

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet Member for the Environment

Date: 14/01/2022

Subject: Procurement strategy - Contract for Parking Suspension System

Report author: Michele Ayamah, Customer Services Manager (Parking Services)

Responsible Director: Sharon Lea, Strategic Director for the Environment

Summary

This report sets out the procurement strategy for a replacement parking suspension system for Parking Services. Parking Services currently use an IT system for the management of parking suspension requests. It is provided by the Royal Borough of Kensington and Chelsea's (RBKC) ISD Team. The system is used by Parking Services in both RBKC and LBHF.

The system provided by RBKC is coming to its end of life and cannot be developed any further. It is therefore vital that LBHF arranges to procure a suitable replacement, especially as RBKC are also making plans to procure a new system.

Recommendations

1. Approve the procurement of a contract for parking suspension system as set out in this strategy. The term of the contract will be for five (5) years starting 1st September 2021, with the option to extend for two separate periods of two (2) years each at an annual value of approximately £100,000, making a total of £500,000 over 5 years or £900,000 if the extensions are fully utilised over the 9 year period.
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Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Being able to suspend bays makes it easier for residents to move in and out of the Borough.
Creating a compassionate council	The new suspension system will ensure that the Council can continue to suspend bays for free on compassionate grounds. For example, for funerals.

	This new system will be more user-friendly giving customers the ability to interface with our mapping system in order to identify the actual location of the parking suspension.
Doing things with local residents, not to them	The system will provide an Interface with 'My Account' enabling residents and customers to request services.
Being ruthlessly financially efficient	The current system is nearing its end of life. Not replacing it puts the Council at risk of not being able to adequately process parking suspension requests and potential loss of revenue. The new system will also provide the facility for a live interface with the Council's payment system.
Taking pride in H&F	A new suspension system will ensure we are able to effectively manage our kerb space and ensure that parking bays are only suspended after proper approval.
Rising to the challenge of the climate and ecological emergency	The new provider will be required to be working towards or have achieved carbon zero emission status.

Financial Impact

The estimated annual cost for the enhanced suspension system will be approximately £100,000 per annum. The tendered costs of the preferred bidder will be set out within the contract award report. This increased cost reflects the going market rate for a commercial parking suspension system with full costs borne by the Council. The current system developed as a bi-borough system was developed and charged at cost.

The estimated cost of the enhanced suspensions system will be partly covered from the following:

- Existing revenue budgets £40,000.
- Administration efficiencies whereby existing suspensions resource will be transferred to other parking administration functions.
- An expectation that as the system will allow self-service there will be additional suspension activities and income across the borough.

Legal Implications

This report recommends that the Cabinet Member approve the procurement of a contract for a parking suspension system. The contract has an estimated value of £500,000 and a further £100,000 for each year the Council exercises its option to

extend the term of the contract giving a total potential value of £900,000. It has a value therefore which is above the threshold for services (currently £189,330) under the Public Contracts Regulations 2015 ('PCR'). The contract must be procured in accordance with Part 2 of the PCR, that is a new procurement or use of a compliant framework.

The Council is under an obligation in the Public Services (Social Value) Act 2012 to consider how the letting of services contracts can benefit the social, economic and environmental well-being of their area. These are factors which will be considered and built into the contract and procurement documents. The Council has adopted a Social Value Policy which applies to all its contracts above £100,000 and this requires that 10% of the total scoring is for social value which will be subject to assessment by an external assessor, a company called 'Social Value Portal'. The requirements of the assessor and the Council's policy will need to be built into the tender competition.

The Contract is a High Value Contract under the Council's Contracts Standing Orders as it is above the threshold for services set by the PCR. Prior to starting any tender exercise, the Service Review Team must prepare a report for the approval of the Procurement Strategy (satisfied by this report). All High Value Contracts are required to:

- have a Service Review Team established to oversee the procurement (CSO 17);
- have a Procurement Strategy reviewed at the Contracts Assurance Board and approved by the relevant decision maker before the procurement process commences (CSO 18); and
- have a Tender Appraisal Panel established following approval of the procurement strategy (CSO 19.3).

