

Meeting:	Executive
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Council Priority:	Greener Healthier
Wards:	All
Report of:	Executive Member for Environment, Air Quality & Transport
Report No.	I029981

Subject: Procurement Strategy and Contract Award for Cashless Parking Services

Recommendation

- 1.1. To approve the procurement strategy for the buying process of a call-off contract for cashless parking from the Eastern Shires Purchasing Organisation (ESPO) Framework 509-23 Agreement Lot 3 Cashless Parking (mobile) Solutions to RingGo Limited for the period 01 April 2025 until 31 March 2026.
2. Report summary
 - 2.1. This report seeks approval for a call-off contract from 01 April 2025 to 31 March 2026.
 - 2.2. The call off is necessary to ensure that a contract is in place by 01 April 2025 and provide time for the procurement of a new parking services contract which will include a cashless parking requirement alongside other parking services.

3. Details of the proposal

- 3.1. The Executive approved a strategy report for the procurement of a new parking services contract on 30 November 2023 which combines the Enforcement, Cashless Parking, Printing, Posting and Scanning services. The intention, as set out within this report, was for the procurement exercise to be complete by May 2024 with the new contract expected to commence September 2024.
- 3.2. The Council's existing Parking Services Contract was originally due to expire on 31 August 2024. At its meeting on 18 July 2024 the Executive granted a seven-month extension to the Contract, allowing for a revised anticipated start date for the newly procured contract on 01 April 2025, in line with the current Cashless Parking Contract which is due to expire on 31 March 2025.
- 3.3. A decision was taken to exercise the discretion contained in the Parking Services tender documents to not award a contract. The Council intends to commence a new tender with a revised specification and pricing schedule with amendments to questions asked within the agreed award criteria. These differences include a revised specification and pricing schedule with amendments to questions asked within the agreed award criteria.
- 3.4. Officers intend to commence a new procurement for the parking services contract in early January 2025, with the contract expected to commence 01 October 2025, with the exception of the Cashless Parking service which will commence as part of the Parking Services contract on 01 April 2026. As this is after the date on which the existing Cashless Parking Contract is due to expire, to ensure continuity of service, an award of a call-off contract to RingGo Limited to continue to provide the Cashless Parking Service for 12 months is required.
- 3.5. The cashless parking service allows residents, businesses and the public to purchase short stay parking via a pay-by-phone option or a mobile application. This service needs to be procured as it is the only method of paying for short stay parking since the e-parking policy removed all traditional coin pay and display machines in the borough which commenced in 2015. It is a very reliable and efficient system with little to no performance issues.
- 3.6. The cost of the current Cashless Parking Services contract to the council is £70K per annum made to the supplier for providing the technology for the Cashless Parking service. The supplier generates on average £350k per annum in additional fees and charges linked to SMS text messages payable by the customer. The supplier processes an average of £14m in parking-related payments from

customers per annum. The estimated value of the proposed new 12 month cashless services contract is based on this historical spend.

- 3.7. Officers have identified that the most efficient means of securing the new cashless services contract is to use a buying process for a call-off contract from the ESPO Framework 509-23 to RingGo Limited. The terms of the ESPO Framework 509-23 Agreement Lot 3 Cashless Parking (mobile) Solutions provide that the minimum term for a call-off contract is 12 months. As such, the call-off contract will be for 12 months, following which the intention is for the cashless service to be undertaken as part of the new parking services contract that will have commenced by that date.

4. Other options considered and the reasons for recommending this proposal

- 4.1. Do nothing, this is not an option as it would not support the Council's statutory duties and enable the Council to collect parking charges.
- 4.2. Provide service in-house, this is not an option, the Council does not have the ability to provide a Cashless Parking system at this level.
- 4.3. Run a tender exercise, although this would enable the council to open the procurement to the whole market it is known that the market for provision of this service is small. Time is limited to secure a new contract which means this option is not recommended. There are several appropriate existing frameworks that are suitable.
- 4.4. Direct award of contract using an existing framework agreement
 - 4.4.1. The ESPO Framework 509-23 Agreement Lot 3 Cashless Parking (mobile) Solutions provides for call-off contracts to be awarded either via a call-off (direct award) in certain circumstances or following a mini-competition amongst the suppliers in the relevant Lot. In this instance, officers recommend that making a direct contract award of the cashless service direct to RingGo Limited is the most appropriate means of securing the service. This is because there is an inadequate amount of time to conduct a mini competition and this service will be open fully to the market when it becomes part of the main parking contract. This option poses the best value for money as there would be significant cost, risk and service disruption should the council move to an alternative cashless payment IT system for a 12 month period this approach is common for short term IT related services.

5. Key impacts and risks of the proposal

- 5.1. The cashless parking service is used by customers to process their parking-related payments for receipt by the council. Parking services account for approximately £14m of total cashless paid for Parking Services revenue, so it is critical to continue providing the service. The award of a call-off to RingGo Limited for 12 months will ensure continuity of service whilst also providing time to implement the new wider parking services contract, mitigating these risks.

6. Key procurement considerations

- 6.1. Payment of the London Living Wage (LLW) will be a condition of this contract.
- 6.2. 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 complete an 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.

