

**Decision Maker:** Executive

**For Pre-Decision Scrutiny by Environment PDS on  
24<sup>th</sup> November 2016 and Executive and Resources Committee  
on 23<sup>rd</sup> November 2016**

**Date:** 30<sup>th</sup> November 2016

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** AWARD OF THE PARKING SERVICE CONTRACT

**Contact Officer:** Ben Stephens, Head of Parking Services  
Tel: 020 8313 4514 E-mail: ben.stephens@bromley.gov.uk

**Chief Officer:** Nigel Davies, Executive Director of Environment & Community Services

**Ward:** All wards

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1. Reason for report

To report on the outcome of re-tendering the Parking Service contract and the procurement process undertaken.

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2. **RECOMMENDATION(S)**

**That the Executive agrees to:**

- 2.1 note the information set out in this Part 1 report and subject to any comments award a contract for the Parking Service for a term of 10 years effective from 3<sup>rd</sup> April 2017 as set out in the Part 2 report in this agenda.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: Summary of Impact: minimal impact, however the parking contract includes school crossing patrol and enforcement school zig zags which is aimed to protect children as they move to and from school. The contract also includes Enforcement Agents that will take into consideration vulnerable adults.

## Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Excellent Council Quality Environment
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## Financial

1. Cost of proposal: Estimated Cost: Details are set out in the Part 2 report
  2. Ongoing costs: Recurring Cost Details are set out in the Part 2 report
  3. Budget head/performance centre: Parking
  4. Total current budget for this head: Cr 6.775m
  5. Source of funding: Existing revenue budget 2016/17
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## Staff

1. Number of staff (current and additional): Parking Services – 15.77 fte
  2. If from existing staff resources, number of staff hours:
- 

## Legal

1. Legal Requirement: Non-Statutory - Government Guidance
  2. Call-in: Applicable
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## Procurement

1. Summary of Procurement Implications: “The original OJEU Notice and Tender Documents issued, including the Invitation to Tender, made provision for the approach to be used in the calculation of submitted tender values and the amounts to be considered during the Tender Evaluation process.
2. The calculation of the scores included for financial issues has followed the methodology set out in the tender documents, and accurately reflects the “Value” of the proposals made and their proper consideration within the stated evaluation process, in conjunction with the scores awarded for the Quality Criteria agreed, prior to tender, all in compliance with the Public Contract Regulations 2015.
3. The Council’s tender strategy allows for either Council to make a separate contracting decision, based on its own assessment of Best Value, and neither is bound to consider a Joint contract if it views a single contract as providing a better overall outcome for the authority from the tender process completed.

4. As a result the Council can decide either to award on the a single Authority basis or on the basis of using the same supplier by both Authorities with the same service provider.”
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#### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Parking Enforcement and Associated Services underpins all services to LBB Parking customers
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#### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: n/a

### 3. COMMENTARY

- 3.1 A Parking Procurement Gateway review report (ES14034) was approved by the Portfolio Holder in July 2014. This report set out in principle the range of parking services and existing parking related contracts that would form the basis for the new parking contract, along with information on the proposed term of contract and performance management. The London Borough of Bromley provides parking services as an adopted duty under the Traffic Management Act 2004.
- 3.2 On 25 March 2015, the Executive agreed that parking services could be procured in partnership with the London Borough of Bexley and they also agreed various options for the contract term.
- 3.3 Bromley's current contract with Indigo (formally known as Vinci Park Services) commenced in October 2006 and ends in April 2017. A contract extension (report ES16029) was approved by the Executive on 15 June 2016 to ensure continuity of service through to 2nd April 2017. The proposed parking contract includes the following services –

- Patrolling and enforcing on-street parking restrictions through the issue of PCNs.
- Patrolling and enforcing all council-owned car parks through the issue of PCNs.
- Car park management and maintenance.
- Equipment maintenance and management.
- Collecting cash from pay and display machines, and pay stations in multi-storey car parks.
- School crossing patrols, part funded by TfL and individual schools (schools will enter directly into contract with the successful service provider for this element of the specification)
- Business Processing Services i.e post, scanning, printing.

A full list of services are set out in appendix one.

- 3.4 Bexley's current contract with NSL commenced in April 2010 and is also due to end in April 2017, following agreement to align the contract end date with LB Bromley. The contract includes many similar services: As members will be aware, the Shared Parking Service currently manages parking services for both Bromley and Bexley. A key element of the business case for establishing the shared parking service was the opportunity to realise further savings and efficiencies by bringing the boroughs together to procure a parking contract when their existing contracts expire. Harmonisation of the boroughs' approaches to parking enforcement was already underway when report ES14034 was approved and a joint procurement of a parking service contract commenced.
- 3.5 The tender process was undertaken jointly with the London Borough of Bexley, however each Authority will enter into a separate contract with the company who is considered to provide the most economically advantageous position for the respective authorities. A discount was requested by each contractor so that additional savings could be made should both Boroughs award to the same contractor. Tender prices were sought for each of the following options for the contract terms: -
- 5 years + 5 years extension for an individual authority.
  - 5 years + 5 years extension with a discount offered, should both Boroughs award to the same contractor
  - 10 years for each individual authority
  - 10 years contract with a discount offered, should both Boroughs award to the same contractor

- 3.6 At the time of writing this report, Bexley had yet to determine who they are going to award to in the event that the London Borough of Bexley opt to award the parking contract to a different

contractor from Bromley, members should note that the parking shared service would be able to continue to manage such an arrangement within existing resources. The parking shared service is at this point of time currently managing two separate parking contracts which comprise of multiple contractors across the two authorities.