Under CSO 19, a HVC requires the use of either an existing framework agreement or to publish a contract notice (the proposal here) to be published in the UK Find a Tender service together with an opportunity listing on the Council's e-tendering portal and publication of a contract notice on Contracts Finder. The award of HVCs must be on the basis of the most economically advantageous tender.

As this is a revenue contract, the decision to approve the strategy is reserved to the Cabinet Member (CSO 18.1)

Finally, since the procurement strategy concerns a contract with estimated value in excess of £300,000, the decision is a Key Decision (see Article 12 of the Constitution) and the report must be submitted to Committee Services for publication on the Council's website.

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Background Papers Used in Preparing This Report – None

DETAILED ANALYSIS

Background

- 1 The Parking Service currently use an IT system for the management of parking suspension requests. It is provided by the Royal Borough of Kensington and Chelsea's (RBKC) ISD Team. The system is used by parking services in both RBKC and LBHF.
- 2 The service currently processes around 9,621 parking suspension requests per annum. Processing parking bay suspensions generates about £2.5 million income per annum.
- 3 The system provided by RBKC is coming to its end of life and cannot be developed any further. It is therefore vital that the Council arranges to procure a suitable replacement, especially as RBKC are also making plans to procure a new system.
- 4 This new system will be an improvement on the existing system as it will allow interface with the Council's mapping and payments systems. It will also allow customer self-service in real time to enable them to submit applications for approval in the back office. We also expect this to lead to service efficiencies.

Reasons for Decision

- 5 Permission is required to go ahead with a procurement exercise that will enable the Council to acquire a replacement parking suspension system.

- 6 A new parking suspension system will contribute to streamlining the process. The existing contract is coming to the end of life. There are no available framework contracts to draw down from.

Contract Specifications Summary

- 7 This contract will be for the provision of a parking suspension system.
- 8 The term of the contract will be for five (5) years with the option to extend for two separate periods of two (2) years each, ie up to 9 years in total.
- 9 A specification document has been prepared detailing the Council's requirements.

Procurement Route Analysis of Options

- 10 We are not aware of any available framework contracts for this, and we will be looking to publish a tender. As it is a niche market, we will be looking to go down the open tender procedure route. This should be a quicker process.

Risk Assessment and Proposed Mitigations

- 11 If we continue to use the RBKC provided system, there is a likelihood that there could be a massive system failure. This could leave the Council inadequately protected. It is therefore vital that we take steps to procure a new system from a reputable provider.
- 12 Additionally, RBKC could decide to stop supporting the existing system. Not having a viable replacement would result in financial loss to the Council.
- 13 Another risk is that we end up with a system that is inadequate. To mitigate this, we need to ensure that the specification is sufficiently detailed and suitable tests carried out.

Timetable

Key Decision Entry (Strategy)	29/04/2021
Contracts Assurance Board (Strategy)	02/06/2021
Cabinet Member Sign off (Strategy)	14/01/2022
Find a Tender Service Notice	14/04/2022
Closing date for clarifications	09/05/2022
Closing date for submissions	16/05/2022
Evaluation of Tenders	17/05/2022 – 23/05/2022
Key Decision Entry (Award)	30/05/2022
CAB (Award)	06/07/2022
SLT/Cabinet Member (Award)	13/07/2022

Find a Tender Service Contract Award Notice	20/07/2022
Contract engrossment	22/08/2022
Contract mobilisation and implementation	22/09/2022 – 14/04/2023
Contract Commencement date	17/04/2023

Selection and Award Criteria

- 14 Tenders will be evaluated on a 60% weighting for quality and 40% weighting for price.
- 15 The 40% on price will be calculated based on the rates submitted by the tenderer in the form of tender and pricing schedule.
- 16 The 60% on quality will be evaluated based on the tenderer's response to the method statement.
- 17 Each question in the method statement will be scored out of 5. Each score for a response to an award criterion will be multiplied by the relevant sub-weighting to arrive at a weighted score. Weighted scores will be added together to produce a total score out of 100. The overall quality weighting of 60% will then be applied. Social Value will be part of the awarding criteria. This will be assessed at 10% out of the total score.

