



Notice of Non-key Executive Decision

Subject Heading:	Procurement of Civil Enforcement Systems from Chipside Limited by way of a call-off contract
Cabinet Member:	Councillor Osman Dervish
SLT Lead:	Dipti Patel
Report Author and contact details:	Mary Dowdye – 01708 433745 mary.dowdye@havering.gov.uk
Policy context:	Street Management
Financial summary:	<p>The cost of entering into a contract for three years with Chipside Limited from 1st May 2017 for providing Street Management systems is approx. £41,673.</p> <p>Variations to this contract are estimated to be £38,637 for the issue of Penalty Charge Notices via CCTV and DVLA enquiries. The total estimated contact and variation cost over three years would be £80,310.</p>
Relevant OSC:	Environment
Is this decision exempt from being called-in?	This is exempt as it is a non-key decision to be made by an authorised officer

The subject matter of this report deals with the following Council Objectives

- Havering will be clean and its environment will be cared for
- People will be safe, in their homes and in the community
- Residents will be proud to live in Havering

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Authority required for civil enforcement services to be procured from Chipside Limited, 8 Mannington Lane, Westlea, Swindon, Wiltshire, SN5 7AT by way of a call-off contract from Eastern Shires Purchasing Organisation (ESPO) Framework 509 for three years from 1st May 2017.

AUTHORITY UNDER WHICH DECISION IS MADE

Through Delegated Authority to Assistant Director through Section 3.4 to Part 3 to the Constitution.

STATEMENT OF THE REASONS FOR THE DECISION

Approval is sought to procure the services of Chipside Limited by way of a call-off contract from Eastern Shires Purchasing Organisation (ESPO) Framework 509 for three years commencing 1st May 2017.

The Council currently employs Civil Enforcement Officers (CEOs) and Traffic & Parking Control Officers who carry out enforcement patrols (both on foot and mobile) and manage the on/off street parking provisions and Council managed car parks. The Council also manages the Penalty Charge Notices (PCNs) appeals process and has a small team of Challenge Officers whom ensure that the appeals process is managed robustly in accordance with the legislative requirements. Under the Traffic Management Act 2004, the Authority has a legal duty to manage the traffic on their road network. Havering Council has sought to do so by managing parking enforcement by deploying CEOs either by the use of mobile fleet vehicles, mobile CCTV vehicles and on foot. More recently, the Authority has adopted the powers to enforce Moving Traffic Contraventions (MTCs). This enforcement initiative was initially carried out by using two mobile CCTV camera vehicles to monitor problematic locations. However, in November 2016 the Council commenced a phased installation of static CCTV cameras. The installation of these cameras has allowed Street Management to carry out a more enhanced level of enforcement at problematic locations.

The Penalty Charge Notices (PCNs) issued by CCTV cameras, including moving traffic contraventions are processed by Chipside Limited, who provide dedicated software solutions, associated hardware and services in support of the traffic and parking management teams within the Council. Software from Chipside Limited is also used to manage the PCNs issued by CEOs via handheld equipment which then integrates to the back office processing system, Case Manager. Havering Council previously had a contract with Chipside Limited, which expired in July 2011. Since that time the authority has procured the services on an annual renewal basis through purchase orders. This report seeks to place this arrangement on a formal contractual basis.

The costs of their civil enforcement systems to Havering Council would be:

- 1) 17 software licences for back office users for CaseManager.net and 20 software licences for CEOs handheld equipment. These are perpetual licences which were purchased under the original contract in September 2007.
- 2) The figures are
 - 2.1 Hosting Managed Server **£3,600** per annum
 - 2.2 Chipassist Software Support (free upgrades, legislation updates, ongoing technical support) 2nd August 2016 to 1st August 2017 **£4,040.00** per annum (renewed annually) ESPO Schedule 20% of original licence fees
 - 2.3 Chipassist Hardware Support (free upgrades, legislation updates, ongoing technical support) 2nd August 2016 to 1st August 2017 **£6,250.99** per annum (renewed annually) ESPO Schedule 15% of original hardware fees

In the financial year 2015/2016 8100 CCTV PCNs were issued by Chipside at a cost of **£0.98** per PCN issued (in 2016/17 this cost increased to **£1.49** per PCN issued to take into account increases in postage costs). The notice processing services include CCTV media processing; the case creation from CCTV observation; the DVLA query (at a cost of £0.10 per enquiry) and PCN creation, printing, handling and posting. It should be noted that these costs are revenue and are invoiced monthly by Chipside. They will however fluctuate based on the volumes of the enforcement carried out by the authority. The Chipside costs that can be quantified for 2016/17 (see sub section 2 above) relate to the annual support and maintenance (including the server

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hosting), which will be **£13,890.99**. Taking into account the available information for 2015/16 (then including PCNs 2016/17 costs, DVLA enquiries, annual support and maintenance) the authority can expect to spend in the region of **£81,000.00** over the life of the proposed contract. This is however dependent on the level of enforcement carried out and whether compliance is achieved.

