

Report of the Executive Member for Environment and Transport

Executive	Date: 15 June 2017	Ward(s): All
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THE APPENDIX TO THIS REPORT IS EXEMPT AND NOT FOR PUBLICATION
SUBJECT: Award of Parking Enforcement Contract
1. Synopsis

- 1.1 The Council's Sustainable Transport Strategy aims to reduce traffic volumes, traffic and parking congestion, and the negative environmental impacts of unnecessary car use within Islington.
- 1.2 The purpose of this report is to set out the process followed and to award a joint authority framework for the Parking Enforcement Contract, in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.3 Executive approved the Procurement Strategy for the contract at its meeting on 16.6.16.
- 1.4 The framework is aimed at offering the Council and other collaborating authorities a means to procure a variety of parking related services to suit individual needs and allow them to draw down from the framework at any point in its four year term. Individual contracts will last from three to seven years. All participating authorities will have the same end-date, allowing forward planning for the group to enter a later full joint procurement.

2. Recommendations

- 2.1 To agree to appoint NSL Ltd to the parking enforcement framework as the sole parking enforcement service provider and award it a contract for a seven year period, from 1 September 2017 to 31 August 2024.

3. Background

- 3.1 The Council currently has an outsourced contract to supply a parking enforcement service. This contract is due to end on 31 August 2017 and a new contract is required to commence from 1 September 2017.

- 3.2 We have explored opportunities to share services with a number of other local authorities and reduce costs. To this end the Council entered into discussions with other North London Boroughs on the potential for joint working, including joint procurement of an outsourced parking enforcement contract with Islington as the lead authority. Discussions were undertaken with the London Boroughs of Enfield, Waltham Forest, Barnet, Haringey and Tower Hamlets. Besides Islington, only Waltham Forest, Haringey and Tower Hamlets chose to be named on the formal OJEU notification for this contract.

As the industry has advanced at a rapid pace in terms of IT support and staff development, coupled with the opportunity of an emerging shared service of a reasonable scale, the proposed option makes economic and service efficiency sense. The proposal combines the need to provide an efficient, cost effective service through a tender process, whilst collaborating with other local authorities to seek further reductions in cost.

- 3.3 The duration of the framework will be four years. Participating authorities may choose to opt into this contract at different times during this period, depending on when their existing contracts expire. The duration of the overall contracts will range from a maximum of seven years (for a contract entered into at the start of the framework) to a minimum of three years (for a contract entered into in the fourth and final year of the framework), such that all contracts expire at the same time. A maximum length of seven years allows for keen competition and for market forces to deliver the best pricing for the required parking enforcement model.

3.4 **Nature of the Service**

The Council believes that by enforcing parking regulations motorists will be more inclined to park safely and legally. This includes enforcing against moving traffic contraventions, to encourage motorists to respect restrictions such as one way roads and no-entries. This in turn reduces traffic congestion, improves road safety, and improves accessibility for all road users, including those with disabilities. The Council will ensure advance warning and signage (including those which are disability compliant) for motorists.

Positive outcomes include:

- helping traffic to flow more freely
- helping buses keep to their timetable
- assisting delivery vehicles
- allowing pedestrians to feel safer crossing the road without illegally-parked cars causing obstruction
- keeping parking places reserved for Blue Badge holders for those who need to use them.

- 3.5 The contract requires provision of qualified civil enforcement staff, management, equipment, car pound provision, uniforms and safety wear, consumables, recruitment training, vehicle fleet, operational and office stationery, radio equipment, telecoms, enforcement equipment and support services. It also includes the requirement for short notice deployment in order to address potential staff shortfall as a result of sickness, maternity leave or when servicing events at the Emirates stadium.

