

## CABINET

16 July 2019

|  |  |
|--|--|
| <b>Title:</b> Procurement of Traffic Enforcement Cameras   |  |
| <b>Report of the Cabinet Member for Enforcement and Community Safety</b>   |  |
| <b>Open Report</b>   | <b>For Decision</b>  |
| <b>Wards Affected:</b> None  | <b>Key Decision:</b> No  |
| <b>Report Author:</b> Tina Brooks Interim Head of Service.   | <b>Contact Details:</b><br>Tel: 020 8227 2375<br>E-mail: Tina.Brooks@lbbd.gov.uk |
| <b>Accountable Director:</b> Andy Opie – Operational Director.   |  |
| <b>Accountable Strategic Leadership Director:</b> Fiona Taylor, Director of Law and Governance   |  |
| <b>Summary:</b><br><p>Siemens currently provide the Council with automatic moving traffic enforcement cameras and ‘keep school clear’ (manually operated) cameras.</p> <p>The Council are not in an annual maintenance agreement with Siemens for moving traffic enforcement cameras and are paying annually for the camera maintenance. The enforcement cameras have been purchased outright by the Council. However, there is no contract in place to purchase new cameras and currently moving traffic enforcement cameras are being purchased on an ad-hoc, case by case basis. Parking services have previously been reluctant to go to another supplier because of integration, maintenance and operation costs. However, camera suppliers now offer services that will offer significantly lower costs for camera and maintenance costs, to make it easier to switch to another supplier.</p> <p>Parking services have soft market tested with suppliers who can now replace the existing Siemens cameras and maintain with new cameras within the current maintenance cost that the Council pay Siemens.</p> <p>The Borough is currently out of a maintenance contract with Siemens, therefore there would be no penalty to the Council if an alternative supplier was procured and the Council ceased to use Siemens cameras.</p> |  |
| <b>Recommendation(s)</b><br><p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"><li>(i) Agree the procurement of a traffic enforcement camera system via the ESPO framework in accordance with the strategy set out in the report; and</li><li>(ii) Authorise the Operational Director of Enforcement and Community Safety, in consultation with the Cabinet Member for Enforcement and Community Safety, the</li></ul>  |  |

Director of Law and Governance and the Chief Operating Officer, to approve the final procurement strategy, conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the successful bidder(s), in accordance with the strategy set out in the report.

### **Reason(s)**

To assist in achieving the aspirations outlined within the Council's Parking Strategy to provide an effective traffic and parking enforcement service, as well as the Council's priority of a well-run organisation.

## **1. Introduction and Background**

- 1.1 The Council has a duty under the Traffic Management Act 2004 (TMA) to tackle congestion and disruption on the road network. The TMA gives Councils tools to manage parking policies and enforce some moving traffic offences.
- 1.2 The Council's parking services operate a CCTV Suite of 47 fixed automatic number plate Recognition (ANPR) cameras (Siemens), that record vehicles committing moving traffic contraventions. Siemens is currently the sole supplier providing CCTV managed solutions to parking services.
- 1.3 Traffic enforcement cameras are crucial to keep the Council's highways moving. Significant number of offences are committed resulting in a large number of contraventions being identified.
- 1.4 PCNs issued will offset the cost of the camera maintenance, managing the moving traffic enforcement and cost of new cameras. Any surplus will be reinvested to keep the Councils highways moving.
- 1.5 No contract exists to purchase new cameras although a maintenance budget is in place to pay Siemens to maintain the current cameras. Since Siemens cameras were first procured technology has improved and there is an opportunity to drive down costs through a mini competition process using the ESPO framework.
- 1.6 The current Siemens cameras have been purchased outright by the Council. Older cameras are 5/6 years old and coming to end of life.
- 1.7 With technology improvements alternative suppliers are now offering attractive solutions to replace the current cameras with new cameras keeping within the maintenance budget over a 5-year period.

