

Procurement Advisory Board (PAB)

Agenda Item

Brighton & Hove City Council

Subject:	Provision, installation and maintenance of CCTV Traffic Enforcement Cameras and associated enforcement support system	
Date of Meeting:	17 October 2022	
Report of:	Donna Chisholm, Executive Director Economy, Environment & Culture	
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Item Number on PAB Forward Plan:	Item Number 763	
Type:	Straight Re-Buy	
Proposed Route To Market:	Open	

1. SUMMARY AND CONTEXT:

The Procurement Advisory Board (PAB) is an advisory board to council committees on procurement matters. The role of PAB is to report to the relevant committee with its recommendations on the proposals put forward in this report.

PAB is being asked to review and advise on the procurement proposals contained within this report as the estimated lifetime value of the contract to be awarded exceeds £1million.

2. RECOMMENDATIONS:

The Procurement Advisory Board is requested to provide recommendations to the relevant Committee on the procurement and award of a three (3) year Services Contract for the Provision, installation and maintenance of CCTV Traffic Enforcement Cameras and associated enforcement support system

with the option (exercisable by the council) to extend the contract for period(s) up to a total maximum of two (2) years.

The estimated total contract value is £3m - £4m (excluding VAT). Once the best value for money option is known (see sections 3 and 7) the estimated contract value will be updated accordingly.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

Brighton & Hove City Council (BHCC) as a local traffic authority is responsible for managing the traffic using the road network as defined in the 2004 Traffic Management Act.

One method of managing the traffic using the road network is by enforcing restrictions using ANPR (Automatic Number Plate Recognition) technology (cameras) where Penalty Charge Notices (PCNs) are issued to vehicles contravening the regulations. An example is bus lane enforcement.

The contract with the incumbent is coming to an end, so we need to go out to tender to ensure that we obtain the latest equipment at the best value.

The current contract commenced on 7 February 2018 and had a contract term of three (3) years. This has been extended by a further two (2) years and ends on 6 February 2023. The current contract shall be extended by a further 6-months to 5 August 2023 (subject to approval) to allow BHCC sufficient time to procure a longer-term contract in the background.

The current contract was for the provision of 24 cameras, with the option to purchase and install (up to) a further 20 cameras during the contract should the Council wish to do so, taking the total number of cameras to 44.

Over the course of the 5-year term this provision was called upon to increase the provision to 41 cameras. This was due to new sites being identified which required enforcement.

The new contract will include the provision for the supply, installation, and maintenance of up to 100 cameras. 41 initially to replace the current stock and a further 59 for potential additional enforcement sites and schemes. These include new Bus Lanes, Red Routes, Moving Traffic Offences which form part of our local transport plan.

We are currently exploring three (3) funding options.

1. Option 1:

Purchase cameras using capital expenditure
Upfront investment is required because initial capital outlay to purchase the cameras is required.
Interest will be applied to capital expenditure which will be funded through PCN revenue

All other on-going costs i.e., maintenance will be funded through PCN revenue

2. Option 2:

Rent the complete solution for a fixed cost per month using revenue budgets from PCN income. This option means:

- No upfront investment required because initial capital outlay to purchase the cameras is not required.
- The all-in total cost of the solution (including maintenance, upgrades, parts etc) will be spread across the term of the contract, through manageable fixed monthly (revenue) payments from PCN income
- This would mean no additional expenditure to the council

3. Option 3:

- Apply a combination of Option 1 and Option 2.
- Whereby, for example:
 - Option 1 could be used to purchase 41 cameras in year 1 to replace the current stock; and then
 - Option 1, or Option 2 could be used to fund further potential; individual sites thereafter.

Pre-market engagement with four (4) suppliers was carried out to:

- Understand the current market conditions.
- Understand the range of solutions/ purchase and leasing options on offer from the market before specifications are defined.
- Help to provide a better understanding of the feasibility of the requirement, the best approach, the capacity of the market to deliver and possible risks involved.

Also, as part of a lessons learned exercise, five (5) local authorities to find out:

- Their experience (+/-) of renting and purchasing ANPR technology.
- Payment frequency e.g., a fixed total amount of X p/m or a fixed lump sum for the cameras and a separate amount for the maintenance cost.
- Their approach to KPIs and penalties

Replies have yet to be received but shall be used to inform the financing and contractual compliance approach of the new contract.

4. POSSIBILITY OF PROVIDING THIS CONTRACT IN-HOUSE

The supply of Department for Transport (DfT) certified Traffic Enforcement cameras is specialised technology and not available in-house.

Maintenance of the cameras and system is carried out by the specialist engineers of the supplier or their certified contractors to ensure any warranty is not invalidated and to ensure compliance with regulations.

This specialist engineering skill and knowledge is not available within the council and we would be unable to implement and maintain these services without the benefit of a company which has experience in this sector.

The provision of the hardware, maintenance and associated support systems is contracted out however the reviewing of evidence packs that are produced by the cameras is carried out by a team of in-house BHCC Transport Enforcement Officers.

These officers are directly employed by BHCC and work within the Transport Control Centre. Additionally, any appeals received are processed by the appeals team within the Parking Services team at BHCC.

BHCC officers reviewing cases hold a Security Industry Authority (SIA) licence that allows them to work within the CCTV industry and they adhere to the BHCC CCTV policy and the information commissioners camera code of practice.

5. SUSTAINABILITY CONSIDERATIONS

Enforcement of traffic regulations supports the wider goals of the city's Carbon Neutral 2030 commitment.

