

**REPORT TITLE**

Procurement strategy for provision of a parking management system

**REPORT OF**

Ed Garcez, Chief Digital and Information Officer

**FOR SUBMISSION TO**

Islington Council Executive

**DATE**

19<sup>th</sup> July 2018

**SUMMARY OF REPORT**

Shared Digital on behalf of the London boroughs of Camden and Islington is undertaking a collaborative procurement for the provision of a parking management system through a single supplier.

The Councils have collaborated to develop a set of shared requirements for a parking management system. The system underpins the daily operation of each Councils' Parking Services enabling the Councils to meet their statutory obligations to control parking and moving traffic contraventions within the boroughs.

The procurement strategy is to undertake a further competition through the Eastern Shires Purchasing Organisation (ESPO) Framework 509, Lot 3, Parking Management Solutions to achieve a start date of October 2018 for the new contract.

This report requests that the Executive notes the procurement strategy and the start of the procurement process and seeks approval to delegate the award of contract to the Executive Director of Corporate Services, London Borough of Camden on behalf of both Councils.

**Local Government Act 1972 – Access to Information**

Background papers – none.

**Contact Officer:**

Ilesh Chavda, Head of Business Partnering

Email: [ilesh.chavda@camden.gov.uk](mailto:ilesh.chavda@camden.gov.uk)

Tel No: 020 7974 5552

**WHAT DECISIONS ARE BEING ASKED FOR?**

That the Executive:


1. Notes the procurement strategy to call off services for a parking management system following a further competition from the ESPO Framework 509, Lot 3 has already started.

2. Notes that the initial contract period will be two years with the option to extend for a further two years through two 12 month extensions. The total contract value including extensions is in the region of £2.3m including platform deployment, annual running costs and ongoing platform development.
3. Delegates the award of contract for the provision of a parking management system by a single supplier to the Executive Director of Corporate Services, London Borough of Camden on behalf of both participating Councils.

**Ed Garcez**

**Chief Digital and Information Officer**

Final report clearance:

<b>Signed by:</b>		11 July 2018
	Executive Member for Finance, Performance and Community Safety	Date

Report Author:	Stephen Menzies	
Tel:	07960592531	
Email:	stephen.menzies@camden.gov.uk	
Legal Implications Author:	Philip Shamash, Lawyer, Corporate Services	
Financial Implications Author:	Peter Taylor, Finance Business Partner, Shared Digital	

## **1 WHAT IS THIS REPORT ABOUT?**

### ***Procurement Strategy***

- 1.1 This report outlines the procurement strategy for an ICT parking management system for the provision of issuing, processing and administration of Penalty Charges Notices (PCN); and, seeks approval to delegate to the Executive Director of Corporate Services, London Borough of Camden the right to award a contract on behalf of the two Councils.
- 1.2 The Councils' parking services have collaborated on a set of outcome based shared requirements.
- 1.3 To meet these requirements, the Councils will use an existing framework agreement and through a further competition appoint a single supplier for both Councils. The maximum contract period will be for four years. There will be an initial two year contract period which can be extended for a maximum of 24 months through two 12 month extensions.
- 1.4 The procurement activities outlined in this report have started. The existing contracts for Camden and Islington will expire June and August respectively. Contract extensions have been agreed with the incumbent suppliers until October 2018. Both Camden and Islington will transition to the service provider as soon as practical after the procurement completes – likely October 2018.

### ***Services description***

- 1.5 Parking services are sovereign services to each Council. Services which are responsible for ensuring that the Councils' statutory obligations to control parking and moving traffic contraventions within the boroughs are met.
- 1.6 Through this work the Councils receive significant income, in excess of £29m annually. The revenue contributes to Parking's overall revenue that funds the service and any surplus being spent on other Council services in accordance with Road Traffic Regulations Act Section 55.
- 1.7 In each Council an integrated ICT platform is used which manages the PCN (and other related) processes from issue of the notice through to payment. This includes deployment of the service to enforcement officers via handheld portals. The platform is integral to the smooth running of each service which is of high reputational value to the Councils.

### ***Requirements***

- 1.8 Camden and Islington have collaborated on developing a set of outcome based requirements which define the service to be procured. Noted below is high level shared requirements:
  - Issue and process PCNs issued via a hand-held computer and CCTV system to those contravening the restrictions;
  - Integration with Automated Number Plate Recognition (ANPR) software;

- Provide workflow correspondence management and scan correspondence to a case file/record;
- Manage clamping and removal activities; and,
- Manage appeals and the statutory process for recovery of PCNs.

