

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 05 April 2022

<b>TITLE</b>	<b>Cashless Parking Contract Extension</b>		
<b>Ward(s)</b>	Citywide		
<b>Author:</b> Sarah Clark	<b>Job title:</b> Parking Services Business & Permits Manager.		
<b>Cabinet lead:</b> Cllr Alexander, Cabinet Member Transport	<b>Executive Director lead:</b> Stephen Peacock, Executive Director Growth & Regeneration		
<b>Proposal origin:</b> BCC Staff			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> Cabinet			
<b>Purpose of Report:</b>			
<ol style="list-style-type: none"> <li>To approve a 3 year contract extension for the provision of Cashless Parking (RingGo) as described in this report.</li> <li>To note that the initial contract period expires at the end of March 2022, and that the Executive Director for Growth &amp; Regeneration and the Cabinet Member for Transport have approved a short continuation of the service as an interim measure ahead of cabinet approval.</li> </ol>			
<b>Evidence Base:</b>			
<ol style="list-style-type: none"> <li>The Council's Cashless Parking Contract is held by Park-Now Ltd and is delivered through their RingGo parking brand which enables customers of at all Bristol City Council Pay &amp; Display On &amp; Off Street Parking locations (including parks) to pay for their parking digitally without needing to use the Pay and Display machines. Customers pay an additional 20p 'convenience fee' on top of the parking charge to use the service.</li> <li>RingGo now collects 60% of the Council's 'pay &amp; display' parking income, this figure has been rising throughout the initial contract period but has seen a significant increase post Covid as people seek to avoid contact with the machines and are not carrying the change needed to use the machines. This increased take up is enabling the Council to reduce its expenditure on the collection, counting and banking of cash.</li> <li>The Council's Cashless Parking contract was awarded in 2018 following a full EU Tender. The contract was awarded for an initial period of 4 years with the option to extend for up to 3 more years. The contract allows for the contract to be extended in incremental periods or by way of a single extension as deemed appropriate.</li> <li>The extension of the Cashless Parking Contract is a concession contract currently valued at &gt;£500k based on the value to the supplier and is therefore a Key Decision requiring Cabinet approval</li> <li>The value to Park-Now Ltd, is expected to be iro £600k per annum, allowing for further growth in cashless payments and further Covid recovery. This is made up of a per transaction fee that is paid by the Council plus the value of optional text message services that are paid by the customer. (Confirmation texts and reminder texts are 20p each).</li> <li>The actual cost to the Council is less than 10% of the value to the supplier. The transactional cost to the council levied by Park-Now Ltd (and the associated banking costs) are offset by the 20p 'convenience fee' that customers pay in addition to the parking charge.</li> <li>The current contract offers value for money and as such officers propose that the contract is extended by a further three years.</li> <li>The estimated value of the 3-year period is £1,800,000. This will increase the original contract value by 110%.</li> </ol>			
<b>Cabinet Member / Officer Recommendations:</b>			
<b>That Cabinet:</b>			
<ol style="list-style-type: none"> <li>Authorises the Executive Director Growth and Regeneration to take all steps required to extend the Council's Cashless Parking contract with Park-Now Ltd for 3 years until 31<sup>st</sup> March 2025 in-line with the procurement routes and maximum budget envelopes outlined in this report, noting the associated Legal commentaries.</li> <li>Note that the Executive Director for Growth &amp; Regeneration and the Cabinet Member for Transport have authorised a short</li> </ol>			

extension between the expiry of the initial contract period on the 31<sup>st</sup> March 2022 and this Cabinet decision on 5<sup>th</sup> April 2022 in order to provide the ongoing service to customers.

**Corporate Strategy alignment:**

The One City Plan states:

1. Bristol will be well-connected with digital services and transport that is efficient, sustainable and inclusive; supporting vibrant local neighbourhoods and a thriving city centre.
2. Bristol will be a sustainable city, with low impact on our planet and a healthy environment for all.
3. Transport is healthy, active, sustainable, safe and enables easy movement throughout the city.
4. The city is well connected, supporting access to employment, education and services for all.

Draft Corporate Strategy 2022-27 highlights the key theme of Transport & Connectivity: A more efficient, sustainable and inclusive connection of people to people, people to jobs and people to opportunity.

**City Benefits:**

1. Extension of this contract allows for the continuation of a well-used, successful service that enables residents and visitors to pay for their parking without being dependent on Pay & Display machines or on having the correct change.
2. The service is accessed online, or via telephone, Android or Apple smartphone apps. Customers pay using a credit or debit card or through Google Pay. This variety of interfaces and payment methods helps meet the needs of the widest possible customer base.

**Consultation Details:**

1. Initial proposal discussed at EDM in February 22, with subsequent briefing of Cllr Alexander, Cabinet Member for Transport. Further consultation with Mayor’s office and Cabinet through the decision pathway process.

**Background Documents:** Draft Corporate Strategy 2022-27

<b>Revenue Cost</b>	Concession contract where cost to the council is offset by income from the contract so there is no revenue cost.	<b>Source of Revenue Funding</b>	10768 General Car Parks.
<b>Capital Cost</b>	N/A	<b>Source of Capital Funding</b>	N/A
<b>One off cost</b> <input type="checkbox"/> <b>Ongoing cost</b> <input checked="" type="checkbox"/>		<b>Saving Proposal</b> <input type="checkbox"/> <b>Income generation proposal</b> <input type="checkbox"/>	

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:** “The Cabinet report is seeking approval to extend the current successful Cashless Parking Contract held by Park-Now Ltd, delivered via their RingGo brand. The contract allows it to be extended by up to three years which the Service, in agreement with Procurement, view as the best option. The contract value is c.£600k per annum, so over a three year extension this will total around £1.8m. The contract costs are fully offset by the income received, including transactional fees and SMS text fees, so there are no revenue costs to the Council. If for any reason, costs fall outside of the contract, these additional costs would have to be met by the Highways revenue budget. The increased popularity for a convenient, quick and efficient cashless parking payment service has helped to reduce costs associated with physical cash collection, counting and banking services and the associated risks of handling cash. As with any agreed contract - suitable, robust contract management processes, reconciliations of financial transactions, invoices and income receipts between systems, will need to continue and be regularly completed, so appropriate action to rectify issues, can be performed swiftly.”

**Finance Business Partner:** Kayode Olagundoye, Interim Finance Business Partner, Growth and Regeneration, 18<sup>th</sup> February 2022

**2. Legal Advice:** The extension is within the terms of the current contract. Legal Services will advise and assist in relation to the contractual arrangements for the extension of the contract.

**Legal Team Leader:** Husinara Jones, Team Leader/Solicitor 14<sup>th</sup> March 2022

**3. Implications on IT:** I can see no implications on IT in regards to this activity.

**IT Team Leader:** Gavin Arbuckle – Head of Service Improvement and Performance. 14<sup>th</sup> February 2022

**4. HR Advice:** There are no HR implications evident

<b>HR Partner:</b> Celia Williams, HR Business Partner – Growth and Regeneration. 16th February 2022		
<b>EDM Sign-off</b>	Zoe Willcox, Director Development of Place	9 <sup>th</sup> February 22
<b>Cabinet Member sign-off</b>	Cllr Alexander, Cabinet Member for Transport	10 <sup>th</sup> February 22
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	7 <sup>th</sup> March 22

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>NO</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>YES</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
Appendix F – <a href="#">Eco-impact screening/ impact assessment of proposal</a>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>No</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>