

Report of: Executive Member for Environment and Transport

Meeting of:	Date	Ward(s)
Executive	16.6.16	All

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SUBJECT: Procurement Strategy - Parking Enforcement Contract

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy through a joint authority framework for Parking Enforcement contract, in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The framework will offer 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. It is intended that all authorities would choose the same end-date for their new procurement, allowing forward planning for the group to enter a later full joint procurement.

2. Recommendations

- 2.1 To approve the procurement strategy for a Parking Enforcement Contract, as outlined in this report.

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 Whilst a re-procured contract will allow for a continuous service, we are exploring opportunities to share services with a number of other local authorities and reduce costs. To this end the Council has entered cross borough discussions with 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 are currently underway with the London Boroughs of Enfield, Waltham Forest, Barnet and Haringey.

- 3.3 The duration of the framework agreement will be four years. Different 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 will allow for keen competition and for market forces to deliver best pricing for the required parking enforcement model.
- 3.4 A joint specification to cover the needs for all these boroughs is yet to be finalised, along with decision on dates when each of these authorities could join the framework. However it is believed the four year framework period will be sufficient.
- 3.5 Whilst Islington is currently in discussions with these North London boroughs, provision will also be made to allow other local authorities to join the framework, including those with in-house services. The contract will encompass a schedule of services that Boroughs may wish to utilise and will include items such as off-street parking and housing estate parking.

3.6 **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

- 3.7 The contract will require 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 will also include 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.

3.8 **Estimated Value**

The estimated spend for Islington 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 transforming the Parking Service throughout the lifetime of the contract by embracing new technology and automating services.

- 3.9 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.
- 3.10 Unfortunately, benchmarking with a similar service isn't possible as this particular type of model has not been developed elsewhere. However the existing contract initially cost £7.3m per annum and is currently £6.4m per annum for annual service provision charge, which, given application of year on year retail price index increments, represents a significant saving to the Council. This has been achieved through initiatives such as integrated management, which has reduced management posts, and also by introduction of technology such as lane watch unattended traffic management camera, that has driven key cost savings in staffing and further reduced support requirements.

3.11 Any surplus raised through parking enforcement is used to provide transport and environment services by the Council.

3.12 **Timetable**

The value of the contract requires advertisement in OJEU (Official Journal of the European Union).

The Key dates to be reached for procuring this service are as follows;

- Full OJEU Restricted Procedure Procurement timetable Sept 2016 – March 2017
- Joint Board for Contract Award report – April 2017
- Executive for Contract Award report – May 2017
- Mobilisation Period – June/August 2017
- Contract Start Date – 1st September 2017

3.13 **Options appraisal**

The Council has considered a number of options including bringing the service in-house, though on balance, this is 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 at a reasonable scale, this means the proposed option makes economic and service efficiency sense. The current proposed route combines the need to provide an efficient, cost effective service through a tender process, whilst collaborating with local authorities to seek further reductions in cost.

3.14 To meet the various requirements of the partner authorities, a menu of options could include but not be 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.

3.15 **Key Considerations**

The London Living wage, as a minimum, is a required commitment with our existing contractor and will be embedded as a requirement. The contract will have key performance indicators (KPI) with financial costs to the contractor for underperformance, 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.

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

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

3.18 **Evaluation**

This tender will be conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations.

3.19 The first stage is to select 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.

3.20 A limited or 'restricted' number of these organisations meeting the PQQ requirements as specified in the advertisement are then invited to tender (ITT). This second stage is forwards-looking.

3.21 Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract as set out in the evaluation criteria in order to determine the most economically advantageous offer. The evaluation criteria for this Procurement will be based on;

Price – 60%, Quality – 40%

3.22 **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 will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board

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 a Parking Services. See paragraph [3.6]
2 Estimated value	The framework agreement has an estimated value of £50m of Islington Council spend. 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 [3.8]
3 Timetable	Full OJEU Restricted Procedure Procurement timetable Sept 2016 – March 2017 Executive for Contract Award report – May 2017 Contract Start Date – 1st September 2017 See paragraph [3.12]
4 Options appraisal for tender	A route to market via an outsourced OJEU

procedure including consideration of collaboration opportunities	Restricted Procedure is preferred. See paragraph [3.13]
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 [3.15]
6 Evaluation criteria	Price – 60% Quality – 40% See paragraph [3.18]
7 Any business risks associated with entering the contract	Ensuring continuity of service is key. Failure of partner authorities to commit to the framework would reduce effectiveness for any economy of scale saving. See paragraph [3.22]
8 Any other relevant financial, legal or other considerations.	n/a

4.

Implications

4.1 Financial implications:

The framework model procurement strategy will make it easier to deliver efficiencies through collaboration. The cost of the procurement will be met through existing budgets from within the parking service. The annual value of the contract is around £6-7million and this is funded from existing budgets from within the parking account.

4.2 Legal Implications:

The Council has a duty to provide parking enforcement services pursuant to the Traffic Management Act 2004, Part 6, and related Civil Enforcement of Parking Contraventions (England) General Regulations 2007 as amended and statutory guidance on Civil Enforcement of Parking Contraventions. The Council may carry out a joint procurement exercise with other local authorities under section 111 of the Local Government Act 1972 which provides the power for the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council has power to enter into contracts with providers of parking enforcement services under section 1 of the Local Government (Contracts) Act 1997.

The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £164,176.00 for service contracts. Contracts above this threshold must be procured with advertisement in the Official Journal of the European Union and with full compliance of the Regulations. The Council's Procurement Rules also require contracts over the value of £164,176.00 to be subject to competitive tender. The proposed procurement strategy, to advertise a call for competition through OJEU notice and procure the service using a competitive tender process, is in compliance with the requirements of the Regulations and the Council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the Council.

4.3 Environmental Implications

No negative 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, i.e. 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 examples 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. Reason for recommendations

5.1 To establish continuity of a parking service and develop business and saving opportunities.

Appendices: None

Background papers: None

Final report clearance:

Signed by:



Executive Member for Environment and Transport 6.6.16
Date

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