

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 04 April 2023

TITLE	Parking Services Back Office Procurement Project		
Ward(s)	Citywide		
Author: Sarah Clark	Job title: Acting Parking Manager		
Cabinet lead: Cllr Alexander, Cabinet Member for Transport.	Executive Director lead: John Smith; Interim Executive Director Growth and Regeneration		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report:			
<ol style="list-style-type: none"> 1. To update Cabinet on the function of Parking Services' back-office supplier and the current contractual position. 2. To seek authority to award an interim 1 year (+2 x optional single year extensions) contract to our existing supplier via a framework that complies with applicable procurement regulations and rules. 3. To seek authority for Parking Services (with the support of Change Services, Procurement, Legal and ICT) to tender for a new long-term supplier of this hardware and software and enter into a contract with the successful bidder. 			
Evidence Base:			
<ol style="list-style-type: none"> 1. Parking Services currently issues c100k parking and c130k bus lane Penalty Charge Notices (PCNs) per year. The number of Clean Air Zone PCNs will add many more PCNs to this total. 2. Our back-office supplier provides: <ol style="list-style-type: none"> a. the software, smartphones & mobile printers used by our Civil Enforcement Officers for Parking PCNs b. the back-office system which manages all PCNs throughout their lifecycle; obtaining vehicle keeper details from DVLA, receiving payments, sending out statutory correspondence, registering debts with the Traffic Enforcement Centre and enforcement agents. c. An online portal for motorists to make an appeal against a PCN. 3. This contract expires at the end of April 2023. 4. Due to other corporate priorities, including the implementation of the Clean Air Zone, the Council has not been able to resource the tendering of a new contract for these services over the last 18 months. It was also impractical to potentially change supplier during the development and implementation of the Clean Air Zone. 5. Parking Services now needs to award a new interim contract with our current supplier to continue to provide all our existing services while we go to the market for a new long-term contract. The new long-term contract will be for up to 10 years with an initial contract period of 5 years and the balance as optional extensions. 6. We propose to direct award the interim contract via a framework on the basis of a 1-year contract with 2 optional 1-year extensions. This will cover the tender period for the long term contract and allows additional time to on board a new supplier and wind down our existing system, if a different supplier is awarded the long-term contract. In addition, the interim contract will include any additional requirements we anticipate during the contract period, including: <ol style="list-style-type: none"> a. Replacement of CEO smartphones and printers if required b. Integration with providers of cashless parking and digital parking permits to enable more efficient enforcement 			

- c. Addition of more bus lane or clean air zone approved devices if required
 - d. Addition of approved devices and back-office software development for Moving Traffic Enforcement.
 - e. Any other upgrades or additions as required to meet security, data, operational, accessibility or legislative requirements that emerge during the life of the contract.
7. The project to procure and implement the longer-term solution will now be scoped and will seek allocation of resources via standard business case approach, however it should be noted that Parking Services will not be able to deliver this without specialist procurement, legal, project management and ICT support.
 8. The procurement route for the long-term contract is expected to be a bespoke procurement or a mini competition between the suppliers on an existing external framework to be determined in conjunction with procurement, both routes in compliance with applicable procurement rules and regulations.
 9. The cost of the interim contract, including extensions, is estimated to be up to £1.1m.
 10. The cost of the long-term contract is not yet known but is currently expected to be in the region of circa £3.5m for a duration of 10 years.
 11. For context, the council receives c £7m a year from Parking & Bus Lane PCNs, so it is essential we have a robust and secure platform on which to administer this work.
 12. ICT holds budget for licences for the current back-office system. Parking Services has existing revenue budgets to cover remaining contract costs for Parking and Bus Lane enforcement. The contract and costs would be easier to manage if the budget for the whole contract were to be held in one place. Operating costs for enforcement should be covered by the Parking Account in line with S55 of the Road Traffic Regulation Act 1984, but by splitting costs between different budgets some elements of costs such as this are not included.
 13. Parking Services' revenue budget will need to cover any project costs, which will be established as part of the business case.
 14. Income from the clean air zone covers any operational costs and it is expected that income from moving traffic enforcement will also cover any operating costs.

Cabinet Member / Officer Recommendations:

1. Authorises the Executive Director, Growth & Regeneration in consultation with the Cabinet Member for Transport to take all steps required to award a contract via a framework for the implementation of an interim back-office system for Parking Services for a maximum of 3 years (including any extensions) for the sum of circa £1.1m.
2. Authorises the Executive Director, Growth & Regeneration in consultation with Cabinet Member for Transport to procure and award the contract for a maximum of 10 years (including any extensions) for the implementation of a back-office system for Parking Services, for the sum of circa £3.5m.
3. Authorises the Head of Strategic Procurement & Supplier Relations to approve appropriate procurement routes to market where these are not yet fully defined in this report, or if changes to procurement routes are subsequently required
4. Authorises the transfer of the budget for the back-office licences from ICT to Parking Services to enable the contract to be managed and budgeted for 'as a whole'.

Corporate Strategy alignment:

Theme 6 of the Corporate Strategy 2022-27 covers Transport and Connectivity, with a vision to create a more efficient, sustainable, and inclusive connection of people to people, people to jobs and people to opportunity. In addition, the Bristol Transport Strategy sets out our ambitions to:

1. improve transport to meet increased demand from the growth in housing, jobs and regeneration
2. create an inclusive transport system that provides realistic transport options for everyone
3. create healthy places that promote active transport, improve air quality and improve road safety
4. make better use of our streets to enable more efficient journeys
5. enable more reliable journeys by minimising the negative impact of congestion
6. support sustainable growth by enabling efficient movement of people and goods, reducing carbon emissions and embracing new technology

Quality of Life survey shows that 70% of citizens still find congestion to be a problem locally. Transport related issues dominate the top ten list of comments made by people when asked how to improve the city.