7. Procurement award criteria

- 7.1. The call off contract will be awarded directly to the existing supplier.
- 7.2. A call-off contract will be awarded pursuant of the ESPO 509-23 framework agreement. The framework agreement was awarded on the basis of cost/quality award criteria split of 50% cost/50% quality. The ESPO framework agreement allows for a direct award call-off contract.
- 7.3. The proposed call-off will ensure best value to the council through business continuity and continuous service improvement. Market testing for best value for money and quality of service provision will be undertaken at the point of tender for the main parking contract (which this contract will become part of), as the specification will be evaluated both on quality and price. This contract will become part of the suite of main parking contracts upon expiry date.

8. Contribution to the Islington Together 2030 Plan

- 8.1. The Cashless Parking service contributes to a greener and healthier environment by incorporating vehicle emission charging for different vehicle type, which encourages the public to use a less polluting mode of travel such as electric vehicles, this service supports the Council sustainability policy to achieve the Net Zero Carbon target by 2030.
- 8.2. Cashless parking has the advantage over traditional pay and display machines through eliminating use of paper and vehicle journeys by maintenance engineers.
- 8.3. RingGo Limited are a Carbon Neutral Organisation.
- 8.4. The Council commits to undertaking discussions with the supplier to explore what social and added value can be included in this 12 month contract.
- 8.5. The Cashless Parking contract is a short-term contract with a relatively low value to the Service Provider and therefore there is limited opportunity to have additional Social and added value as part of this contract. However, the Cashless Parking contract will become part of the new Parking Services contract. This will deliver significant social and added value, including a mandatory £100,000 per annum for in borough tree planting, and a range of other in borough measures such as LLW apprenticeships recruited in partnership with the council. Employment and training opportunities will be targeted to local residents who have experienced homelessness and young people not in education, employment or training. Social value through the new contract will be secured through the TOMS (themes, outcomes and measures) framework which enables the Council to quantify and monitor the social value being delivered to ensure the successful contractor delivers on their obligations.

9. Consultation and community engagement

- 9.1. Due to the nature of this service, it has not been necessary to engage the community in consultation. Key internal stakeholders have been consulted in the preparation of this report.

10. Implications

10.1. Financial Implications

10.1.1. This report seeks a call off contract for 1 year to RingGo Limited. The contract value is £70k. This will be funded through existing budgets within the ring-fenced Parking Account.

10.2. Legal Implications

10.2.1. This report seeks to enter into a call-off contract from the Eastern Shires Purchasing Organisation (ESPO) Framework 509-23 Agreement Lot 3 Cashless Parking (mobile) Solutions to RingGo Limited for a period of one year from 1 April 2025 to 31 March 2026. The contract value of this call off contract is £70k.

10.2.2. The Council has power to enter into the call-off contract under section 111 of the Local Government Act 1972 and section 1 of the Local Government (Contracts) Act 1997 which enable the Council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, and to enter contracts accordingly.

10.2.3. The proposed procurement strategy is a compliant route to market under the Public Contracts Regulations 2015 and is also compliant with the council's Procurement Rules.

10.2.4. The decision to direct award a call-off contract from the ESPO Framework 509-23 Agreement Lot 3 Cashless Parking (mobile) Solutions to RingGo Limited is a key decision as "it involves expenditure, income, or the making of savings of an amount in excess of £1m for capital monies or £500,000 for revenue monies" (paragraph 13.03 of Part 2 of the Council's Constitution).

10.2.5. When the Council is procuring goods and services from an approved central purchasing body the financial thresholds in table 1 of the Procurement Rules do not apply and the terms laid out in the framework prevail (Paragraph 3 of Part 6 (Procurement Rules) of the Constitution). Therefore, the Council needs to ensure it follows the procedures in the ESPO Framework Agreement when awarding the call-off contract to RingGo Limited.

10.2.6. The decision maker can approve the Recommendation contained in this Report provided they are satisfied with the contents of the Report, and they consider the proposed award of the call-off contract to RingGo Limited represents best value for the Council.

10.3. **Climate Change and Environmental Implications**

10.3.1. Islington's parking policies are a key lever to influence how people choose to travel in the borough, and the Cashless Parking contract enables the enforcement of those policies. Strengthening those policies by contributing to the shift from petrol and diesel vehicles to low emission i.e. electric vehicles would have a positive Environmental Implication, making a substantive contribution to the Council's climate action ambitions and the Greener and Healthier mission, additionally Cashless parking has the advantage over traditional pay and display machines through eliminating use of paper and also vehicle journeys made by maintenance engineers. The call-off of the Cashless Parking Contract is for a year, and as is, will have neither positive or negative environmental implications.

10.4. **Equalities Impact Assessment**

10.4.1. 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.

10.4.2. An Equalities Impact Assessment Screening was completed, and a full Equalities Impact Assessment is not required in relation to this report, because this was undertaken as part of the 2021 Contract award and the service remains the same.

11. **Timetable for implementation**

11.1. The indicative timetable for this procurement is:

- Authority to procure and award contract - 13 February 2025
- Completion of call off process - February-March 2025
- Start of new contract - 01 April 2025

Appendices:

- None

Relevant decisions / reports:

- None

Background papers:

- None

Report approval:

Approved by: Jed Young

Corporate Director of Homes and Neighbourhoods

Authorised by Executive Member for Environment, Air Quality and Transport

Date: 4 February 2025

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