

EXECUTIVE DECISION RECORDING SYSTEM
REFERENCE NUMBER<>

CABINET

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Intruder Alarm Monitoring Services – Request to waive Contract Procedure Rules

Report of Councillor R Blyth

Portfolio Responsibility : Community Safety and Public Protection

Officer Contact : Graham Boundy
Ext. 1240

Purpose of Report

To seek approval to waive the Council's Contract Procedure Rules for the provision of updated and improved alarm receiving equipment (at the VIP Centre) in respect of Sonitrol Intruder Alarm systems currently installed in Council properties.

Recommendation

To waive the Contract Procedure Rules for the procurement of critical updated and improved alarm receiving equipment and associated support on the basis that there is only one supplier able to fulfil these requirements.



Oldham
Council

INTRUDER ALARM MONITORING SERVICES – REQUEST TO WAIVE THE CONTRACT PROCEDURE RULES

1.0 Purpose of Report

- 1.1 To seek approval to waive the Council's Contract Procedure Rules for the provision of updated and improved alarm receiving equipment (at the VIP Centre) in respect of Sonitrol Intruder Alarm systems currently installed in Council properties.

2.0 Executive Summary

- 2.1 The equipment installed to the VIP Centre to monitor Sonitrol Intruder Alarm Systems has reached the end of its useful life. In order to ensure continuity in this business critical area, approval is sought to replace the existing kit along with a maintenance and upgrade agreement with the manufacturer.
- 2.2 Sonitrol is owned and operated globally by Stanley Security Solutions. This report seeks approval to waive the Contract Procedure Rules and procure the necessary upgrade and support, on the basis that Stanley Security Solutions are the sole provider of this equipment and associated support.

3.0 Recommendation

- 3.1 To waive the Contract Procedure Rules for the procurement of critical updated and improved alarm receiving equipment and associated support on the basis that there is only one supplier able to fulfil these requirements

4.0 Background

- 4.1 Intruder Alarm systems are installed in most buildings owned and/or occupied by Oldham Council. These systems are generally monitored by First Response staff located at the Alarm Receiving Centre. If an incident occurs causing an activation of an intruder alarm system, the trained staff at the Alarm Receiving Centre follow set procedures requiring them to contact the appropriate personnel or service. Personnel or services that may be alerted would include:

Greater Manchester Police.
Keyholders.
First Response mobile staff.

- 4.2 The most prevalent type of system installed in the Council's schools and educational properties is the Sonitrol audio detection system. This system has been in use, by Oldham Council, for in excess of twenty three years and has proved to be most effective in detecting intrusions at Council properties. Figures, compiled by First Response staff, indicate that the Sonitrol system provides a detection rate in excess of 99% of all incidents compared to a national average for conventional systems in the order of 45%.

- 4.14 The time expired agreement for the ARC maintenance was held by ADT. ADT are no longer able to offer any services with respect to Sonitrol equipment since Stanley Security Systems bought the Sonitrol brand in July 2008.
- 4.15 The charge imposed by ADT was £3,600 pa for maintenance only. This did not include any facility for the updating of hardware or software; in consequence, we find that the hardware and software, employed by the VIP Centre, is two generations behind the current standard. (One consequence of this is that the latest "State of the Art" detection equipment can not be installed to Council premises).
- 4.16 Whilst the charges to be levied by Stanley represent an increase of some £7,800, there are a number of advantages to their proposal:
- The charge includes all maintenance
 - All hardware upgrades are included
 - All software upgrades will be installed
 - In the event of a failure of the Oldham equipment, all calls would be routed to the new Stanley Security Solutions ARC in Swindon, (this would subject to approval be a reciprocal arrangement with Stanley).
 - The services of a local engineer (based at Bredbury) would be available at all times.
- 4.17 It is anticipated that the additional costs would be passed to the end user (approx £50 pa per site) through a revision to the Directorates Discretionary Fees and Charges as outlined at appendix I.
- 4.18 If approved, end users will be notified of the decision and the change in fee structure for budget purposes.
- 4.19 The change will allow the end user the option to switch from using a conventional telephone line for the monitoring of the system, to using an internet connection, thereby reducing costs for line rental and call charges.
- 4.20 The costs of the system will be met from the revenue budget within the First Response service and offset via the equivalent additional income as a result of the revised fee structure

