

CABINET

15 September 2015

Title: Procurement of Parking ICT System	
Report of the Cabinet Member for Crime and Enforcement	
Open Report Open	For Decision
Wards Affected: All	Key Decision: yes
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Accountable Divisional Director: Robin Payne, Divisional Director Environment	
Accountable Director: Anne Bristow, Corporate Director of Adult and Community Services	
Summary: <p>The Council is presented with an opportunity to re-define how the Parking Service is delivered beyond 2016 due to the forthcoming expiry of its current contracts. The contract for the provision of the IT for Parking Administration and CCTV Enforcement is delivered by Civica and expires in March 2016.</p> <p>With the current contract ending there is a need to have approved arrangements in place effective from 1 April 2016. In order to provide for full compliance with the Council's Contract Rules and Public Contracts Regulations 2015, a competitive open tender through the EU Open Procedure route is recommended to achieve best value for the Council. The contract will be awarded for a three year term contract with an option to extend for a further two years.</p> <p>The tender will give an opportunity to the Council to drive down costs whilst meeting the Parking Services needs for the future.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Agree that the Council to proceeds with the procurement of a contract for Parking ICT Services via a competitive open tender process through the EU Open Procedure route in accordance with the strategy set out in this report;(ii) Indicate whether Cabinet wishes to be further informed or consulted on the progress of the procurement and /or the award of the contract; and(iii) Delegate authority to the Corporate Director of Adult and Community Services, in consultation with the Cabinet Member for Crime and Enforcement, the Chief Finance Officer and the Head of Legal and Democratic Services, to conduct the	

procurement in accordance with the procurement strategy set out in this report, and award the contract, including any periods of extension, to the successful bidder.

Reason(s)

The provision of the Parking ICT System also commits to the Council's following priorities:

- *Encouraging Civic Pride*; enhancing the public realm by reducing on-street parking.
- *Enabling Social Responsibility*; tackling congestion by keeping roads clear and discouraging car commuters, promoting sustainable and healthy travel and meeting the requirements of disability legislation.

1. Introduction and Background

- 1.1 LBBD is responsible for parking enforcement on its streets and in its car parks using the civil parking enforcement ("CPE") powers provided by Traffic and Management Act 2004. The current Civica CE system processes in the region of 94,000 PCN's issued per annum.
- 1.2 In 2010 as the result of a formal tender process Civica were awarded a 5 year contract for the provision of the Parking Management System. The contract with Civica expired in March 2015 and a waiver for a 12 month extension until March 2016 was approved by Procurement Board on 13 January 2014.
- 1.3 As the current extension is due to expire on 31 March 2016, there is a need to tender for this requirement.

2. Proposed Procurement Strategy

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

- 2.1.1 The proposal is that the Parking IT Solution is procured via an open tender process through the EU Open Procedure route.
- 2.1.2 The Parking IT Solution will consist of a software system to manage parking within the Council and allow enforcement of both on-street and off-street parking. The system will also include the following elements:
 - Penalty Charge Notices (PCNs) can be issued using handheld devices and processed as defined by legislation in the back-office.
 - Take payments for PCNs through the Councils Income Management System and update the back office system.
 - The back office system will be able to link with the Councils mobile video (car) and bus lane technologies.
 - The system will be able to link with the Councils informal appeals letters system supplied by Barbour Logic.
 - Hosting the service in the Agilisys Cloud

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

2.2.1 Based on costs over the life of the existing agreement (£435,000 over 3 years) and approximately £145,000 per annum (indicative £725,000 over 5 years if two year extension is utilised).

2.2.2 Funding to host the application in the Agilisys Cloud will need to be found from within the service unless there is an opportunity to 're-claim' any funding from the Council's data centre costs. If this is not possible this will have an impact of the service budget.

2.2.3 Funding will be met from existing revenue budgets.

2.3 Duration of the contract, including any options for extension.

2.3.1 The contract will operate for a period of three years commencing on 1st April 2016 with an option to extend for a further two years.

2.4 Is the contract subject to the (EU) Public Contracts Regulations 2015? If Yes, and contract is for services, is it subject to the light touch regime?

2.4.1 Yes, this is a service contract subject to the Public Contracts Regulations 2015 but not subject to the light touch regime.

2.5 Recommended procurement procedure and reasons for the recommendation.

2.5.1 The recommended procurement route is an open tender process through the EU Open Procedure route. This route offers an opportunity to widen competition to achieve best value for the Council. This will also include an e-auction of successful suppliers.