1.9 The contract will include: transition to the chosen platform; configuration to meet each Councils' needs and ongoing development of the platform as the Councils individual requirements evolve. Each Parking Service retains the budget for the ongoing development, with no work being carried out until a business case has been approved by the Council's sovereign ICT services.

## **2 WHY IS THIS REPORT NECESSARY?**

2.1 There is a significant time pressure on this procurement exercise. The Councils are both near end of contract for their existing systems and must procure and transition to a new platform as soon as practical. This report seeks approval of the shared procurement strategy.

2.2 By allowing the Executive Director of Corporate Services, London borough of Camden to proceed with the award of contract on behalf of both Councils through the recommended delegation, the Councils will be able to enter into a new contract more quickly, minimising the requirement to extend the existing contracts.

2.3 It is worth noting that the needs of both Councils will be recognised as the evaluation panel for the procurement will be drawn from members of each Councils' parking service and there is a strong alignment within these services on requirements.

## **3 OPTIONS**

3.1 Three options have been considered:

- i) Further competition through an existing framework agreement – **recommended**

The Councils will undertake a further competition using ESPO framework agreement 509, Lot 3 – parking management software solutions. Evaluation will be split between Price (60%) and Quality (40%).

A further competition will enable the councils to demonstrate best value as bidders will need to submit competitive pricing to be able to win the business.

As the framework agreement's standard terms and conditions of award make no provision for implementation of the General Data Protection Regulations (GDPR), Whistleblowing or Blacklisting, additional clauses will be included to ensure supplier compliance. This approach provides the Councils' with a route to market that is compliant with the Councils' Contract Standing Orders and also Public Contract Regulations 2015 (PCR 2015).

- ii) Direct award through an existing framework agreement – not recommended

During consultation with the framework provider it was noted that there is no provision within the existing framework agreement to amend the standard terms and conditions of award when making a direct award. As the framework agreement was let ahead of the implementation of GDPR. The Councils require a change in the standard terms and conditions of contract to take account of GDPR. With this issue in mind, the decision was taken not to recommend a direct award.

- iii) Cease use of software – not recommended

The ICT system underpins a service that the Councils have a statutory obligation to provide. It is also a significant revenue source for the Councils. Without the ICT system in place there is little assurance that the Councils through the Parking Services would be able to meet their statutory obligations.

Social Value

- 3.2 Within the quality response the bidders will be asked to detail how they can support the Councils in creating Social Value. This will be a scored element in the quality evaluation of the tenders submitted.

**4 WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?**

- 4.1 As this is a joint procurement Camden will be contracting on behalf of both Councils. In this case, the Contract Standing Orders for Camden will be used. The procurement strategy and route to market comply with both Camden’s CSOs and also the PCR 2015.
- 4.2 By undertaking a further competition the Councils will be able to demonstrate value for money, whilst maximising the opportunity to receive competitive bids which may increase the savings which can be achieved through jointly procuring.

**5 WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?**

- 5.1 Project specific risks and mitigating actions are set out below.

Risk	Impact	Mitigation strategy
There is a risk that an unsuccessful bidder may challenge to the procurement decision.	The procurement is delayed or the Councils are required to change approach	An appropriate route to market has been chosen. Framework requirements for further competition will be followed. All documents will be available for audit should the

Risk	Impact	Mitigation strategy
		Councils have to defend a challenge.

## 6 WHAT ACTIONS WILL BE TAKEN, AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

6.1 These dates are aggressive. The table below details the next steps in the procurement:

Activity	Timeline
Documentation released to participating framework suppliers	16/07/18
Return submitted by participating suppliers	18/08/18
Returns reviewed and evaluated	01/09/18
Contract awarded	01/09/18
Transition to new service	29/09/18

## 7 CONSULTATION

7.1 There is no public consultation requirement. Members of the Shared Digital Management Board, the Chief Digital and Information Officer as well as senior members of the two Parking Service teams have been consulted and are supportive of the proposed approach to retendering for this contract.

7.2 An Equality Impact Checker has been completed. There is no equality impact identified. This is the re-procurement of an existing service provided across all three Councils.

## 8 LEGAL IMPLICATIONS (comments from the Borough Solicitor)

8.1 Legal Services has reviewed this report in the context of the Public Contracts Regulations 2015 (as amended) (the 'Regulations'), the Shared Digital Joint Committee's Terms of Reference and the Council's Contract Standing Orders (the 'CSOs') which must be complied with, where applicable.

