimum 4-month lead-in times without any certainty of a successful outcome as it is likely that the existing provider is the only provider who can provide the upgrade services to the existing infrastructure which would have a severely detrimental impact on the overall capital programme delivery timelines and operational consequences.

The consequences of and delay would have significant financial and operational implications.

It is a key operational imperative that there is no break in service provision in order to maintaining continuity for all Council and partner services that utilise public space CCTV in Tower Hamlets.

2 ALTERNATIVE OPTIONS

- 2.1 To comply with the rules of the Eastern Shires Purchasing Organisation (ESPO) procurement framework – which would mean running a mini-competition with a neutral specification of all providers on the ESPO framework. We believe this is not a feasible option as there is only one provider who can fulfil our requirements to upgrade our current system (Synectics). It is likely that no other competitive bids may be able to be submitted as a competitor would need to have access to information and coding which is proprietary to the existing supplier to perform the upgrade.
- 2.2 To investigate if there is another framework the council can use where the technical item/s we wish to purchase have been pre-priced and the rules of the framework allow us to go the particular supplier. Significant and detailed market engagement/benchmarking was undertaken in August, September and November 2021 to attempt to identify an alternative procured route to market. However, it did not appear that a framework was available that would meet the requirements of the upgrade of our current system.

3 DETAILS OF THE REPORT

- 3.1 Synectics developed, manufacture and provide software for the CCTV Operators with the quickest, simplest Control Room ‘Graphical user Interface’ (GUI) available. It is an industry standard, is the one embedded in the Council’s existing system and is the one most commonly used by other London Authorities.
- 3.2 Synectics is an existing and long-standing software and hardware system owned by the Council. It is the only product on the current market that meets our local operational requirements (OR). There is no other company that can

upgrade the existing system and therefore, in the absence of an appropriate framework competition would be absent for technical reasons. Therefore, in line with the Procurement Strategy this it was considered that a direct award of the contract using the negotiated procedure without an advert was the only way to secure this upgrade and continued use of the existing system without a break in service provision.

- 3.3 Synectics is currently the only provider who will be able to develop, manufacture, maintain and upgrade the gateways for sharing video images with key partners i.e., the Metropolitan Police and Transport for London (TFL). In addition to providing integration with the sub-systems (public address, third-party security monitoring, Town Centre CCTV, video wall display, LBTH traffic enforcement, third-party video-sharing integration, system performance audit data collection etc) critical for this upgrade work.
- 3.4 Our rationale for using the negotiated procedure without an advert for Synectics is based on satisfying the following terms under Regulation 32, i.e. where the works, supplies or services can be supplied only by a particular economic operator for the following reasons:
- 3.5 *Competition is absent for technical reasons*: we believe that no other supplier can provide this product or a product with similar functionality due to the fact that this is an upgrade of an existing software system (for which Synectics is the sole software developer) no one else can provide this product or a product with compatible functionality. And:
- 3.6 *The protection of exclusive rights, including Intellectual Property Rights (IPR)*: this proposal concerns the upgrade of the existing system developed and supported by Synectics for many years, and therefore Synectics are the only supplier who can change the software package we currently own as they own the IPR for the product.
- 3.7 On the basis of 3.4, 3.5, and 3.6 above we believe that we have satisfied the tests outlined in Regulation 32 in respect of a non-procured direct award in this instance.
- 3.8 On 12/10/2021 the Council's Procurement Review Panel endorsed the CCTV Procurement Strategy. This included the upgrade of the General User Interface software. It was agreed that it should be subject to direct award under the ESPO framework. The Tollgate 1 decision was informed by market engagement, cost benefit analysis and benchmarking with other Local Authorities. The advice received was that ESPO was the most appropriate framework to meet the Council's specific technical requirements.
- 3.9 On 29/11/2021, Legal Services recommended that we may use a framework (ESPO) to make a direct award as it is allowed under the rules of that framework. Unfortunately, the list pricing did not include all the elements of the CCTV procurement that the council required and therefore the ESPO framework could only be used following a mini competition. However, given the proprietary nature of the software, a competitive exercise under the

framework would be similarly futile as an exercise to the market as a whole, a direct award was not permitted on this basis within the ESPO framework. Two further options to resolve the issue were explored and discussed.