Potential contraventions recorded by CEOs, enforcement vehicles and unattended CCTV cameras are uploaded on to Chipside's back office case management system (Case Manager) for notice processing purposes. The notice processing module progresses the uploaded cases in accordance with defined workflows which conform to legislative guidelines. PCNs are issued within a stipulated time line; that vehicle keepers can access their individual PCN (via a unique identification code) and decided whether to make representation against the notice; that payments can be made or that cases can be progressed for alternative collection methods, such as bailiffs if no representation or payment is made. An integral part of the Case Manager system is the ability to produce detailed management reports. These reports can either be standard on the system or can be tailored to the authority's needs.

Chipside has a number of other modules; including one for Permits. This is a permit solution used by the Council to issue its staff car permits and season tickets for car parks. There are also other modules within Case Manager which can also be utilised should the Council wish to do so such as Mii Permit, which is a cashless and virtual permit solution.

In addition, Chipside Limited also offers consultancy services (see below) which the Council has previously utilised on specific projects, such as Public Space Protection Orders and Moving Traffic Contraventions. The day rate charges for both implementation and training (on the software) were absorbed within the initial contract, which was entered into in June/July 2007 and will therefore not be applicable.

- a) Implementation (day rate) cost **£250.00**.
- b) Training (day rate) cost **£250.00**.
- c) Consultancy / Project Management (day rate) cost **£250.00**.

The systems and services that Chipside provides has been developed by its in-house team in consultation with their clients, which ensures that they are fit for purpose and meets the needs of an enforcing authority.

OTHER OPTIONS CONSIDERED AND REJECTED

The services provided by similar companies, under ESPO Framework 509 have been reviewed and officers confirm that Chipside Limited continues to provide good value in terms of costs for the Council and have also proved to be a trustworthy and reliable supplier. Chipside Limited is the lowest priced provider listed on the Framework for this type of services.

PRE-DECISION CONSULTATION

Not applicable.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Mary Dowdye

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OLLIE MILLON
[Signature]
4-5-17

Designation: Project Manager

Signature: Mary Dowdye

[Signature]

Date: 25th April 2017

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The legal implication directly arising from this decision is the framework contract that the Council will enter into with Chipside Limited.

FINANCIAL IMPLICATIONS AND RISKS

The financial implications are as follows:

Contract fixed costs are £13,891 per annum = or £41,673 over three years for the use of Chipside system used for Street Management measures.

Variations to the contract would be for the number of PCNs issued and DVLA queries. Estimated costs are based on 2016/17 information.

Estimated average issue of 8100 CCTV PCNs per year at £1.49 over 3 years at £12,069 = £36,207

Estimated average DVLA Queries 8100 per year at £0.10 over 3 years at £810 = £2,430

Total contract and estimated variation costs would be approximately. £26,770 per annum or £80,310 over three years. Increases or decreases to the number of PCNs issued and DVLA queries would affect the overall contract cost over three years but is estimated not to exceed £81,000.

The contract and variation costs will be covered using the Parking Revenue Budget.

As the contract is inclusive of all upgrades, legislation updates and ongoing technical support no further financial risks have been identified.

The option not to enter into the contract would result in estimated annual costs of approximately £80,310. Entering into a contract does however provide additional benefits to the authority, including an established relationship between the Council and its service provider which ensures ongoing improvements to the services supplied.

**HUMAN RESOURCES IMPLICATIONS AND RISKS
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

No human resources implications and risks have been identified for this report.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

There are no obvious equal opportunities implications but should any arise they will be managed in accordance with the Council's appropriate policy.

BACKGROUND PAPERS

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

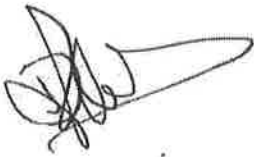
Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed



Name: Dipti Patel

Assistant Director: Environment

Date: 8/5/2017

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 8/5/2017

Signed J. J. [Signature]