## **2. Proposed Procurement Strategy**

### **2.1 Outline specification of the works, goods or services being procured**

- 2.1.1 New traffic enforcement cameras will be purchased to replace the current cameras paid for through the existing camera maintenance budget over the lifetime of the contract (5 years).

The cameras used for enforcement are specialist cameras, supplied by Siemens, and cannot be reutilised without significant modification and cost, making it not value for money to reutilise.

The strategy would be to tender for a traffic enforcement camera supplier and stay within the current maintenance budget with no new capital funding required.

Going forward new demand for traffic enforcement cameras would be fulfilled by the new supplier.

## **2.2 Estimated Contract Value, including the value of any uplift or extension period**

2.2.1 The estimated value of the contract is based on the current contract; the estimates below are for a 5-year period;

Automatic camera enforcement has an estimated value of £1.4M  
This excludes any annual inflationary cost increases.  
The cost excludes any inflationary uplift.

There will also be implementation and project cost from the supplier and Elevate, estimated implementations costs are £10,000.

### **2.2.2 Funding**

The total funding requirement is £1,400,000 over a 5-year period, not including any inflationary uplift plus one-off implementation costs of £10,000.

It is proposed that funding will be from PCN income and utilising current maintenance budgets for cashless parking and parking noticing system. There is also an expectation that there will a surplus in the parking account from various initiatives that have been implemented within parking.

- Current budget for Parking systems maintenance is £332k
- Allowing for £110k for the proposed new systems for Parking Noticing and Cashless Parking.
- there is a budget of £222k to support expenditure on the new camera enforcement system. It is anticipated that the budget shortfall of £58k can be met from additional PCN income

Camera enforcement is expected to generate sufficient funds to fund the camera maintenance and implementation costs. There is also an expectation that with the new CPZ initiative that there will a surplus in the parking account.

If an option to extend for a further 2 year was to be considered, available funding would need to be validated by Finance to ensure enough funding is available.

## **2.3 Duration of the contract, including any options for extension**

2.3.1 The duration of the contract will be for a period of 5 years with an option to extend for a further 2 years.

**2.4 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?**

2.4.1 Yes.

**2.5 Recommended procurement procedure and reasons for the recommendation**

2.5.1 Conduct a mini competition on the ESPO framework – Parking Management Solutions (509NEW) based on a specification\requirements being produced by parking services.

**2.6 The contract delivery methodology and documentation to be adopted**

2.6.1 Through frameworks T&Cs as described above, and a detailed requirements document.

**2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

Currently there is no contract in place to supply and fit automatic parking enforcement cameras. Cameras are currently being purchased from Siemens on an ad-hoc basis.

Following soft market testing alternative suppliers will replace all the current Siemens cameras and link to the Councils noticing system, keeping within the current maintenance paid to Siemens annually.

The Council will get new cameras with the latest technology without capital expenditure.

Suppliers are able to do this because technology has moved on and as a consequence, suppliers have now significantly reduced the cost and maintenance of traffic enforcement cameras.

New cameras purchased will be at least 40% cheaper than our current purchasing arrangement. Traffic enforcement camera cost around £25,000, so a significant saving per camera, with a lower maintenance cost per camera.

The consequence of awarding, the Council will get new cameras with lower maintenance costs and an option to purchase new cameras at lower cost than the current supplier – Siemens.

**2.7.1 Risks**

There will be a risk during replacement of cameras as any significant delay will lead to a reduction in compliance and PCNs issued. This risk can be mitigated by strict SLA with the alternative supplier for the replacement of cameras.

Cameras will not be switched off immediately but in a phased way to keep traffic compliancy until all cameras have been replaced.

Traffic camera enforcement will be handling personal identifiable data. Suppliers will need to comply with the governments 'cloud principals' criteria', which sets out good practice to safeguard data held in cloud datacentres.

A data impact assessment will be carried out with the Council's Information Governance Manager to ensure that GDPR obligations are fully met.

