

REPORT TO: Executive Board Sub Committee

DATE: 7 February, 2008

REPORTING OFFICER: Strategic Director Environment

SUBJECT: Procurement of additional security services and CCTV equipment on Halebank Industrial Estate

WARDS: Ditton

1.0 PURPOSE OF THE REPORT

- 1.1 This report summarises the business case for the procurement of additional CCTV security equipment and services for the benefit of businesses located on Halebank Industrial Estate. The report also seeks Executive Board Sub approval to waive standing orders for procuring the additional CCTV security equipment and security services.

2.0 RECOMMENDATION: That

- (1) the Operational Director Economic Regeneration be authorised to award the contract for the additional CCTV security equipment on Halebank Industrial Estate to Druants in the sum of £25,295.21 and that in light of the exceptional circumstances and in accordance with SO 1.6 Procurement Standing Order 4.1 be waived on this occasion in view of the impracticality and problems associated with having two contractors providing similar and complementary services on the estate; and**
- (2) the Operational Director Economic Regeneration be authorised to award the contract for providing additional security services to businesses located on Halebank Industrial Estate to Druants at a rate of £1.09/day per company for key holding and £0.34/day per company for an alarm / incident response service and that in light of the exceptional circumstances and in accordance with SO 1.6 Procurement Standing Order 4.1 be waived on this occasion in view of the impracticality and problems associated with having two contractors providing similar and complementary services on the estate.**

3.0 SUPPORTING INFORMATION

Business case supporting the proposal to waive Standing Orders

- 3.1 In 2005, six private security companies were invited to submit quotations to install a CCTV security system and provide a monitoring and response service for businesses located on Halebank Industrial Estate. Druants Security were subsequently awarded the contract, effective between 13 October 2005 and 12 October 2010
- 3.2 The security services Druants Security are currently contracted to deliver include:
 - Dedicated CCTV monitoring & 24 hour recording from Druants Security's control room
 - In the event of irregularities or incidents discovered by the security officer(s) in monitoring the CCTV system the Contractor shall provide a response to Halebank Industrial Estate and if so required contact the Police and the relevant Service User's Key Holder
 - In the event of irregularities or incidents reported to the security officer(s) at the monitoring station the Contractor shall provide a response to Halebank Industrial Estate and if so required contact the Police and the relevant Service User's Key Holder
 - A list of Key Holders shall be maintained for all firms paying the Service Fee (the Service Users)
 - There will be mobile patrols in a motor vehicle using prescribed routes to observe and monitor Halebank Industrial Estate
 - In the event of irregularities or incidents discovered by the security officer(s) in conducting the patrols the Contractor shall contact the Police and the relevant Service User's Key Holder.
- 3.3 Businesses on Halebank Industrial Estate voted in favour of creating a Business Improvement District (BID) in the recent BID Ballot, which was announced on 7th December 2007. The 'yes' vote means that the BID business plan and all the additional services must be delivered from 1st April 2008 – 31st March 2013.
- 3.4 The BID Business Plan requires the procurement of additional CCTV equipment to enhance the existing system by improving the functionality and coverage of the system and increase detection rates. The BID Business Plan details the procurement of additional cameras covering the three entrances to the estate and making the existing cameras more intelligent through the use of passive infra-red (PIR) sensors.
- 3.5 The additional CCTV security equipment is to be purchased from funds ring-fenced within the Business Parks Improvement Programme's 2007-08 budget.
- 3.6 The BID Business Plan includes the provision of a range of security services, which are over and above those delivered in the existing

contract with Druants Security. The additional security services included in the Business Plan are:

- Key holding (365 days a year)
- Alarm / incident response service (4 call outs per year per company)

3.7 The additional security services will be procured from 1st April 2008 using revenue generated from business located on Halebank Industrial Estate from the BID Levy, which is payable from every company or property owner with a rateable property.

3.8 If the purchase of additional security equipment was to be subject to financial standing orders, this could result in a different company installing the new equipment. In this event, Druants would be under no obligation to:

- Permit this additional equipment to be connected and integrated into the existing system
- Monitor the additional cameras from their monitoring room
- Maintain the additional cameras

3.9 It could also result in a second security company operating within Halebank Industrial Estate for the key holding and alarm / incident response services, with Druants continuing to provide the services under the existing contract.