3.7 Since the commencement of the current parking contract for Bromley in 2006 there have been a number of changes in Government guidance; in particular revised Statutory Guidance was issued in 2008 and changes across the country in local authorities' enforcement practice, equipment and policy. A greater emphasis has been placed on improved transparency, including;

- publication of annual reports
- more transparent financial information
- adoption and publication of parking strategies
- Use of Body Worn Video
- GPS tracking of enforcement , showing where PCNs have been issued
- Real time data transfer to the back office.
- Greater emphasis on customer service, including:
- Sharing of evidence recorded online including photographs and recordings
- Ability to challenge PCNs online.
- Sharing of policies and practices with customers via the web.

The new specification that has formed the basis of the tender reflects all the above guidance to ensure the contract is up to date as possible at this moment in time.

### **Evaluation process**

- 3.8 Officers developed a Contract and Specification with associated Key Performance Indicators which meets the current requirements of Parking Services within both Boroughs and the service over the next 10 years.
- 3.9 The shared service led on this joint procurement exercise on behalf of both boroughs. A management board was created comprising of officers at senior officer and operational level, who worked closely together over a two year period to establish a specification, which is fit for both individual authorities. The board provided close scrutiny and governance of the process and insured all procurement and legal requirements were fully adhered to and monitoring procedures established as part of the contract, to insure the highest standards are achieved and maintained by the successful contractor.
- 3.10 A revised evaluation timetable was approved by Executive on the 15<sup>th</sup> June 2016 (report ES15001) to achieve a 3 April 2017 go live date, which has been met.
- 3.11 Thirty-four companies initially expressed an interest in the contract and sixteen companies attended a service provider's open day in May 2016. A total of six companies expressed an interest at the PQQ stage, and following the evaluation process, four companies were invited to tender. Three major companies submitted tenders and are significant contractors in the UK parking sector. One company stated they were unable to provide a competitive bid and withdrew.
- 3.12 Members should be reassured that the shared service will continue to monitor the performance of the contractors as it has been doing since the commencement of the service in April 2013. In addition a number of best practice policies have recently been developed following comments

from Audit with the aim of ensuring greater scrutiny of contractor's performance and adherence to current legislation. In particular, appropriate right to work in the UK checks, use of and protocols around body worn video to ensure integrity of each PCN issued have been included within the contract specification.

### **Analysis of Tender Returns**

3.13 The Parking Enforcement and Associated services contract underpins the delivery of all Parking services within Bromley and Bexley, the quality aspect was explored in detail in order to gain assurance that the selected contractor would be able to provide the necessary services required for an efficient and effective parking service. The evaluation team scrutinised the method statements returned and challenged all aspects of tender submissions including undertaking a number of visits to reference sites and interrogation of software and technical solutions being offered. Independent scrutiny of the qualitative aspects of the tender returns was provided by a member of the Corporate Commissioning team. Corporate procurement rules require evaluation and award of the tender to be based on a 60:40 Price/Quality split. The quality evaluation criteria were broken down as follows:

- Financial Resources and Contract Affordability 5%
- Quality and Operational Competence 40%
- Technical Ability 30%
- Customer care/service Development 10%
- Health and Safety 5%
- HR Matters 5%
- Environmental Issues 5%

### Justification for Award

3.14 Full details of the qualitative and financial evaluation are set out in the associated Part 2 report on this agenda.

### Contract Monitoring and Management

- 3.15 To ensure effective contract monitoring, the Service developed a comprehensive range of Key Performance Indicators (KPIs), all of which are embedded in the contract. The levels of performance in all cases have been set to ensure current standards are maintained. The KPIs cover all service areas including CEO deployment levels through to scanning and indexing of incoming documentation.
- 3.16 Officers intend to achieve a very effective monitoring and management of this contract. The specification sets out a number of reports which are to be provided by the contractor for scrutiny by the Authorised Officer on a regular basis. This has been included as one of the KPIs. Provision has also been made for other detailed and adhoc reports to be run to further test and monitor all aspects of contract performance.
- 3.17 Governance arrangements and communication channels between the Authorised Officer and Contract Managers were set out in the method statement submissions, with clear lines of responsibility recommended. The evaluation team were satisfied with these proposals but will be putting in place further governance arrangements to ensure tight controls. The service will also review the staffing structure of the client side in due course to ensure the service is best organised to manage this contract, which provides a wider range of services through one supplier than the current contract arrangements. This process will take place during 2017.