By improving compliance, the benefits in terms of improved public journey times, less congestion and improved air quality are achieved. Allowing the movement of traffic on the network and providing priority for pedestrians, cyclists, and public transport users.

Circular Economy, (for the renting option) we shall adopted a circular procurement model. Procuring a Product as a Service (PaaS).

The cameras units require minimal energy consumption, are of modular design and can be re-used by the supplier minimising waste.

Virtual upgrades and reconfiguration meaning minimal travel emissions to camera sites across the 5-year term.

In addition, bidders will be required to submit a scored Sustainability method statement with their bid submission detailing how it will deliver Sustainability outputs over the course of the contract. During the contract term, the BHCC Contract Manager will monitor progress and actual deliverables against targets detailed in the method statement.

6. SOCIAL VALUE AND COMMUNITY WEALTH BUILDING CONSIDERATIONS

A scored Social Value Quality Question shall be included in the tender pack.

Bidders will be required to submit a scored Social Value and Community Wealth Building method statement with their bid submission detailing how it will deliver Social Value and Community Wealth Building outputs over the course of the contract.

During the contract term, the BHCC Contract Manager will monitor progress and actual deliverables against targets detailed in the method statement.

7. FINANCIAL CONSIDERATIONS

Parking services have ongoing revenue budgets of £0.163m for the licences and maintenance of cameras and £0.083m budget to repay capital borrowings. PCN Income has been overachieving compared to budget which would fund any costs greater than the ongoing budgets.

The Service has recently undergone a restructure funded from new PCN income streams. New cameras over and above the 41 base cameras will support the income generation required to fund the structure as well as the costs of the additional cameras.

Once more information is available for each option, these will be costed out to determine the best value for money option. Costs may be mitigated to parking services after any contract is agreed as transport capital schemes funded from other transport grants may include the installation of cameras reducing the size of the contract and increasing the surplus generated from PCN income streams.

8. LEGAL IMPLICATIONS

Standard legal implications for procurement of a contract using the open procedure.

The Public Contracts Regulations 2015 apply to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. The open procedure requires a Find a Tender notice to be published and all interested parties may then submit a tender. Following the submission of tenders, no negotiation with tenderers is permitted, just clarification of the tenders submitted and a finalisation of contract terms with the successful tenderer.

The council's Contract Standing Orders (CSOs) will also apply.

Additional legal implications where Social Value has been considered in the report (which should be in most cases given it is an Administration priority)

The Public Service (Social Value) Act 2012 defines social value as 'improvement to economic, social and environmental well-being of the relevant area' and requires specific consideration by the council prior to starting a procurement process of how to improve these benefits through the procurement and how to undertake a procurement process with a view to securing that improvement. In addition, The Public Contracts Regulations 2015 expressly allow contracting authorities to incorporate social and environmental factors into specifications for a contract, award criteria and contract conditions provided they are linked to the subject matter of the contract, proportionate to what is being procured, do not result in unequal treatment of bidders, are free from discrimination and comply with the principle of transparency.

9. COST/QUALITY WEIGHTING CONSIDERATIONS

Tenders will be evaluated on price 40% and quality 60% Total = 100%

The Social Value Weighting will be 10% of the overall quality weighting.

The Sustainability Weighting will be 10% of the overall quality weighting.

Therefore, the Social Value weighting shall be a minimum of 6% and the Sustainability weighting shall be minimum of 6%.

10. VALUE and SAVINGS

143,048 PCNs were issued in 2021/22 to vehicles driving in bus lanes. This equates to £4,105,174 of revenue income.

Once the new contract has been procured and awarded, putting in place 41 cameras initially to replace the current stock will mean:

- We will be able to continue enforcing restrictions (at existing sites and schemes) using camera technology.
- The existing income stream generated from PCNs payments will be maintained.

Having the ability to add (up to) a further 59 cameras will mean:

- We will be able to enforce restrictions at additional (new) sites and schemes using camera technology.

- New income streams will be generated from PCNs issued to vehicles contravening the regulations at new sites and schemes subject to approval.

The latest technology will provide clear evidence of the contravention resulting in a reduction in PCN appeals.

11. POTENTIAL RISKS

Without this contracted service in place:

- the road network in the city, including bus lanes could not be enforced and income from PCNs would not be received.
- any future enforcement of the road network could not be achieved.

12. EVALUATION OF ROUTES TO MARKET

Several procurement routes to market have been assessed. Details of each including the preferred option is detailed below:

Option 1: Further Competition via a compliant Framework

- This route to market would ensure compliance with the Council's Contract Standing Orders and the Public Contracts Regulations (PCR) 2015.
- As a contracting authority member of the framework there are no fees applied for the Council to access the framework and through a fair and transparent procurement process, suppliers on the framework have already undergone a pre-qualification and suitability assessment in relation to Public Contracts.
- This route to market would mean only those economic operators listed on the framework would be allowed to bid. Therefore, limiting the supplier pool.
- This route to market can take up to 12 months including the drafting of tender documentation.

Option 2 – OJEU Open Tender (Preferred Option)

- This route to market would ensure compliance with the Council's Contract Standing Orders and the Public Contracts Regulations (PCR) 2015.
- This route to market is open to **all** economic operators in the field of CCTV Traffic Enforcement Cameras.
- This route to market will broaden the supplier market enabling local and small, medium and large sized companies to bid.

- This route to market can take up to 12 months including the drafting of tender documentation.

SUPPORTING DOCUMENTATION None