3.10 From an operational point of view, two security companies operating on Halebank Industrial Estate is likely to be both difficult to manage and could lead to confusion. For example:

- Different security officers operating on-site for differing security services
- Potential for conflicting / incompatible company procedures
- Each security company blaming each other where performance is sub standard
- Confusion within the business community as to which company performs which service
- Businesses reporting incidents to the wrong security company, which could result in the incident not being responded to and a crime being committed or apathy from the resident businesses

3.11 Druants have provided a quotation covering the costs for both the additional CCTV security equipment and services, as follows:

- The price of the additional CCTV security equipment is £25,295.21 and includes additional cameras, hard disk recorders, columns, connection to power supply, installation of ADSL lines for

transmission, PIR detectors, civil works, ancillaries and commissioning.

- The unit cost for providing a key holding service is £1.09 per day. This cost will only be paid to Druants for companies using this service and will be paid using revenue generated through the BID Levy.
- Unit cost for providing an alarm / incident response service (4 callouts per year) is £0.34 per day. This cost will only be paid to Druants for companies using this service and will be paid using revenue generated through the BID Levy.
- Unit cost charged to and payable by an individual company in the event of an alarm or incident response is £30 (once their 4 callouts per year that have been used).

Value for money and competition

- 3.12 The market was tested when Druants were awarded the original contract for Halebank Industrial Estate in 2005 based on price and quality.
- 3.13 The costs associated with the CCTV equipment are comparable to those provided within the original contract for Halebank Industrial Estate awarded to Druants in 2005.
- 3.14 Druants are the Council's approved security contractor for the provision of similar security services to the Council and Schools (key holding, emergency response, guarding, opening and closing of buildings etc). Druants were awarded this contract based on a competitive tendering process.
- 3.15 The quotation Druants have provided for the additional services are considerably lower than their standard rates. For example, the cost of an additional alarm or incident response will be £30 rather than their usual fee of £42.
- 3.16 The figures provided in paragraph 3.11 are below those estimated within the BID Business Plan. Value for money has been achieved as a result of the economies of scale that will be achieved by Druants resulting from their existing presence on the estate.
- 3.17 Any security service that a Halebank business may want to procure in the future that falls outside the scope of the Halebank Industrial Estate BID will be subject to competitive quotations within the market place.

Transparency

- 3.18 Transparency will be achieved by ensuring a clear audit trail for the procurement of the security services. There will be records illustrating the number of companies using the additional services and the associated

costs. This information will be reported to businesses through the formal accounting procedures. This information will be accessible, if required, under the Freedom of Information Act

Propriety and Security

3.19 Integrity clauses will be built into the contract document and only officers with a need to know will have information about the contract.

Accountability

3.20 The accountability would remain with the Operational Director Economic Regeneration. The value of the contract is exempt under the Public Contracts Regulations 2006

4.0 POLICY IMPLICATIONS

4.1 The issues and priorities addressed through the implementation of the Halebank BID Business Plan are directly aligned to the Community Strategy:

Safer halton

Reduce overall crime (in line with Halton's Crime and Disorder Reduction Partnership targets).

Urban Renewal

- Attract additional businesses to Halebank
- Increase the number of jobs in Halton
- 100,000 sq mts of new and improved floor space

Employment Learning and Skills

- Increase employment rate
- Increase VAT registrations (new companies)

5.0 POLICY IMPLICATIONS

Children and Young People in Halton

There are no implications arising from this report.

Employment, Learning and Skills in Halton

The programme of work set out in the BIDs proposals, will assist with the ongoing challenge to retain existing and create new jobs.

A Healthy Halton

There are no implications arising from this report

A Safer Halton

The Halebank BID Business Plan provides a package of crime prevention initiatives that are designed to deter crime from the estates, including plans to either enhance existing CCTV security systems, or install new systems which will assist in designing out crime on the estates, which will be backed up by a response to incidents.

Halton's Urban Renewal

BIDs are considered to be an excellent exit strategy for projects funded through the Halton Strategic Partnership, as the BIDs will attract a significant private sector contribution (more than £1 million over 5 years) to contribute towards the economic regeneration of the borough.

6.0 OTHER IMPLICATIONS

There are no other implications arising from this report.

7.0 RISK ANALYSIS

The risks of requesting competitive quotations are outlined in paragraphs 3.8 – 3.10.

8.0 EQUALITY AND DIVERSITY ISSUES

There are no equality or diversity issues arising from this report.