

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Sharon Lea - Strategic Director for the Environment

Date: 11/04/2021

Subject: Extension of contract for the provision of cashless payment parking and visitors parking permit services

Report author: Osa Ezekiel, Deputy Head of Parking Services

SUMMARY

The Council awarded a contract for the provision of cashless payment parking services to Parkmobile Ltd in July 2016 for lot 1 (the provision of Cashless Payment Parking service) and for lot 3 (provision of the visitors parking permit service). The contract term was for a period of five (5) years starting 15 July 2016 and ending 14 July 2021.

The contract has the option for the Council to extend for a further two (2) years on two (2) separate consecutive occasions. This report is asking for approval to extend the contract for the first two (2) year period from 15 July 2021 to 14 Jul 2023.

RECOMMENDATION

That approval be given to extend the contract for a two-year period from 15 July 2021 to 14 July 2023 at a cost of approximately £2m for the extended period. The original contract value was a fixed cost of £238,500 pa plus additional costs depending on the volume of transactions.

Wards Affected: All

| Our Values | Summary of how this report aligns to the H&F Values |
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| Building shared prosperity | Use of the telephone payment facility enables the Council to effectively charge for the use of its kerb space, using income received for the benefit of residents. |
| Creating a compassionate council | Use of the RingGo visitor permit system |

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| | enables residents' visitors park at a discounted rate. |
| Doing things with local residents, not to them | Providing an alternative way to pay to park gives residents an option to using pay and display machines. |
| Being ruthlessly financially efficient | <p>Extending this contract enables the Council to provide telephone parking as an option. It also allows the Council to efficiently process income from parking sessions on street.</p> <p>It has also led to savings in the cost of providing pay and display machines as fewer machines are required.</p> |
| Taking pride in H&F | As mentioned above, this contract provides telephone parking as an alternative to using pay and display machines. |
| Rising to the challenge of the climate and ecological emergency | <p>Use of telephone parking has enabled a drastic reduction in the number of pay and display machines from over 1000 to 350. This means less emissions as there are fewer machines requiring maintenance and cash collection.</p> <p>It also provides scope to consider going completely cashless in the future, thus leading to even less emissions.</p> |

Financial Impact

The annual cost of the contract, which can fluctuate slightly depending on pay and display volumes is c£1m. Any increase in pay and display activity over and above expected levels will be covered through the additional parking income generated. The cost of the contract will be covered through existing parking expenditure budgets over the two year contract extension period.

Legal Implications

This report recommends that the decision maker approves an extension to the contract for cashless payment and visitors parking permit service with Parkmobile Limited until 14 July 2023. The value of these charges will be about £2m. The initial term of the contract expires on 14th July 2021 with an option to extend for a further two years on two separate occasions.

The contract value is above the threshold for services under the Public Contracts Regulations 2015 ('PCR'). Therefore, the PCR applies in full and any modification to these contracts must fall under one of the 'safe harbours' set out in Regulation 72 PCR. The proposed modifications are allowed under Reg. 72(1)(a) as they are provided for in the contract in clear, precise and unequivocal review clauses. This also fulfils the requirements for a high value contract extension under CSO 25.2 of the Council's Contract Standing Orders in relation to the contract.

In accordance with CSO 25.3, the decision maker is the relevant SLT member. The decision maker should be satisfied with the contractor's performance, value for money and benchmarking in relation to the extension of the call-off contract (CSO 25.2).

Implications completed by: Sally Stock, Partner at Sharpe Pritchard sstock@sharpepritchard.co.uk on secondment to the Council.

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Background Papers Used in Preparing This Report - None

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The Council awarded a contract for the provision of cashless payment parking services to Parkmobile Ltd in July 2016 for lot 1 (the provision of Cashless Payment Parking service) and for lot 3 (provision of the visitors parking permit service). The contract term was for a period of five (5) years starting 15 July 2016 and ending 14 July 2021.
2. The contract has the option for the Council to extend the contract for a further two (2) years on two (2) separate consecutive occasions. This report is asking for approval to extend the contract for the first two (2) year period from 15 July 2021 to 14 Jul 2023.

3. The services provided by Parkmobile are vital to the Council's parking services as they give people the option to pay for parking by telephone and also a resident visitor permit scheme.
4. The Council is happy with the services provided by Parkmobile, it is not necessary to tender for a new contract at this stage.
5. The Council must provide at least 3 months' notice of its intention to extend the contract. This means notice must be given by 14 April 2021.

Reasons for Decision

6. The contract provides the option for the Council to extend the contract for a further two (2) years on two (2) separate consecutive occasions.

Equality Implications

7. An EIA has been completed and signed off by the Assistant Director (Parking Services). The assessment shows that there is a positive impact on residents with Disabled Residents Visitor Permits and a neutral impact on all other protected characteristics.

Risk Management Implications

8. There are no significant strategic risks associated with the proposal to extend the contract within the permitted terms. The provider has contributed to the Council's progress in modernising aspects of innovation in the community through technology, and in doing so has contributed to enabling growing numbers of smart technology users to pay on-line for parking, in doing so reducing the problem of cash theft from coin operated parking meters.

Implications verified by: Michael Sloniowski, tel 020 8753 2587

Climate and Ecological Emergency Implications

9. The telephone payment system provided by Parkmobile can be used as a mechanism to implement emissions-based charging for parking fees. This could be used as a tool to help reduce emissions.
10. The system is also currently being used to implement the newly introduced emissions-based charging for parking as it has a link to DVLA data and determine the emissions for all registered vehicles.
11. RingGo/Park Now is certified as a carbon neutral, carbon neutral plus, and carbon reduced company: <https://ringgo.co.uk/carbon-neutral-2/>

Implications verified by: Hinesh Mehta, Strategic Lead – Climate Emergency; 07960470125

Local Economy and Social Value

12. The council's Social Value Strategy became effective on the 15 May 2020 and introduced a mandatory requirement for all procurement activities over £100,000 to generate a minimum 10% in social value, including contract extensions.
13. The Commissioner will have to engage with the contractor to define their social value commitments to H&F as a result of this contract extension. The 10% commitments are yet to be defined, at this point.
14. The contractor will have to work with the commissioner and the Social Value Officer to find collaborative ways to deliver social value. The contractor will be required to register to the Social Value Portal and pay the related annual fee for contract monitoring. For contract value between £750K up to £5M the fee is at 0.10% of the contract value.

Implications completed by Ilaria Agueci, Social Value Officer tel. 0777 667 2978

15. The contractor pays the London Living wage. The contractor gives employees 1 day each year for volunteering.
16. The contractor is also willing to offer a pre-loaded Corporate Parking account to a community charity to the value of £300 pa. This will enable the selected charity park on street for free in the Borough whilst going about their business.
17. The contractor is certified as a carbon neutral, carbon neutral plus, and carbon reduced company. The contractor provides the telephone payment system used to manage the recently introduced emissions-based parking and this has led to a 9% reduction in polluting vehicles in the Borough. Also work done interfacing with the South Fulham Traffic Congestion and Pollution Reduction scheme system has contributed to less vehicles and pollution in the Fulham area.