4 Risk Management

There are a number of risks associated with the CCTV Transformation Programme, particularly around critical technical considerations and compatibility between the current system and required upgrade. There are a number of other interdependencies, procurement and timeframe to relocate to the new Town Hall on schedule. These risks are outlined in the capital delivery Project Initiation Document and are managed via the CCTV Transformation Board and the Capital Delivery Board.

To mitigate the risk of delays in the procurement strategy, detailed specification requirements and Invitation to Tender (ITT) documents are currently being finalised. Contractual Terms & Conditions include clauses to mitigate any risks relating to contractor defaults and to serve the Council's interests.

There is a financial risk that the upgrade may not be achievable within allocated budget and therefore, a decision with regards to the options presented should be taken with due consideration of the risks and budget available.

The following risks are highlighted in relation to this specific proposal:

- Maintaining continuity of CCTV service provision during the upgrade is a critical operational requirement.
- Control Room relocation to the new Town Hall – the upgrade of the user interface software must be completed first to enable implementation of the remaining inter-dependent procurement components for relocation and fit-out of the new Control Room. This is the primary critical path item.
- Security and other ethical considerations given the current security landscape.
- The current estimated value of the Synectics procurement is £350,416. It should be noted that this value is likely to increase due to inflation and market-pricing if procurement is delayed.
- There could be a challenge from another competitor in the market against this award

5 EQUALITIES IMPLICATIONS

5.1 There are no equalities implications arising from this proposal.

6 OTHER STATUTORY IMPLICATIONS

6.1 There are no statutory implications arising from this proposal.

7 The Crime and Disorder Act 1998

- 7.1 As outlined in the Cabinet report of June 2019, the evidence for CCTV in relation to overall crime and ASB reduction is inconclusive. However, it has been shown that CCTV can assist in the detection of crime and bringing offenders to justice. It also provides a high level of reassurance to the public. The upgrade of the System will replace ageing faulty cameras and overall will have beneficial consequences for crime and disorder and community reassurance in the Borough.

8 COMMENTS OF THE CHIEF FINANCE OFFICER

- 8.1 On 29th July 2020 Cabinet approved a Capital budget of £3.1m to fund the modernisation and upgrade of the existing CCTV systems, including upgrades from analogue to digital, and the requirement to modernise the CCTV control suite prior to the relocation from Mulberry Place to the New Town Hall.
- 8.2 Due to the interdependencies of the completion of this upgrade, and the financial constraints on the available resources, any slippages will result in further costs being incurred, particularly due to current market pricing conditions.

9 COMMENTS OF LEGAL SERVICES

- 9.1 The Council has the legal power to undertake the proposal in this report.
- 9.2 Regulation 32 allows the Council to utilise the negotiated procedure without a notice where competition is absent due to the particular nature of the requirement. The Council's requirement is for the upgrade of existing software to match changes to the analogue connectivity. The provider of the upgrade would need access to source coding of the existing software to perform the upgrading maintenance and support services and this is proprietary to the existing provider. This also satisfies limb 2 of the test as described in paragraph 3.6 above.
- 9.3 The Council must also meet its Best Value statutory obligation in terms of economy efficiency and effectiveness. The Council has determined that an upgrade of the existing system is the best way to meet this duty. The award of a contract will also be supported by contractual terms and appropriate levels of monitoring to ensure that the contractual cost delivers the agreed upgrade. Also, the Council will benchmark costs with similar authorities to ensure that the contractual cost is standard for this market.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- NONE.

**Background Documents – Local Authorities (Executive Arrangements)
(Access to Information) (England) Regulations 2012**

- NONE.

Officer contact details for documents:

- N/A.

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