

Notice of Non-key Executive Decision

Subject Heading:	Procurement of Civil Enforcement system for Penalty Charge Notice issue and processing and associated services
Cabinet Member:	Cllr Dervish, Cabinet Member for Environment
SLT Lead:	Barry Francis, Director of Neighbourhoods
Report Author and contact details:	Jo Anne Green Parking Manager Jo.green@havering.gov.uk 01708 432913
Policy context:	Connections: using technology to improve the way we live
Financial summary:	The procurement of a Civil Enforcement system for Penalty Charge Notice issue and processing and associated services to deliver the future requirements in respect of parking enforcement The contract cost will not exceed £1.2m over 9 years and will be funded from revenue budget A24670.641140. Any migration and mobilisation costs (value to be ascertained) will also be funded from A24670.
Relevant OSC:	Environment
Is this decision exempt from being called-in?	Yes. This is a non-key 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 paper aims to seek authorisation to:

Commence a procurement exercise to purchase a Civil Enforcement system for Penalty Charge Notice issue and processing and associated services using the Eastern Shires Purchasing Organisation (ESPO) Framework 509 Lot 4

AUTHORITY UNDER WHICH DECISION IS MADE

Paragraph 3.3 of the London Borough of Havering Constitution (Powers of Members of the Senior Leadership Team) '(Contract powers) authorising members of the SLT to approve commencement of a tendering process for all contracts above a total value of £500,000.

STATEMENT OF THE REASONS FOR THE DECISION

The requirement is to provide the Council with a cost-effective contract that will provide an ongoing solution to deliver Civil Parking Enforcement and provide the mechanism to upgrade the current system and purchase new handheld equipment for the issue of Penalty Charge Notices.

The procurement will enable the Council to deliver a cost effective parking enforcement service, including the issue of parking permits with the opportunity to add in additional modules such as Fixed Penalty Notices, Licences and Highways Permits as the Council requires.

Any contract will be a call-off type contract, which allows for growth during the term of the agreement. The estimated value of the contract is based on volumes of Penalty Charge notices issued and forecast, number of handheld devices with ongoing support and maintenance.

Background

Parking enforcement and associated services is a vital service provided by the Council and is supported by several pieces of legislation.

Decriminalised parking enforcement was first introduced in 1993 following legislation introduced under the Road Traffic Act (RTA) 1991. This gave local authorities the power to take on responsibility for the enforcement of parking regulations. Part 6 of the Traffic Management Act (TMA) replaced the RTA 1991 in April 2008. This forms the majority of the legislation in London. There is other London specific legislation under the various London Local Authority Acts which are relevant to parking enforcement.

The Council has a duty under the Traffic Management Act (TMA) 2004 to ensure that the road network is free of congestion enabling the free flow of traffic. Where restrictions exist, the Council has a statutory obligation to manage and enforce them. A notice processing system will ensure the council is able to

- Fulfil its obligations under the TMA
- Meet the commitment to "Keep Havering Moving"
- Provide a system that delivers the service in accordance with statutory requirements

Market Conditions

There are a limited number of suppliers able to meet the full scope of this procurement it was identified that these suppliers are listed on the ESPO framework. The benefit of using this framework ensures pre-

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procurement due-diligence has already been completed, suppliers have already gone through a tender process to earn their place on the framework.

The ESPO Framework is the preferred choice of framework, as it provides the Council with a suitable range of suppliers and allows us time to complete the procurement exercise. By using the ESPO framework, we can run a further competition to enable suppliers to competitively bid their best prices aligned to the volumes and services needed ensuring the Council gets best overall value

Current situation

The current contract commenced in 2017 for a period of 3 years. In May 2020, the contract was extended for a further 2 years. The contract will expire in April 2022 with no further opportunity to extend.

The current contract provides for Support, Maintenance & Hosting. The supplier carries out the reviewing of CCTV PCNs and scanning of incoming post for the parking team for which a charge is made per case.

This model does not represent best value for the Council. The reviewing of CCTV PCNs will be bought in-house during the extension period. This procurement will not therefore include this function.

Proposed approach

The requirement is to provide the Council with a cost-effective contract that will provide an ongoing solution to issue Penalty Charge Notices and provide the mechanism for processing the notices and responding to representations, appeals and the recovery of any unpaid notices.

The Council requires a modern web based system that can deliver the present and future needs, having the flexibility to add additional modules in subsequent years. The proposed new system will be able to deliver a complete parking management solution and has the functionality to offer a range of additional applications including scanning and indexing of incoming post, despatch of outgoing post, Highways Permits, Licences and processing of Fixed Penalty Notices so is able to provide best value to the Council reducing the need for separate systems.