5.0 Current Position

- 5.1 Due to a lack of spare parts (they are no longer manufactured) Stanley Security Systems are unable to guarantee that the Sonitrol Alarm Receiving Centre will remain operative even in the short term.
- 5.2 Should the Alarm Receiving Centre fail, the vast majority of educational sites in the Borough will not be protected by any electronic security system.
- 5.3 Oldham Council's Alarm Receiving Centre (ARC) is currently the only one of its type in the UK; therefore it is not possible to switch to an alternative ARC in the event of a failure. Stanley Security Systems are currently building a new ARC in

Swindon, when this is complete (June 2010) it is proposed that there will be a joint “Dual Redundancy” agreement between the Council and Stanley Security Systems. This will be approved in accordance with the Financial Procedure Rules.

- 5.4 The overall proposed agreement will ensure a degree of “future proofing” for the Oldham installations and will build a mutually beneficial partnership between Oldham Council and Stanley Security Systems.

6.0 Options/Alternatives

- 6.1 The alternative solution that has been considered is to replace the existing Sonitrol Audio Detection systems with systems relying on passive infra-red devices, door contacts and conventional detection devices.
- 6.2 It is the opinion of Unity and the First Response management team that these systems would provide an inferior service when compared with the Sonitrol Audio Detection system that is currently installed in Council properties.
- 6.3 If the option to replace the systems was adopted, the cost involved, based on an average sized primary school, would be in the order of £5-6000 per property.
- 6.4 Currently, there are circa 159 Sonitrol systems of varying size throughout the Council.

7.0 Preferred Option

- 7.1 The preferred option is to procure from Stanley Security Solutions a new Son IP monitoring system, along with all software and hardware upgrades for a period of ten years. As they are the sole supplier of Sonitrol equipment, this will involve waiving the Council’s Contract Procedure Rules.
- 7.2 Stanley Security Solutions are the only company able to provide these services and in order to maintain response to the existing installed systems it is necessary to proceed with some degree of urgency. The preferred option is to conclude negotiations with Stanley Security Solutions in order to put into place, a formal contract for the provision of the monitoring equipment for all Sonitrol Audio Detection Intruder Alarm systems currently installed in Council properties with Stanley Security Solutions as Contractor for the maintenance and repair of Sonitrol Intruder Alarm systems monitoring equipment for a period of ten years.

8.0 Consultation

- 8.1 The management team for Oldham Councils Security Services have been consulted as part of this exercise.
- 8.2 Officers from the People, Communities and Society Directorate have been consulted

9. Legal Services' Comments

- 9.1 As the total value of the contract exceeds £25,000, there is a requirement to undertake a tender process (CPR 4.4). It is therefore necessary to waive the Contract Procedure Rules. Exemption from the provisions of the Contract Procedure Rules may be made by the Council, Cabinet or where the Chief Executive and Executive Director in consultation with the Chief Executive certify that the need for goods, materials, works or services is so urgent that other procedures cannot practicably be followed.
- 9.2 No exemption to these Contract Procedure Rules may be proposed unless the Executive Director is satisfied that: (i) there are exceptional circumstances justifying departure from these Contract Procedure Rules; (ii) the exemption will not contravene any legal requirement; (iii) the report from the appropriate Executive Director is comprehensive and in the format required from time to time; and (iv) the report provides evidence that the exception is necessary to achieve the Council's objectives and will achieve Best Value for the Council.
- 9.3 The Council has previously waived the requirements of the Contract Procedure Rules in relation to its relationship with Stanley Security Solutions (EDRS 9070092). In that report, its author had contacted Stanley Security Solutions who confirmed that they have exclusivity over the product in the UK. Whilst there are other Stanley Works companies within the European Union, they are not permitted to compete against other group companies in their own market area.
- 9.4 The Council can rely on Regulation 14(1) (a)(iii) of the Public Contracts Regulations 2006 and use the negotiated procedure without the publication of a contract notice when for technical reasons connected with the protection of exclusive rights, the public contract may be awarded to a particular economic operator.
- 9.5 The Council must publish an award notice pursuant to Regulation 31 of the Public Contracts Regulations 2006.
- 9.6 Under the Financial Procedure Rules 20.6 Cabinet is responsible for approving contractual arrangement for any work expected to exceed £100k, the Borough Treasurer may agree anything below that level.
- 9.7 Given the value of the contract, Legal Officers will need to be involved in the negotiation of the required contract documentation to safeguard the Council's interests. (Daniel Howard)