- 3.6 To meet the various requirements of the partner authorities, a menu of options included (but were not limited to) services for civil parking enforcement, the full range of parking back office services, off street parking enforcement, correspondence handling, permit management, IT support, signage and line marking, bailiffs, permit fraud investigation, mobile camera automatic number plate recognition systems, enforcement smart phone and android apps, pay by phone customer service, pay and display point of sale machines and maintenance, cash collection, counting and banking services, and CCTV provision for moving traffic contravention.

3.7 **Estimated Value**

The estimated spend for the Council for the seven year duration of the new contract is £50m and is based on current contract charges. It is expected that the service will continue to be funded from parking revenue budgets. Cost reductions are envisaged through the gradual transformation of the Parking Service throughout the lifetime of the contract by embracing new technology and automating services.

- 3.8 Although other boroughs will arrange for their own funding, it is estimated that the total cost of the service across all boroughs could be up to £200m.
- 3.9 Any surplus raised through parking enforcement is used by the Council to provide transport services and highway maintenance and improvements.

3.10 **Timetable**

The value of the contract required advertisement in OJEU (Official Journal of the European Union). The Key dates of the procurement are as follows;

Full OJEU Restricted Procedure Procurement timetable – January 2017 to March 2017
Evaluation – April 2017
Executive for Contract Award report – June 2017
Mobilisation Period – June/August 2017
Contract Start Date – 1st September 2017

3.11 **Options Appraisal**

The Council considered several options including bringing the service in-house, though on balance, this was not the preferred route. This industry has advanced at a rapid pace in terms of IT support and staff development. Coupled with the opportunity of an emerging shared service of a reasonable scale, this meant the shared framework option made economic and service efficiency sense.

3.12 **Key Considerations**

The London Living wage, as a minimum, is a required commitment with our existing contractor and will be embedded as a requirement going forward. The contract will have key performance indicators (KPI) with financial costs to the contractor for under-performance, and a saving share model to encourage a continual improvement of service. Effectiveness will be measured in comparison to peer groups across a range of KPIs.

- 3.13 Industry and governmental standards and qualifications for economic, social and environmental sustainability were embedded within the pre-qualification questionnaire and contractual documentation.

- 3.14 Tenderers were expected to explore local routes for recruitment purposes, such as job fairs and agency bulletins, and also encouraged to seek equipment and resources from local businesses and services where possible. Standard TUPE and Pensions provisions also apply.

3.15 **Evaluation**

This tender was conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. A single supplier was sought.

- 3.16 The first stage selected suitable tenderers through a Pre-Qualification Questionnaire (PQQ), which establishes whether an organisation meets the financial requirements, is competent and capable, and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

- 3.17 Organisations that met the PQQ requirements were invited to tender (ITT). This second stage is forwards-looking. The evaluation criteria for this procurement was based on;

Price – 60%, Quality – 40%

- 3.18 Cost was evaluated on a split menu of generic core (on-street enforcement) weighted 15%, and non-core (back office and collateral services) weighted 15%, plus Islington's bespoke specification, weighted 30%.

Quality was evaluated on the basis of six method schedules totalling 40%. The method schedules covered;

- Service delivery – 15%
- Contract Management – 5%
- Social value – 5%
- Modern parking methodology – 5%
- Training & resources – 5%
- Stakeholder engagement – 5%

3.19 Forty five suppliers expressed an interest in tendering. Ten companies were invited to tender but only two companies returned compliant tender bids.

3.20 The two tenders received were evaluated in accordance with the previously agreed evaluation model. The results of the evaluation are shown in the Exempt Appendix. NSL Ltd achieved the highest overall score and therefore it is recommended that NSL Ltd is appointed to the single-supplier Parking Enforcement framework and awarded a contract commencing 1.9.17 for a period of seven years. Compared to the current contract, it is expected that substantial savings will be made by the Council over its lifetime.

3.21 Business Risks

The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities.

Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council’s anti-blacklisting declaration.

Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'.

The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

The adequacy of these measures was by officers and the outcome of that assessment will be reviewed by the Council’s Procurement Board.

Ensuring continuity of service is key.

