

REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 9TH JUNE 2003
REPORT ON: FIBRE RENTAL IN CONNECTION WITH PUBLIC SPACE CCTV - RENEWAL OF CONTRACT
REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT
REPORT NO.: 392-2003

1. PURPOSE OF REPORT

1.1 This report presents the outcome of negotiations for the ongoing rental of optic fibre lines linking CCTV cameras and the central Control Room and requests a decision on the acceptance of one of the options.

2. RECOMMENDATIONS

2.1 Approval is recommended of Option 1 proposed by Thus Plc, for the total sum of £376,000 over a ten year rental period, subject to the approval of contract terms by the Director of Support Services.

3. FINANCIAL IMPLICATIONS

3.1 The Director of Finance has confirmed that funding is available from the Economic Development Department's Revenue Budget 2003/2004. Allowance for future years' expenditure will have to be made in the appropriate budgets.

4. EQUAL OPPORTUNITIES IMPLICATIONS

4.1 None.

5. LOCAL AGENDA 21 IMPLICATIONS

5.1 None.

6. FURTHER INFORMATION

6.1 The existing agreement with Thus Plc for the rental of optic fibres to 47 of the Council's 78 public space CCTV cameras expired on 31st March 2003.

The contract has continued on a provisional basis since this date, pending negotiations on future arrangements.

The option of transferring to another service provider has been eliminated due to the high capital cost involved in laying new supplies to the existing cameras.

The outcome of negotiations with Thus was that three options are available:-

1. 10 Year Deal

The cost of this option over the 10 year period would be £376,000 (£800 per camera, per annum).

2. 5 Year Deal

The cost of this option over a 10 year period, allowing for inflation @ 3% per annum would be £456,605 (£971 per camera, per annum).

3. 3 Year Deal

The cost of this option over a 10 year period, allowing for inflation @ 3% per annum would be £524,802 (£1,117 per camera, per annum).

The cost per camera of the 10 year deal is considered fair and reasonable when compared with the equivalent service provided by two other suppliers.

7. **CONSULTATIONS**

7.1 The Directors of Finance and Support Services have been consulted and are in agreement with the contents of this report.

8. **BACKGROUND PAPERS**

8.1 No background papers, as defined in Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

DOUGLAS A A GRIMMOND
DIRECTOR OF ECONOMIC DEVELOPMENT

DATE: 2ND JUNE 2003