## **2.8 Criteria against which the tenderers are to be selected and contract is to be awarded**

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

Price – 70%, Quality – 30% for enforcement cameras

## **2.9 How the procurement will address and implement the Council's Social Value policies**

2.9.1 To continue to meet the Council's commitment to keeping the borough moving and connected and to;

- 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.

## **2.10 Contract Management methodology to be adopted**

2.10.1 Through frameworks T&Cs.

## **3. Options Appraisal**

### **3.1 Do Nothing**

- Rejected, there is no contract in place with Siemens, parking wants maximise value for money that re-tendering will offer and comply with the Council's contract rules.

#### **Stay with the current suppliers.**

- Rejected - there is no contract in place.

#### **Not being in a contract with suppliers.**

- Rejected, as this is going against the Council's contract rules.

## **4. Waiver**

4.1 Not applicable for this procurement.

## **5. Consultation**

- 5.1 The proposals in this report were considered and endorsed by the Procurement Board at its meeting on 17<sup>th</sup> June 2019.

## **6. Corporate Procurement**

Implications completed by: Francis Parker – Senior Procurement Manager

- 6.1 Procurement supports the strategy within this report.
- 6.2 The evaluation criteria is suitable for these goods and services.
- 6.3 The proposed route to market is suitable and compliant with the Councils contract rules and PCR2015.

## **7. Financial Implications**

Implications completed by: Sandra Pillinger Group Accountant

- 7.1 The proposal is to procure a new camera enforcement system (47 cameras) at an estimated annual cost of £280k, plus implementation cost of £10k in Year 1.
- 7.2 The existing budget for Siemens maintenance costs can be utilised to support expenditure on the new system. The current budget for Parking systems maintenance is £332k. After allowing £110k for the proposed new systems for Parking Noticing and Cashless Parking, there is a budget of £222k to support expenditure on the new camera enforcement system. It is anticipated that the budget shortfall of £58k can be met from additional PCN income. Although there is a risk that additional PCN income will be insufficient, this risk is considered to be low. Improved debt collection procedures will also provide assurance that the funding gap will be met from additional PCN income.

## **8. Legal Implications**

Implications completed by: Kayleigh Eaton, Senior Contracts and Procurement Solicitor

- 8.1 This report is seeking approval to award a contract for new traffic enforcement cameras through the ESPO Framework 50NEW 'Parking Management Solutions'. This report is also seeking approval to delegate authority to the Operational Director of Enforcement and Community Safety to approve the final procurement strategy, conduct the procurement and award the contract to the successful bidder in accordance with the strategy set out in this report.
- 8.2 The estimated value of the contract is £1.4m over 5 years which is in excess of the EU threshold for supplies and service contracts meaning that there is a legal requirement to competitively tender the contract. The Public Contracts Regulations 2015 (the Regulations) permit contracting authorities to call off valid frameworks in order to procure goods, services, works, as required. In compliance with the principles of the Regulations the call-off process must be transparent, non-discriminatory and fair.

- 8.3 The requirements for competitive tendering, as contained within the Council's Contracts Rules, are met as Rule 5.1 (a) advises that it is not necessary for officers to embark upon a separate procurement exercise when using a Framework Agreement providing the Framework being used has been properly procured in accordance with the law and the call-off is made in line with the Framework terms and conditions.
- 8.4 The use of the ESPO Framework will satisfy the above requirements as the Council is permitted to call off from the framework, which has been set up following a compliant OJEU process for all local authorities in the country and commenced on 4 April 2019 for a period of 2 years with the option to extend for a further 2 years.
- 8.5 In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contracts following the procurement process.
- 8.6 As the value of the Contract exceeds £100,000, in line with rule 52.2 of the Contract Rules, the Contract will require sealing. Legal Services will be on hand to assist in any queries which may arise and also assist in the sealing of the Contract documents.

## **9. Other Implications**

- 9.1 **Safeguarding Adults and Children** – Some cameras will be located near schools to ensure vehicles conform to legal traffic rules to ensure the safety of children.

### **Public Background Papers Used in the Preparation of the Report:**

None.

### **List of appendices:**

None.