City Benefits:

1. An efficient and effective back-office system for Parking Services' enforcement activities will enable us to deliver effective enforcement of parking restrictions, bus lane restrictions and the clean air zone.
2. Enforcement encourages compliance with the restrictions which will help reduce congestion, improve road safety, improve public transport reliability and provide more reliable journey times for members of the public.
3. Enforcement of the clean air zone will improve air quality and provide health benefits.
4. Enforcement also addresses antisocial parking behaviour

Consultation Details:

The proposal will not directly affect the public and public consultation is not required.

Background Documents:

The Council is under a ministerial direction to improve air. For further information see

<https://www.cleanairforbristol.org/caz/> or www.bristol.gov.uk/caz.

Bristol City Council's Transport policy <https://www.bristol.gov.uk/council-and-mayor/policies-plans-and-strategies/bristol-transport-strategy>

The West of England Joint Local Transport Plan 4 (2020 -2036) (JLTP 4) (<https://travelwest.info/projects/joint-local-transport-plan>)

Revenue Cost	£1.1m over 3 years for interim contract. £3.5m over 10 years for long term contract.	Source of Revenue Funding	ICT revenue budget covers licence fees. Parking Services revenue budgets covers additional Parking and Bus Lane costs. Clean Air Zone operating costs are offset by income. Moving Traffic Enforcement costs will be offset by income.
Capital Cost	No anticipated capital cost	Source of Capital Funding	N/A
One off cost <input type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:**1. Finance Advice:**

1. The Cabinet report is seeking approval to extend the current contract for Parking Services' Back-Office Supplier and to tender for a new longer term supply contractor.
2. They are looking to award a 1-year interim contract with 2x optional one-year extensions to the existing contractor. This would allow the service to go to the market and tender for a new longer-term supplier contract of up to ten years (5 years, +5 x 1-year contract extensions) and on-board the successful contractor, if different from the current contractor. It will allow for recent increases in scope i.e. CAZ, Moving Traffic, as well as interim refreshes to PCN equipment etc.
3. The cost of the interim contract and extensions is circa £1.1m, and is outlined in Table 1 below:

Table 1

	2023/24 £m	2024/25 £m	2025/26 £m	Grand Total £m
Licenses	0.035	0.035	0.035	0.105
Hosted Annual Si-Dem Support	0.100	0.100	0.100	0.300
CAZ Annual Support	0.050	0.050	0.050	0.150
25 Additional Locations	0.050	0.050	0.050	0.150
Handheld Refresh	0.033	0.033	0.034	0.100
Additional £300k contingency for:	0.100	0.100	0.100	0.300
moving traffic enforcement				
development of interface with MiPermit,				
development of interface with RingGo				
potential development of non uk enforcement process for CAZ once JAQU have set one up				
potential development of software to align with new corporate protocols for debt recovery				
any additional legislative changes				
Total Cost	0.368	0.368	0.369	1.105

4. The new contract is expected to be around £3.5m over 10 years (5 years, +5 x 1-year extensions).
5. The contract costs are fully offset by ICT and Parking Services revenue budgets, as well income received from Penalty Charge Notices (PCN's) including bus lane, parking, and clean Air zone (CAZ) enforcement.
6. The report is requesting the transfer of the ICT budget to Highways to allow the contract costs to be held in once place, being more transparency and easier to manage.
7. If for any reason, costs fall outside of the contract, including the Business Case project costs, these additional costs will have to be met by the Highways existing revenue budget (Including New CAZ and Moving Traffic budgets), and should not constitute a pressure to the General fund.
8. As with any contract extension and tender process, a suitable Business Case will be developed, agreed, and delivered.
9. Following this, robust contract management processes will need to continue and regular reconciliations of data, so appropriate action to rectify issues can be performed swiftly, ensuring value for money.

Finance Business Partner: Kayode Olagundoye, Interim Finance Business Partner, Growth and Regeneration, 24th March 2023

2. Legal Advice: Whenever the Council procures goods works and services over certain thresholds, it must procure such goods works and services in accordance with the Public Contracts Regulations 2015, and/or its own internal procurement rules.

The relevant officers must ensure procurement and legal support is obtained prior to commencing procurement of the contracts detailed in this report, in order to ensure such procurements comply with the relevant regulations and rules.

Legal Team Leader: Sinead Willis, Team Manager: Commercial and Governance 24 January 2023

3. Implications on IT: "IT are happy with the transfer outlined and have advised finance colleagues of this in readiness to transfer the budget to Parking Services on receipt of their request."

IT Team Leader: Gavin Arbuckle, Head of IT Operations, 7 February 2023

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

HR Partner: Celia Williams, HR Business Partner, 23 January 2023

EDM Sign-off	Stephen Peacock, CEO & Executive Director, Growth & Regeneration	8 February 2023
Cabinet Member sign-off	Cllr Alexander, Cabinet Member for Transport	16 February 2023
Cabinet Member sign-off	Cllr Cheney, Deputy Mayor & Cabinet Member for Finance, Governance and Performance	20 February 2023
For Key Decisions - Mayor's Office sign-off	Mayor's Office	6 March 2023

Appendix A – Further essential background / detail on the proposal	NO
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO

Appendix I – Exempt Information	No
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO