

## **Report to the Cabinet**

**Report reference:** C-005-2016/17  
**Date of meeting:** 9 June 2016



**Portfolio:** Safer, Greener and Transport  
**Subject:** Off-Street Parking Operations - Procurement Strategy  
**Responsible Officer:** Q. Durrani (01992 564055)  
**Democratic Services:** G. Woodhall (01992 564470)

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### **Recommendations/Decisions Required:**

**(1) That Cabinet agree the following parameters with respect to the procurement of the off street parking operations for the Council's car parks, namely:**

- (a) Adopt a Restricted tendering procedure,**
- (b) Tender Evaluation based on (price versus quality ratio) of 60/40,**
- (c) Invite tenders in three lots: Lot-1: enforcement in car parks, Lot-2: cash collection and front line machine maintenance, and Lot-3: combination of the Lots 1 and 2,**
- (d) The length of contract be 5 years with a possible extension of 2 years;**

**(2) To agree, in principle, to the request by the Lee Valley Regional Park Authority to manage one of its car parks in Waltham Abbey, subject to a further report setting out the costs and the legal management agreement; and**

**(3) To note the project time-line.**

### **Executive Summary:**

The Council has agreed to extract itself from the Off Street part of the Agreement with the North Essex Parking Partnership (NEPP). This requires the provision of an alternative service delivery arrangement in place by 1 April 2017.

The procurement process will commence by the issue of Pre-Qualification Questionnaire in the coming days. This will enable the appointment of a suitable provider to ensure the service provision from 1 April 2017.

### **Reasons for Proposed Decision:**

To enable commencement of the procurement for the next Off Street enforcement, cash collection and front line maintenance contract.

### **Other Options for Action:**

It is possible to: use the open tendering procedure instead of restricted, have a different evaluation criteria and a different contract length. All of these are discussed in the report.

## Report:

1. The Cabinet agreed at its meeting on 11 January 2016 to extract itself from the Off Street part of the agreement with the North Essex Parking Partnership (NEPP). A formal notice of termination has been served on NEPP and a confirmation of acceptance has been received. This means that NEPP will stop enforcement in Council car parks on 31 March 2017.
2. Having given the notice to leave NEPP the Council has to have an appropriate management system in place for the operation of the 18 Council Car Parks. The key elements of an affective Off Street system are: enforcement under the Civil Parking Enforcement (CPE), cash collections from the 41 Pay and Display machines, first line maintenance of all the pay and display machines for example replacing parking ticket rolls, a back office function which can deal with the challenges to Penalty Charge Notices (PCNs) issued to contravening motorists.
3. Cabinet has agreed to test the market to seek a private sector provider for the enforcement, cash collection and front line maintenance elements. Whereas the Council should manage the challenges to Penalty Charge Notices (PCNs) and issue of Season Tickets itself. Cabinet also agreed to appoint RTA Associates Limited (RTAA), who assisted with the option appraisal of the management of the off street car parks, for providing specialists advice during the procurement process.
4. As agreed by Cabinet the Portfolio Holder Advisory Group set up for the delivery of the Parking Strategy will continue to support the Portfolio Holder. The Project Team has held meetings with RTAA and agreed an Action Plan and a Project Time Line. These are attached for information and comments as is the Risk Register.
5. It is worth reminding ourselves that On Street enforcement and road safety are essentially highway authority functions. It is an officer understanding that the County Council intends to continue the current operating model of providing this function via the North and South Essex Partnership. The Council will continue to take an active part in the on street element of NEPP to try and get the best outcome for its residents.
6. The estimated value of the contract is such that the European Procurement rules (OJEU) would apply. There are two options for procurement: an Open procedure or a Restricted procedure. In an open procedure there is no short listing and the tenders are invited via the OJEU process. This process is quicker however it is not possible to gauge market interest before the final bids are received. Whereas a restricted procedure takes longer but market interest is gauged sooner by the Pre-Qualification Questionnaire (PQQ) process.
7. Under the procurement regulations the Council is required to let the bidders know how it wishes to assess and score the bids. This allows transparency and fairness in the shortlisting and selection process and will help prevent any challenges against the final decision. By choosing a price versus quality ratio of 60 and 40 the Council is making it clear to the market that quality is a very important factor. It is intended that the quality score will include elements like the quality of Penalty Charge Notices (PCN) issued to contravening motorists. A significant emphasis on quality element of the service will mean better enforcement management and less challenges against PCN issued.
8. The key elements of the tender are: enforcement in the Council car parks, cash collection from all the pay and display machines in the car parks and their first line maintenance. It is recommended that the tenders be invited in two Lots, Lot-1: enforcement in off street car parks, Lot-2: cash collection with front line maintenance and Lot-3: a combination of the Lots1 and 2. This will enable the Council to consider providing Lot-2 service under a separate corporate procurement being carried out for the collection of cash from other Council owned sites like: The Civic Offices Epping, Waltham Abbey Museum, The Broadway Housing Office and the Langston Road Depot
9. Another key element of the procurement is the length of the contract term. This enables the bidders to better deploy their physical assets and plan the contract accordingly. RTAA have advised an initial 5year term with a 2 year extension subject to satisfactory performance.