2.6 The contract delivery methodology to be adopted.

2.6.1 The contract will be implemented utilising the Council's standard terms and conditions, and the contract will be managed by the Parking Services Team.

2.6.2 The contract will be implemented and delivery as defined in the service specification.

2.6.3 Pricing shall also remain fixed for the duration of the contract. System software will be invoiced on a quarterly basis and supporting modules on a monthly basis.

2.6.4 The procurement timetable is as follows:

TASK	DATE
Issue OJEU Advert	Friday 25 September 2015
Issue ITT for the Open Tender Process	Friday 2 October 2015
Deadline for suppliers to submit clarification questions	Friday 16 October 2015

Deadline for Council to respond to clarification questions	Friday 23 October 2015
Deadline for Tender Submissions	Monday 2 November 2015
Tender Evaluation	Tuesday 3 November – Tuesday 17 November 2015
Raise Clarifications	Wednesday 18 November 2015
Deadline for suppliers to respond to clarifications	Thursday 26 November 2015
Moderation and tender finalisation and shortlisting for e-auction	Friday 27 November – Friday 4 December 2015
Hold e-auction	Monday 7 December 2015
Due diligence on e-auction	Monday 7 December – Friday 11 December 2015
Preparation of debrief material	Monday 14 December – Friday 18 December 2015
Prepare and circulate Award Report (Delegated Award)	Monday 21 December – Monday 4 January 2016
Award Report (Delegated Award) to be approved by Cabinet	Friday 8 January 2016 or Monday 15 February 2016
Notification of result of Tender evaluation	Monday 18 January 2016 or Monday 15 February 2016
Standstill Period ends (10 day standstill period will be applied)	Friday 29 January 2016 or Friday 26 February 2016
Contract award and mobilisation	Monday 29 February 2016
Contract commencement	1 April 2016

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

- 2.7.1 The carrying out of an open tender process will widen the competition and should offer the opportunity to gain savings for the Council. It is anticipated that further savings should be realised through the e auction of the successful providers.
- 2.7.2 We envisage gain share will also be applicable at the agreed rate of 80% to the Council and 20% of the saving to Elevate. This will be calculated on actual data and usage on a monthly basis. However, in the event that a structured baseline cannot be agreed then applicable day rate charges will be implemented for time spent.
- 2.7.3 Without having a legal enforcement system in place, LBBD will be unable to carry any enforcements to generate Council income.
- 2.7.4 The Parking IT Solution is currently hosted on the Council's servers. To assist in meeting the Council's ambition to have all its software services hosted externally means there is an additional requirement for hosting services. Initial findings seem to lead to hosting by the Agilisys Cloud will be the most cost efficient against hosting by an external supplier. However, it is imperative that the service support is high level to avoid downtime and loss of enforcement.

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

- 2.8.1 The Council will carry out an open tender process through the EU Open Procedure route.
- 2.8.2 The Council will also carry out an e-auctions with all those suppliers that meet the Council's criteria.
- 2.8.3 Any Contract awarded as a result of this procurement will be awarded on the basis of the most economically advantageous tender based on the evaluation criteria of 70% price and 30% quality.

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

- 2.9.1 The Civica CE system underpins the delivery of the Parking Service contributing the authorities Vision and Priorities and will also enable us to achieve a much improved level of customer satisfaction through openness and access to information. It will be fully compatible with the ICT strategy:
- *Encouraging Civic Pride*; enhancing the public realm by reducing on-street parking.
 - *Enabling Social Responsibility*; tackling congestion by keeping roads clear and discouraging car commuters, promoting sustainable and healthy travel and meeting the requirements of disability legislation.
 - *Growing the Borough*; supporting the local economy.
 - *Improved emergency service access* due to less obstructed streets.
 - *Higher turnover of parking spaces* – therefore easier to access local shops via cars.

3. Options Appraisal

- 3.1 **Do Nothing** - this option has been rejected because there is an ongoing need for the requirement and to allow existing agreements to lapse would place the Council in a non-compliant position. There is also no option to extend the existing Civica CE contract.
- 3.2 **Procure via a framework contract** - this option has been rejected as there are two EU compliant frameworks but the pricing structure contained within the frameworks meant the benchmarking exercise was unable to demonstrate a 'like for like' comparison. Therefore unable to identify which framework is best value for money.
- 3.3 **Procure via a competitive open tender** - this is the recommended option. The open tender process through the EU Open Procedure widens the competition to obtain best value for the Council.