10. Treasurer's Comments

- 10.1 The costs of the proposed contract will be met from the revenue budget within the First Response service, cost centre 23100. The costs anticipated for the financial year 2010-11 are £11,400 and will be charged to account code R44401, services – payments to contractors, full year budget on account code R44401 is £70,000. It is expected that the annual security services charge for the financial year 2010 has a

revised fee structure to cover the costs as per appendix 1 (£50 increase per package). The annual recharge is circa 200 clients. The income account code used is R93007. (Naomi Coulter)

11. IT Comments

- 11.1 There are several stages to the implementation of this system. The initial stage of simply replacing the existing system with a new system, connected by the existing analogue lines will have little if any ICT implications. Further investigation is needed to consider the full implications of using the Council's data network for alternative connectivity to the existing analogue lines. And similar investigation is needed to review the potential of using the Stanley Swindon data centre as a resilient hosting centre for the intruder alarm centre. (David Honeywell)
- 11.2 I have discussed this with Unity and am satisfied that the comments inserted cover the concerns that both parties originally have. (Mark Springthorpe)

12. Environmental and Health and Safety Implications

None

13. Community Cohesion Implications (including Crime and Disorder Implications in Accordance with Section 17 of the Act)

None

14. Forward Plan Reference

EPS 32 10

15. Key Decision

No

16. Supporting Papers

Supporting documentation can be viewed by contacting Sheldon Dixon at Henshaw House Tel: 0161 770 4356 during normal office hours.

The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It

does not include documents which would disclose exempt or confidential information as defined by that Act.

File Ref - Records held at Unity Partnership

Any person wishing to inspect copies of the above background papers should contact:

Sheldon Dixon

Tel: 0161 770 4356

<u>ALARM RECEIVING CENTRE</u>	2009/10	2010/11
PROTECTOR PACKAGES	Per Annum (unless otherwise stated)	Per Annum (unless otherwise stated)
<ul style="list-style-type: none"> • GOLD – (inc. Alarm & Sound Monitoring, Alarm Response & Patrols, Primary Keyholding, LineGuard & Visual Verification) 	3882.00	3979.00
<ul style="list-style-type: none"> • ARC UPGRADE REVISED FEE 	N/A	4029.00
<ul style="list-style-type: none"> • SILVER – (inc. Alarm & Sound Monitoring, Alarm Response & Patrols, Secondary Keyholding & LineGuard) 	3102.00	3179.00
<ul style="list-style-type: none"> • ARC UPGRADE REVISED FEE 	N/A	3229.00
<ul style="list-style-type: none"> • BRONZE – (inc. Conventional Alarm Monitoring, Alarm Response & Patrols & Secondary Keyholding) 	2502.00	2565.00
<ul style="list-style-type: none"> • ARC UPGRADE REVISED FEE 	N/A	2615.00
<ul style="list-style-type: none"> • BRONZE 2 – (inc. Alarm and Sound monitoring, Alarm Response & Patrols and Primary Keyholding) 	2995.00	3069.00
<ul style="list-style-type: none"> • ARC UPGRADE REVISED FEE 	N/A	3119.00
ALARM MONITORING		
<ul style="list-style-type: none"> • Sonitrol Alarm Monitoring 	1131.00	1159.00
<ul style="list-style-type: none"> • ARC UPGRADE REVISED FEE 	N/A	1209.00