8.2 Shared Digital is seeking to procure parking management IT services for the two Councils from Lot 3 of the ESPO FW509 framework for 4 years (2 years plus 2 optional years in yearly increments) for £2.3M from a single supplier. The procurement strategy is to conduct a further mini-competition from the Lot 3 panel providers in accordance with the call-off procedures and against a statement of requirements. Council Officers should be satisfied that this strategy fully complies with the call-off process set out in the framework. The contract is due to commence at the end of September 2018. As the

procurement exercise will not be completed before the expiry of the existing parking management services contracts for Camden and Islington, a waiver should be obtained by both Councils to enable them to extend their respective current contracts by the requisite number of months until the new contracts are awarded. Any extension of the existing contracts must be permitted by the Regulations and in particular should fall within the scope of Regulation 72. Officers should be satisfied that the appropriate waiver approval has been obtained for both Islington and Camden Councils prior to agreeing any extensions to the existing contracts with the current providers.

- 8.3 The existing TORs provide that the Joint Committee may agree the procurement strategy and award contracts relating to digital and IT spend where the total estimated value is in excess of £2M revenue. The TORs also allow the Joint Committee to delegate any matters within its TORs to a named officer of any of the Councils. Accordingly, the Islington Executive is asked to recommend that the award of the contract is delegated to the Executive Director of Corporate Services.
- 8.4 The Council must take into account in coming to any decision its equality duties under Section 149 of the Equalities Act 2010 and have due regard to them. In summary these legal obligations require the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, advance equality of opportunity between people who share a relevant protected characteristic and those who don't and foster good relations between people who share a relevant protected characteristic and those who do not (which involves tackling prejudice and promoting understanding). Under the Duty the relevant protected characteristics are: Age, Disability, Gender Reassignment, Pregnancy and maternity, Race, Religion, Sex, Sexual orientation.
- 8.5 The Public Services (Social Value) Act 2012 requires that public authorities letting service contracts consider how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area and how during the procurement it might act with a view to securing that improvement. In fulfilling this duty, the authority must (amongst other things) consider whether to undertake any consultation.

## **9 RESOURCE IMPLICATIONS (comments from the Director of Finance and others as appropriate such as AD (HR))**

- 9.1 This report seeks endorsement of a strategy to procure a parking management system for a contract period of two years with the option to extend for a further two years through two 12 month extensions. The total contract value including extensions is estimated to be in the region of £2.3m based on current costs.
- 9.2 Current system costs are supported by revenue budget in Camden and Islington which combined form the Shared Digital cash limit. Costs will need to

be managed within these existing resources. It is expected that there will be no increase in cost of service for the extension of existing contracts.

- 9.3 This is a re-procurement of existing services, where re-procured contract costs exceed current budget provision mitigating action will need to be taken through re-provision of existing budget to cover the costs.
- 9.4 Where contract costs are lower than current budget provision a saving can be taken. Under the shared service agreement, any Shared Digital savings will be split evenly between the participating authorities.

## **10 PROCUREMENT OPINION**

- 10.1 In advance of the collaborative procurement for a parking management system, Camden propose to extend the existing parking management contract with WTS (formerly Mouchel.)
- 10.2 Camden's existing contract was sourced under a CCS framework agreement – RM865/9, Local Government Software Application Solutions - Highways and Transport Software Application Solutions. The maximum call-off under the framework was seven years (including a two year extension.) Camden's contract was for three years plus one optional year, which is due to end on 23rd June 2018.
- 10.3 In order to extend the contract in a compliant way, the Council proposes to invoke Public Contract Regulation 2015, 72(5) (permitted modifications) provided the following three grounds are met
- The value of the modification is below the relevant services threshold in Regulation 5 (£181,302);
  - % of the initial contract value for the service contract; and,
  - The modification does not alter the overall nature of the contract.
- 10.4 A waiver of the Council's CSOs will be requested to extend the current contract up to a maximum of 10% of the original contract which was c£967k. This equates to pro rata extension until 31st October 2018 up to a value of £96,000, based on current charges on the key grounds:
- F2 (1) (ii) there are exceptional circumstances that have led to a need to depart from the CSOs and evidence has been provided which demonstrates the waiver is necessary to achieve the Council's objectives; and,
  - sub category 'in order to allow for contract alignment in order to make use of future opportunity.'
- 10.5 Islington are currently in contract with their supplier. The likely requirement to align with the current procurement timelines is only for an additional two months. Based on this the head of procurement in Islington was approached and agreement reached that Islington should engage with the supplier and seek a contract extension for the two month period.



10.6 The procurement strategy outlined - further competition from an existing framework agreement - is a route to market which meets the Council's CSO's and is compliant with the Public Contract Regulations 2015.

10.7 Additional clauses should be included in the standard terms and conditions of contract of the call-off contract to cover the following items: a) Compliance with General Data Protection Regulation; b) Contract Novation; c) Whistleblowing; and, d) Blacklisting.

## **11 Appendices**

11.1 None