4 Equalities and other Customer Impact

- 4.1 As part of the overall Parking Strategy the Council wish to ensure that officers apply consistency and openness in the way in which we apply the Parking legislation. The new IT solution will enable the customers to engage with the Council across all popular and established mediums with the ability to review photographic and video

evidence of the alleged contraventions for which they have been notified. The new solution will also enable a speedier response to enquiries and allow us to manage the permit schemes more effectively.

- 4.2 A full evaluation will be carried out in terms of the Contractors Equalities and Diversity documents within their tender.

5. Other Considerations and Implications

5.1 Risk and Risk Management

- 5.1.1 In order to be compliant to legislation and Council Contract Rules, it is necessary to conduct a procurement process. Risks of this recommendation not being approved are that the council would be non-compliant.

- 5.1.2 Not having a contract will also carry a risk to the service delivery,

5.2 TUPE, other staffing and trade union implications.

- 5.2.1 TUPE not applicable. Maintaining the current system will not lead to any direct staffing or Trade Union Related implications.

6. Consultation

- 6.1 The proposals in this report were endorsed by the Procurement Board on 25 August 2015 and all relevant consultation with Portfolio Holders and officers has taken place.

7. Corporate Procurement

Implications completed by: Gillian Shine, Category Manager

- 7.1 The proposed open tender through the EU Open Procedure route is deemed the preferred route to obtain best value. The open tender process widens competition and offers an opportunity to get the best value for the Council and the option to auction successful suppliers should also drive further savings.
- 7.2 It is envisaged that gain share will also be applicable at the agreed rate of 80% to the Council and 20% of the saving to Elevate. This will be calculated on actual data and usage on a monthly basis. However, in the event that a structured baseline cannot be agreed then applicable day rate charges will be implemented for time spent.

8. Financial Implications

Implications completed by: Carl Tomlinson, Group Accountant - Finance

- 8.1 The report seeks approval to tender via Open Tender through the EU Open Procedure route. Current spend is £145k pa with £127k met from the current Parking service's annual maintenance budget and £18k charged to Elevate in respect of the devolved ICT maintenance budget for the Parking system. Funding

for the new contract will be contained within these existing budgets and is expected to be in the region of £725k over 5 years.

8.2 Gainshare on savings delivered will be applied on the basis of 80% to the Council and 20% to Elevate. This will be calculated on actual data and usage on a monthly basis. However, in the event that a structured baseline cannot be agreed then applicable day rate charges will be implemented for time spent.

8.3 The cost of the procurement exercise will be met within existing budgets.

9. Legal Implications

Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor

9.1 This report is seeking Cabinet's approval to proceed with the procurement of a parking ICT system. The proposed procurement being considered is estimated at approximately £725,000, over the lifetime of the contract and therefore is above the EU threshold for supplies and service contracts (currently set at approximately £172,514). This means that there is a legal requirement to competitively tender the contract via the Official Journal of the European Union (OJEU).

9.2 This report advises that it is the intention of officers to tender this contract in accordance with the Public Contracts Regulations 2015 (the 'Regulations') using the open procedure. The requirements for competitive tendering, contained in the Regulations and rule 28.5 of the Council's Contract Rules, should therefore be met.

9.3 In keeping with the EU procurement principles, it is imperative that the contract is tendered in a competitive way and that the process undertaken is transparent, non-discriminatory and ensures the equal treatment of bidders.

9.4 Contract Rule 28.8 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval.

9.5 One of the recommendations of this report is that Cabinet delegate authority to the Corporate Director of Adult and Community Services, in consultation with the Cabinet Member for Crime and Enforcement, the Chief Finance Officer and the Head of Legal and Democratic Services, to award and enter into the contract with the successful bidder. Contract Rule 47.15 provides that, in the absence of any direction to the contrary from Cabinet, contracts may be awarded by the Chief Officer or in accordance with the scheme of delegation as long as the necessary financial approval has been given by Corporate Finance.

9.6 The report author and responsible directorate are advised to keep Legal Services fully informed at every stage of the proposed tender exercise. Legal Services are on hand and available to assist and answer any queries that may arise.

Background Papers Used in the Preparation of the Report: None

List of appendices: None