

Notice of Non-key Executive Decision

Subject Heading:	Award of contract for the provision of a service to enable users to pay for parking by using a smart mobile phone
Cabinet Member:	Councillor Osman Dervish, Cabinet Member for Environment
SLT Lead:	Barry Francis Director of Neighbourhoods
Report Author and contact details:	Gurch Durhailay, Business Unit Manager Tel: 01708431723 Email: gurch.durhailay@havering.gov.uk
Policy context:	Parking Strategy December 2018. Supporting Havering's Values of Creativity and Ambition
Financial summary:	Nil cost to the Council
Relevant OSC:	Environment
Is this decision exempt from being called-in?	Yes, it is a Non-Key Decision by a member of staff

Non-key Executive Decision

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

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input checked="" type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report seeks approval to award a call-off contract from the G-Cloud 11 Framework Agreement to Cobalt Telephone Technologies Ltd, trading as 'Ringo', for the provision of cashless parking payment functionality services (as an alternative/ additional method of parking payment) for a period of three (3) years with an option to extend for one (1) year, with an anticipated value of £16k income to the Council per year [].

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 [Responsibility for Functions], Part 3, Section 3.4 of the Council's Constitution – Powers of Second Tier Managers, as follows:

Contract powers

- (a) To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Service.

STATEMENT OF THE REASONS FOR THE DECISION

The Council is seeking to enhance its cashless parking payment facility which provides both best value and high quality service for all its customers.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1

Do Nothing. The option To retain the services of the incumbent provider was considered and rejected as this does not offer the Council or the users of the service best value for money or a quality of product. Furthermore technology has improved over the last 5 years and it is appropriate for the Council to review its position.

Option 2

OJUE Tender using the ESPO framework was considered but rejected as an award through the G-Cloud 11 Framework was considered more appropriate considering the short time frames.

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PRE-DECISION CONSULTATION

NA

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

Name: Gurch Durhailay

Designation: Business Unit Manager

Signature:



Date: 18/03/2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. This report seeks approval to award a concessions call-off contract in connection with the provision of a cashless payment parking solution (the "Services"). The background is as set out within the body of this report and any appendices to it.
2. The Council has a general power under section 1 of the Localism Act 2011 to do anything that individuals generally may do, including enter into the arrangements proposed in this report. The Council also has a general power under section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of its function.
3. Under section 3.4 [Powers of Members of Second Tier Managers] of Part 3 [Responsibility for Functions] of the Council's constitution (the "Constitution") Second Tier Managers, i.e. those managers reporting directly to a Senior Leadership Team (SLT) Director, have delegated authority to approve the award of all contracts below a total contract value of £500,000 but above the EU procurement threshold for supplies and services (currently £189,330).
4. Rule 6.6 of the Council's Contracts Procedure Rules (CPR), requires that in determining the value of a concession contract reference should be made to the Concession Contracts Regulations 2016. The same regulations stipulate that the value of the concession is the estimation of the total turnover likely to be generated by the concessionaire over the duration of the contract, net of VAT.
5. The estimated total value of the Services is £120,000 which is under the relevant EU threshold. The Council is not obliged to advertise the Contract opportunity in the Official Journal of the European Union (OJEU), and is electing to award a call-off contract from an OJEU-compliant framework under which the Council is named, or is part of an identifiable group cited, in the published contract notice.
6. The Local Government Act 1999, requires the Council to make arrangements to achieve best value in the exercise of its functions. The intended use of the Crown Commercial Services (CCS) framework satisfies the Public Contracts Regulations 2015 requirement for genuine competition; and exempts the Council, under CPR 18.5(i), from having to evaluate tenders against the pre-determined best price-quality ratios and weightings.
7. The proposed contract constitutes a "second generation" outsourcing arrangement and there are no direct Transfer of Undertakings Protection of Employment Regulations 2006 (TUPE) implications for the Council. The incumbent supplier is under a duty to disclose any relevant TUPE information and if applicable, the call-off contract must contain appropriate "entry" and "exit" provisions relating to the relevant transfer and any subsequent transfer of the services.

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8. The call-off contract is proposed to be concluded on the Crown Commercial Services' (CCS) prescribed standard terms and conditions; in consultation with Legal Services.

FINANCIAL IMPLICATIONS AND RISKS

Awarding the contract to the new supplier results in a nil cost to the Council.

Currently the cost to the Council of providing the cashless service is in the region of £0.030m per annum. This is made up of fees associated with the free parking transactions which are in the region of 600,000 per annum and are charged at 5p each for transactions of less than £1. The convenience fee for cashless transactions above £1 is 10p. Moving to the new contract will eradicate this £0.030m cost to the Council.

The proposed contract allows for the surplus income to be shared with Council as a profit sharing agreement. The estimated income subject to the number and type of transactions, has the potential to achieve £0.016m for the Council per annum.

The new supplier also has the ability to offer an agreed discount against the current parking tariffs for Havering residents only.

It is worth noting that the cost of transactions and texts were the same for all 4 tenders. Also, that the Council currently has in the region of 3 million transactions in total.

Other charges and costs to the customer are listed below.

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TABLE 1 - RingGo Roll-Out

SERVICE	COST TO CLIENT
Project Management	FOC
Back-Office System Setup	FOC
Signs / Stickers	FOC
Signage / Stickers Installation	FOC
On-Site Training	FOC
Marketing Material	Client Specific
Press releases / Promotions	FOC

TABLE 2 - Ongoing RingGo Service Charges

FEATURE	COST TO CLIENT
Standard Rate for Transactions / Extensions*	£0.083
Standard Rate for a Confirmation Text	£0.083
Standard Rate for a Receipt Text	£0.083
If RingGo Merchant Acquiring	3%
If Client Merchant Acquiring	Client Pays Charges Direct to Acquirer

*This charge can be passed on to the motorist or absorbed by the client.

Based on the annual volumes of completed transactions as stated in table 3. It will be the client's option as to

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TABLE 3 - Annual Transactions Volume Break Discounts

ANNUAL VOLUME BREAKS	TRANSACTION/ EXTENSIONS	CONFIRMATION TEXT	RECEIPT TEXT
0 – 2,000,000	Std Rate	Std Rate	Std Rate
2,000,001 – 2,500,000	10%	Std Rate	Std Rate
2,500,001 – 3,000,000	15%	Std Rate	Std Rate
3,000,001 – 3,500,000	20%	10%	10%
3,500,001 – 4,000,000	25%	15%	15%
4,000,000>	POA	POA	POA

Ongoing Client Charges

FEATURE	COST TO CLIENT
Enforcement Integration	FOC
Motorist Support	FOC
Client Account Management	FOC
Management Reporting	FOC
Tariff Changes	FOC
Cash Payments (Retail)	FOC
Permit Types	Client Specific
Emission Based Parking	Client Specific

All charges are excluding VAT unless stated otherwise.

(FOC = Free of Charge)

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

There are no HR resource implications as all changes can be made and enforced with existing staff.

There are no TUPE implications for the Council.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The impact against protected characteristics has been considered and the change in supplier affects all users equally. For those who do not have mobile devices or choose not to use the cashless facility, those users will still have the ability to use cash in P&D machines. Parking provisions for Blue Badge provisions will remain the same and where free charges apply for Blue Badge holders there will be no increase or alteration to this. An EQIA has not been carried out as this is not a new provision or a change to provisions and therefore there is no additional impact to users.

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The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

BACKGROUND PAPERS

NA

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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

Proposal NOT agreed because

Details of decision maker

Signed



Name: Barry Francis, Director of Neighbourhoods

Date: 24/03/2020

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____