Overall the proposed new solution will make the processing of Penalty Charge Notices more efficient both for the public (driver) and in-house resource.

The current system has been in place for a number of years and this procurement will provide the opportunity to modernise the service considering self-serve options, interactive services and disruptive technologies such as GPS tracking & heat maps.

Lot 4 of the ESPO 509 Framework will be utilised as this provides the Council with an extensive range of suppliers and the option to directly award or carry out a further competition ensuring the Council gets best value.

It is proposed that the contract will commence in February 2022 for a period of 7 years with an option to extend for a further 2 years. This will allow for a period of parallel running and the migration of data before the current contract expires, this is usual with this type of contract.

It is anticipated that a break clause be incorporated into the contract at year 4 to allow the Council to consider alternative options. This will ensure that the Council continue to secure best value.

The costs vary depending upon licencing agreements, numbers of PCNs issued, number of handhelds supported, types and numbers of permits issued and the modules required. The framework will provide information on costings, which will be paid from the current budget A24670, 641140.

OTHER OPTIONS CONSIDERED AND REJECTED

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Do nothing – this will leave the Council with no parking system and unable to deliver the parking enforcement service. This may result in congestion on the public highway, dangerous and illegal parking leading to substantial reputational damage.

Use existing system - not appropriate as the existing contract ends in April 2022


PRE-DECISION CONSULTATION

None

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

Name: Jo Anne Green

Designation: Parking Manager

Signature: 

Date: 24/08/2021

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has a duty to manage traffic under the Traffic Management Act 2004. The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The Council has the power under this section to agree to the proposals in the recommendations.

This report seeks approval to undertake procurement to purchase a Civil Enforcement system for Penalty Charge Notice issue and processing and associated services.

The value of the proposed contract is £1.2 million over 9 years. The Public Contracts Regulations 2015 (as amended) (PCR) require relevant contracts over the relevant threshold must comply with the Regulations. This is a mixed contract for supply of goods, services and works. The predominant element is for the supply of goods and services.

Supply and services contracts over the value of £189, 330 need to comply with the PCR. The report states that the Eastern Shires Purchasing Organisation framework 509 Lot 4 is intended to be used. The framework appears to be compliant with the PCR. Compliance with the PCR is met by utilising an existing Framework which is accessible to the Council. The Framework is accessible to the Council and expires in March 2023.

The procurement also must comply the Council's Contract Procedure Rules (CPR). The framework exempts officers, under CPR 18.5(i), from having to evaluate tenders against the pre-determined best price-quality evaluation basis.

Furthermore, the Local Government Act 1999, requires the Council to make arrangements to achieve best value in the exercise of its functions, which includes the services contained in the proposed procurement. While conducting the procurement officers must satisfy themselves that the procurement process is in accordance with this principle.

FINANCIAL IMPLICATIONS AND RISKS

Any income derived from the issue of Penalty Charge Notices will be used in accordance with Section 55 RTRA 1984.

The new system and any mobilisation and migration costs will be funded from the existing budget, code A24670.641140.

Whilst the cost of a new system will not exceed the current costs until the market testing and framework costs are sought, it is not possible to state the exact costs.

The new contract will be inclusive of all support and maintenance, legislation updates and upgrades. There is less financial risk in procuring a parking enforcement system through this framework.

There are 3 options to deal with the outstanding cases on the current system regarding possible migration costs;

1. If the incumbent is successful data migration will not be required so there will be no costs associated to this. However there will be c£0.006m relating to legacy DVLA enquiry service.
2. If an alternative supplier is successful and full data migration (thought to be in the region of £0.060m) is required the costs of Mobilisation/implementation will be outlined as part of the procurement.
3. If an alternative supplier is successful and data is not migrated and the systems are run parallel for a period of time until all PCNs have been processed and collected. Additional costs of DVLA enquiry service, support and maintenance and parallel running of legacy system estimated at £0.034m, as in option 2 the costs of Mobilisation/implementation will be outlined as part of the procurement.

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

The relevant staff will require training if a new system is procured. This requirement has been set out in the specification and the supplier will be responsible in delivering this.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

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

None

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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 ✕

Delete as applicable

Details of decision maker

Signed

Nicolina Cooper

Name: Nicolina Cooper

CMT Member title: Assistant Director of Public Realm

Date: 24/08/2021

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 _____