

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Strategic Director for the Environment (in consultation with the Cabinet Member for Public Realm)

Date: 02/01/2024

Subject: Procurement strategy - Contract for Parking Suspension System

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

Responsible Director: John Galsworthy, Director of Climate Change and Transport

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). 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. To note that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To approve the procurement of a contract for parking suspension system through the G-Cloud 13 framework as set out in this strategy. The term of the contract will be for 2 years, with the option to extend for two separate one-year extensions. The estimated annual value of this contract is described in Appendix 1.

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	<p>The new suspension system will ensure that the Council can continue to suspend bays for free on compassionate grounds. For example, for funerals.</p> <p>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.</p>
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	<p>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.</p> <p>The new system will also provide the facility for a live interface with the Council's payment system.</p>
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 current revenue budget for the system is £40,000 therefore this procurement represents an increased cost to the Council. This increased cost reflects the going market rate for a commercial parking suspension system, plus the revised procurement strategy to no longer share costs with RBKC. The current system developed as a bi-borough system was developed and charged at cost.

The estimated increased cost of the enhanced suspensions system will be mitigated from the following:

- Existing revenue budgets of £40,000.
- Administration efficiencies whereby existing suspensions resource will be transferred to other parking administration functions. This will reduce reliance on third party support for some functions in the future.

- An expectation that as the system will allow self-service and is streamlined, there will be additional suspension activities and income across the borough. This is due to an expected reduction of administration load on consumers when making suspension applications.

Oscar Turnerberg, Finance & Data Manager, 03/11/2023

Verified by Andre Mark, Head of Finance (Strategic planning and investment), 20th November 2023.

Legal Implications

The Council has the power to procure these services pursuant to its functions in relation to parking under the Road Traffic Regulation Act 1984.

This is a public services contract for the purposes of the Public Contracts Regulations 2015. The use of the G-Cloud 13 Framework was procured in accordance with these regulations and the Council is entitled to call-off contracts under it. The framework allows for direct awards only.

The proposed contract will be a high value contract for the purposes of the Council's Contract Standing Orders. The use of a suitable third-party framework in accordance with its terms is a compliant method of procuring a high value contract. The requirements of CSO 18 have therefore been met.

The value of the proposed contract means that it is a key decision under the Council's constitution and the relevant details therefore need to be included on the key decision list on the Council's website.

*John Sharland, Senior solicitor (Contracts and procurement)
05 December 2023*

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). 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 an 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 through G-Cloud 13 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 two (2) years with the option to extend for two separate periods of one (1) year each, i.e. up to 4 years in total.
- 9 A specification document has been prepared detailing the Council's requirements.

Procurement Route Analysis of Options

- 10 An attempt to carry out a full tender has been completed by the service but was unable to source any suitable contractors. The new proposal is to directly award this contract through the Crown Commercial Services G-Cloud 13 framework.

Market Analysis, Local Economy and Social Value

- 11 This is a well-developed market with few providers that have a good track record with similar authorities and the capabilities to support a borough such as Hammersmith and Fulham.
- 12 This procurement will follow any Social Value elements as set out within the G-Cloud 13 framework.
- 13 Due to the nature of the framework the council is unable to engage suppliers prior to appointment, but the Parking department will work with the successful supplier after initiation to achieve any possible Social Value.

Risk Assessment and Proposed Mitigations

- 14 If we continue to use the RBKC provided system, there is a likelihood that ongoing support will cease once RBKC procure a new system which will result in PSMS no longer being supported. This could leave the Council inadequately protected. It is therefore vital that we take steps to procure a new system from a reputable provider.
- 15 Additionally, RBKC could decide to stop supporting the existing system. Not having a viable replacement would result in financial loss to the Council.
- 16 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)	28/09/2023
Contracts Assurance Board (Strategy)	13/12/2023
Cabinet Member Sign off (Strategy)	30/11/2023
Evaluation of G-Cloud Services	01/12/2023 – 07/12/2023
Key Decision Entry (Award)	15/12/2023
CAB (Award)	13/12/2023
SLT/Cabinet Member (Award)	10/01/2024
Find a Tender Service Contract Award Notice	15/01/2024
Contract engrossment	01/02/2024
Contract mobilisation and implementation	01/03/2024 – 01/04/2024
Contract Commencement date	01/04/2024

Selection and Award Criteria

- 17 G-Cloud 13 is an off the shelf procurement framework which means that the award criteria will need to be based off the service provision and prices listed in the digital marketplace.
- 18 As such the decision will be based 50% on price and 50% on ability to fully support the council's specifications.

Contract Management

- 19 The Parking Manager (Customer 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
KPI 1	<p>Incident Management Incidents resolved within response times for closure, in line with the Priority levels as detailed in this SLA.</p> <p>1. Priority 1 - Within 3 hours of logging 2. Priority 2 - Within 7 hours of logging 3. Priority 3 - Within 24 hours of logging</p>	<p>1. 99% 2. 99% 3. 99%</p>
KPI 2	<p>Application Service Availability The percentage of time that the application is available.</p>	99%
KPI 3	<p>Non-Achievement of KPIs Non achievement of KPIs 1 and 2 in any given period.</p> <p>Reporting – Twice Yearly</p>	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 It is a requirement that all contracts let by the council with a value above £100,000 propose and commit to social value contributions that are additional to the core services required under the contract. As confirmed in paragraph 12 and 13, the supplier will be engaged post award to agree Social Value outcomes as set up by the parameters of the framework.
- 26 IT is recommended that the commissioner works closely with Legal Services to ensure appropriate social value clauses are included in the contract, so that the council can enforce its right to remedies if social value commitments are not delivered.

Oliur Rahman, Head of Employment and Skills, 23/03/23

Digital Services and Information Management Implications

- 27 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.
- 28 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.
- 29 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).
- 30 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.

LIST OF APPENDICES

Exempt Appendix 1 – Financial Information