10. Lee Valley Regional Park Authority (LVRPA) have asked the Council to manage one of their, currently free, Abbey Gardens Car Park in Waltham Abbey. This car park is right next to the Council owned Derby Drive Car Park. LVRP have a similar arrangement with Broxbourne District Council who manage a car park for them.

11. It makes sense for the Council to manage the LVRP car park. It is right next to one of the Councils own car park and if managed by the Council the charges will be the same. This will avoid confusion to the motorists. The Council has similar management agreements with Sainsbury's in Loughton and Ongar where it manages their car parks. The Council gets a management fee in the form of percentage of the pay and display income from the car park. This covers the operational and management costs incurred by the Council. It is recommended that officers investigate the options and present another report with details of costs and the form of management agreement between the Council and LVRP so that an informed decision can be made.

12. This is a major procurement and it will be necessary to achieve a timely award of contract to a new service provider. The progress will be tracked by the officers of the Project Team and periodically reported to the Portfolio Holder Advisory Group. Key dates of the procurement process are noted below:

Task Name	Duration	Start	Finish
Publish OJEU Notice	1 day	Tue 31/05/16	Tue 31/05/16
Cabinet (agree award criteria, MEAT)		Thu 09/06/16	Thu 09/06/16
Call in Period	15 days	Fri 10/06/16	Thu 30/06/16
Issue PQQ and Tender Docs	30 days	Fri 01/07/16	Thu 11/08/16
Evaluate PQQs	10 days	Fri 12/08/16	Thu 25/08/16
Invite qualified bidders to Tender	2 days	Tue 30/08/16	Wed 31/08/16
Tender Submission	30 days	Thu 01/09/16	Wed 12/10/16
Tender Opening	1 day	Thu 13/10/16	Thu 13/10/16
Tender Evaluation	28 days	Thu 13/10/16	Mon 21/11/16
Tender outcome/award	1 day	Thu 24/11/16	Thu 24/11/16
Notification of Intention to Award	10 days	Fri 25/11/16	Thu 08/12/16
Publish OJEU Award Notice		Fri 09/12/16	Fri 09/12/16

### Resource Implications:

The Cabinet has already approved budget of £30,000 under the Invest to Save programme for the costs associated with the procurement process.

A further report will be brought setting out the client officer requirements for the management of the outsourced off street contract and associated functions.

### Legal and Governance Implications:

The Council has the legal powers to charge for and enforce car parking on its land.

There are TUPE implications for any NEPP and sub-contractor staff engaged in providing the enforcement and cash collection operations. Information will be sought from NEPP in the near future and the impact of TUPE will become available clearer as the procurement commences.

The Council, as per the terms of the Joint Committee Agreement of 2011, served notice to withdraw at the end of the current financial year.

The Joint Committee of the Partnership exercises the County Council's Executive highway functions and the Council will continue to be a member of the Committee.

**Safer, Cleaner and Greener Implications:**

All the Council car parks have Park Mark accreditation by continuing to provide adequate enforcement action and maintaining all the pay and display machines in a good state of repair the Council can continue to keep the accreditation and have no risk of loss of income.

All car parks are regularly inspected for maintenance including hedges, fences and signs and lines. The recent installation of new pay and display machines enable remote access for monitoring usage of the machines including cash levels.

The Council currently offers pay by phone service and motorists will shortly be able to pay by credit and debit cards.

**Consultation Undertaken:**

RTA Associates have carried out soft market testing to assess the alternative options for the service delivery.

NEPP and G4S will be consulted once the Cabinet decision is taken.

**Background Papers:**

Previous Cabinet reports, The Joint Committee Agreement 2011

**Risk Management:**

The Council has handed a formal notice of termination of the off street enforcement, cash collection and front line maintenance and NEPP will cease to perform these functions on 31 March 2017. This means that the Council needs to have in place an arrangement for the provision of these services to enable a smooth transition.

In the event of the procurement process not resulting in a favourable outcome, either on cost or quality grounds, then having given notice of termination to NEPP, the Council will have no other option but to provide the service either: directly as in-house service or appoint an interim contractor. This is a high risk and can result in costs to the Council and one which will require more analysis, which will be carried out once the tenders are received and assessed in August. The risk register developed for the procurement process is attached. The only risk in the Red zone is related to TUPE. This will be better managed once the tender is awarded and TUPE negotiations can commence with NEPP.

# Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

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The Council provides 18 car parks across the District and for the use of which it charges at varying rates. None of the specific group or characteristics that the Council has a legal duty to have due regard for will be impacted by the changes proposed in this report.

All disabled badge holders are currently exempt from any pay and display charges and it is not proposed to make any changes to this.