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 4.1 The parking contract includes school crossing patrol and enforcement school zig zags which is aimed to protect children as they move to and from school. The contract also includes Enforcement Agents that will take into consideration vulnerable adults.

#### **5. POLICY IMPLICATIONS**

- 5.1 The [Environment Portfolio Plan 2016-19](#) (the Council's environmental service aims and objectives) sets out an aim of 'providing accessible, affordable, fair and effective parking services' and includes an objective (5.13) of tendering this Parking Enforcement & Associated Services contract during 2016/17. Environment PDS Committee has been kept informed of the tendering process through the Contracts Register report, which is presented at every meeting.
- 5.2 The Parking Contract will also help to deliver Bromley's 'Excellent Council' vision of 'ensuring good contract management to ensure value-for-money and quality services' and 'investing in technology to give customers alternative means of accessing our services' as set out in the 2016-18 update of '[Building a Better Bromley](#)', the Council's renewed ambition for the borough.
- 5.3 The Parking Enforcement & Associated Services contract will also be fundamental to the delivery of the Council's current [Parking Strategy](#) (2011), which sets out Bromley's Parking and Enforcement policies and reflects the views of Members and, more generally, relates to the Mayor's Transport Strategy (see Bromley's [Local Implementation Plan](#), updated October 2013).

#### **6. FINANCIAL IMPLICATIONS**

- 6.1 The current budget available for the Parking Services contract is £2.37m.

#### **7. LEGAL IMPLICATIONS**

- 7.1 Rule 8 of the Contract Procedure Rules provides that for a contract with a total value of between above £500,000 the Council must invite tenders from between 5 and 8 organisations and this has been complied with.
- 7.2 The decision-maker for this report is the Executive.
- 7.3 The Public Contracts Regulations 2015 apply to this contract and the Council has carried out restricted tender process.
- 7.4 These services are required pursuant to the Traffic Management Act 2004 as a discretionary service.
- 7.5 The report author will need to consult with the Legal Department regarding the execution of the contract.

#### **8. PROCUREMENT IMPLICATIONS**

- 8.1 The original OJEU Notice and Tender Documents issued, including the Invitation to Tender, made provision for the approach to be used in the calculation of submitted tender values and the amounts to be considered during the Tender Evaluation process.
- 8.2 The calculation of the scores included for financial issues has followed the methodology set out in the tender documents, and accurately reflects the "Value" of the proposals made and their proper consideration within the stated evaluation process, in conjunction with the scores

awarded for the Quality Criteria agreed, prior to tender, all in compliance with the Public Contract Regulations 2015.

- 8.3 The Council’s tender strategy allows for either Council to make a separate contracting decision, based on its own assessment of Best Value, and neither is bound to consider a Joint contract if it views a single contract as providing a better overall outcome for the authority from the tender process completed.
- 8.4 As a result the Council can decide either to award on the a single Authority basis or on the basis of using the same supplier by both Authorities with the same service provider.”.

**9. KEY ISSUES / RISKS**

- 9.1 Any change in service provider produces a risk, however solutions provided by the successful tenderer have reduced risk in many cases by working with existing sub-contractors which will provide continuity of service. Tenderers have also provided comprehensive risk registers and proposed action to avoid potential problems in their tender submissions. The tenderers implementation plans have been scrutinised and target dates and objectives are manageable and achievable.

<b>Non-Applicable Sections:</b>	Personnel Implications and Stakeholder Consultation
Background Documents: (Access via Contact Officer)	Report ES14034 (July 2014), Procurement gateway review  Report ES15020 (March 2015) Joint parking services contract: Gateway review  Report ES16029 (June 2016) Parking Contract



## **Parking Enforcement and Associated Services award report**

### **List of mandatory services**

1. ENFORCEMENT (INC CCTV) AND ASSOCIATED SERVICES
5. SUSPENSION AND DISPENSATION MANAGEMENT
6. SURFACE CAR PARK MAINTENANCE
7. SIGNS AND LINES MAINTENANCE
8. ASSET MANAGEMENT
9. CASHLESS PARKING SOLUTION
10. CIVIL ENFORCEMENT SYSTEM
11. PERMITS SYSTEM
12. BUSINESS PROCESS SOLUTION
13. ENFORCEMENT AGENTS
14. MSCP MAINTENANCE
15. CLEANING SURFACE AND MSCP SPECIFICATION
16. CASH COLLECTION SERVICE (MACHINE TO COUNTING HOUSE)
17. PERMIT PROCESSING ADMINISTRATION
18. KIOSK STAFF FOR MULTI STORY CAR PARKS

### **Optional services**

19. CASH COUNTING AND BANKING SERVICE
20. FPN SYSTEM
21. SCHOOL CROSSING PATROLS