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Quality Tier 2 Criteria/Method Statement	Weighting % (Tier 2)
Provision of quality Services	40%
Staff experience	15%
Working with Stakeholders and Other Contractors	10%
Social Value	25%
Additional Services	10%

Contract Management

- 19 The Head of Service Development (Parking Services) will manage the contract.
- 20 The relevant service levels are included in the specification document.
- 21 Key Performance Indicators

Ref	Key Performance Indicator	Service Level
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KPI 1	Incident Management Incidents resolved within response times for closure, in line with the Priority levels as detailed in this SLA. 1. Priority 1 - Within 3 hours of logging 2. Priority 2 - Within 7 hours of logging 3. Priority 3 - Within 24 hours of logging	1. 99% 2. 99% 3. 99%
KPI 2	Application Service Availability The percentage of time that the application is available.	99%
KPI 3	Non-Achievement of KPIs Non achievement of KPIs 1 and 2 in any given period. Reporting – Twice Yearly	Any 2 KPIs missed in 6 months or 4 KPIs missed in 12 months will result in service credits of 7.5% of the annual charges for the period covered.

Equality Implications

22 There are no equalities implications. The parking suspension system is not expected to have a specific impact on any protected characteristic. The system will be available for use by all members of the public.

Risk Management Implications

23 A change in provider will require a decommissioning plan, IT security evaluation and continuity planning considerations which were, in part, provided previously through the Shared RBKC system. Risks will need to be assessed and mitigated throughout the project specifically preparing for implementation and launch of the new system. A new system must ensure that it is compliant with Website Accessibility and Information Management standards.

Implications verified by: Michael Sloniowski, Risk Manager, Tel 020 8753 2587

Climate and Ecological Emergency Implications

24 This is a procurement exercise for a software system and database to help process applications to suspend parking bays. The system will help restrict the vehicles that can use parking bays, which will help reduce carbon emissions. This is indicated by our use of the climate implications toolkit.

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

Local Economy and Social Value Implications

- 25 The council's Social Value Strategy requires all procurement activities over £100,000 to generate a minimum 10% in social value. The social value assessment in this procurement strategy is in line with the Council requirement.
- 26 Bidders will be required to register on Social Value Portal to enter social value quantitative responses. The Successful Bidder is responsible for paying the Social Value Portal Management Fee for the term of the Contract.
- 27 Contract managers will need to work with the Council's Social Value Officer to ensure commitments are being effectively monitored and delivered. The final contract should contain appropriate social value clauses so that the Council can enforce its right to compensation if social value commitments are not delivered.

Implications by: Ilaria Agueci, Social Value Officer, tel. 0777 667 2878, Verified by Kamal Motalib, Head of Economic Development tel.

Digital Services and Information Management Implications

- 28 Parking services has raised a Service request for Digital services support with this system procurement – including the production of the requirements and the analysis of replacement options.
- 29 Information Management Implications: A Data Privacy Impact Assessment (DPIA) will need to be carried out to assess all the data protection risks around this system, and the relevant supplier will need to complete a (Cloud) Supplier Security Questionnaire.
- 30 Any contracts arising from this report will need to include H&F's data protection and processing schedule. This is compliant with Data Protection law (the General Data Protection Regulation (GDPR) 2016; and the Data Protection Act (DPA) 2018).
- 31 The system supplier will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.

Implications verified/completed by: Tina Akpogheneta, Interim Head of Strategy and Strategic Relationship Manager, IT Services, Tel 0208 753 5748.