3.23 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Provision of Parking Services. See paragraph [3.4]
2 Estimated value	The framework agreement has an estimated value of £50m of Council spend over seven years. The total estimated value of the framework agreement is £200m where the Council is acting as the central purchasing authority for framework partners. See paragraph [3.7]
3 Timetable	Full OJEU Restricted Procedure Procurement timetable January 2017 – March 2017 Evaluation – April 2017 Executive for Contract Award report – May 2017

	Contract Start Date – 1st September 2017 See paragraph [3.10]
4 Options appraisal for tender procedure including consideration of collaboration opportunities	A route to market via an outsourced OJEU Restricted Procedure was preferred. The Council was the lead authority, with three other London Councils being named on the OJEU notification See paragraph [3.11]
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	London Living wage applies, a best value system is embedded and TUPE and pensions implications will apply to this contract. See paragraph [3.12 – 3.14]
6 Evaluation criteria	Price – 60% Quality – 40% See paragraph [3.15 – 3.18]
7 Any business risks associated with entering the contract	Ensuring continuity of service is key. See paragraph [3.21]
8 Any other relevant financial, legal or other considerations.	n/a

4 Implications

4.1 Financial implications

The cost of the contract will be met from existing budgets from within the parking account. The parking account is a ring-fenced account with any surplus generated from its activities invested in highways and transport related activities. The contract is anticipated to deliver cost reduction efficiencies and the impact of this will be modelled as part of the medium term financial planning process.

4.2 Legal implications

The Council is responsible for civil parking enforcement in Islington (Traffic Management Act 2004 and the Civil Enforcement of Parking Contraventions (England) General Regulations 2007. Accordingly the council may enter into a contract with a provider of such services under section 1 of the Local Government (Contracts) Act 1997.

The estimated value of the contract exceeded the financial threshold for public service contracts and therefore the Public Contracts Regulations 2015 apply. The procurement has been undertaken using the restricted tendering procedure in accordance with those regulations. The tenders have been evaluated in accordance with the evaluation method and accordingly the contract may be awarded to the highest scoring tenderer provided that the Executive is satisfied that its tender represents value for money. In reaching its decision the Executive should have regard to the information contained in this report and in the exempt appendix.

4.3 Environmental implications:

No negative environmental impacts are expected. Some positive impacts could materialise through reduction in overall resource use brought about through the introduction of new technology.

4.4 Resident Impact Assessment:

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

A resident impact assessment was completed on 9 May 2016 and no adverse impacts were identified. The procurement of the contract will continue to manage the availability of parking space throughout the borough for all residents and businesses alike and impact all those who wish to park on the public highway in Islington. The continuity of service benefits all road users by encouraging safer parking, as well as ensuring traffic restrictions are adhered to, e.g. banned turns. This promotes safety on the highway and ensures, for example, areas for pedestrian crossings are kept clear, increasing accessibility for any vulnerable pedestrians, and especially those with disabilities. A number of positive outcomes are shown below:

- discouraging pavement parking to give full access to pedestrians.
- helping buses keep to their timetable, benefitting pedestrians who do not have access to vehicles, including those with disabilities.
- assisting delivery vehicles.
- allowing pedestrians to feel safer crossing the road without illegally-parked cars causing obstruction.
- keeping parking places reserved for Blue Badge holders for those who need to use them.
- helping traffic to flow more freely.
- allowing residents, businesses and shoppers a better opportunity to park, including those with blue badge holders.

The Resident Impact Assessment did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks.

5. Reasons for the recommendations / decision:

- 5.1 The recommendation to award the contract to the highest scoring tenderer, NSL Ltd ensures the continuity of the parking service, whilst making significant savings over the lifetime of the contract.

Signed by:



5 June 2017

Executive Member for Environment and
Transport.

Date

Appendices – Exempt appendix giving tender evaluation and scores

Report Author: Zahur Khan

Tel: 020 7527 2616

Email: zahur.khan@islington.gov.uk