

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Bram Kainth, Strategic Director for the Environment in Consultation with the Cabinet Member for Public Realm

Date: 17/02/2023

Subject: Award of a Parking Permit System Contract

Report author: Oscar Turnerberg, Finance & Data Manager

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

SUMMARY

This report sets out the suggested award of the replacement parking permit system for Parking Services. The current contract is part of the wider Conduent contract and expires 31/03/2027. The service is looking to separate out the parking permit module and award this service to Unity Five who provide the Zatpark system through the G-Cloud 13 framework. Unity Five has been identified as the most cost-effective option of the services that fit the needs identified by the council for the system.

RECOMMENDATIONS

1. To note that Appendices 1 and 2 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that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 direct award the Permit system contract to Unity Five through the G-Cloud 13 framework for a new parking permit system. The new contract would be for 2 years with two optional 1-year extensions. The annual contract cost has been estimated at £100k this will be variable depending on the number of permits issued each year as well as the development required for any future projects. This results in a total contract value of £400k. The contract will run not including extensions from February 2024 to February 2026.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Allowing further flexibility in permit types and improving the process of acquiring a permit for residents.

Creating a compassionate council	Having a more efficient system should improve refund times as well as allowing the council to create new permit types to make life easier for residents.
Doing things with local residents, not to them	The new system is more user friendly for residents giving them more control over their permits and making it easier for them to renew expiring permits or cancel an existing one.
Being ruthlessly financially efficient	The current system is relatively rigid, whereas the new system will allow for the development of future permit related projects.
Taking pride in H&F	There are a number of improvements to the permit system which will bring H&F into a position to be a leading borough in this area in terms of ease of use for residents. Such as subscription-based charging.
Rising to the challenge of the climate and ecological emergency	Through better reporting and flexibility in permit types the council is able to look towards promoting cleaner vehicles further going forward through the expanded use of emissions-based charging.

Financial Impact

Due to the complex and integrated nature of the permit function under the current Conduent contract, it is difficult to get an exact figure for the true cost of the current permit system. However, it is estimated that currently the Permit system cost is in the region of £10k per annum.

The estimated annual cost for a new permit system is detailed in Appendix 1.

The estimated increase in cost of the enhanced permit system will be mitigated by the following:

- Existing revenue budgets which fund the current permit function.
- Administration efficiencies whereby existing permit resource will be transferred to other parking administration functions.
- An increase in related revenue due to the flexibility of any new system allowing the Parking department to pursue future projects and effectively carry out current policies.

A credit check has been carried out on Unity Five and they have received a good score of 79 so there is a very limited risk to the council.

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

Verified by Andre Mark, Head of Strategic Planning and investment, 3rd 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)
22 August 2023*

DETAILED ANALYSIS

Background

1. The Parking Service currently uses a parking permit module provided as part of a parking management system package, supplied by Conduent Ltd.
2. The service currently process ~ 35k permits per annum, generating about £4.2m per annum.
3. The current parking permit system provided by Conduent no longer meets the Council's requirements. All development and process improvement for this module has effectively ceased including the raising of new permit types. This has an impact on future roadmap developments, including the potential introduction of emission-based charging, resident visitor permits relating to CLEAN exemptions, and a new subscription based permit model.
4. Though the cost for a new system will be higher it is believed the effect on other projects and greater control over how permits are handled will net off these costs as well as greatly improve resident satisfaction with the system.

5. The Parking Service has worked closely with the REAP (Resident Experience Access Programme) Team, to create a system specification which supports the Council's aim of improving how residents access Council services.

Reasons for Decision

6. A new parking permit system will greatly improve both internal processes, create back-office efficiencies and improve external resident interactions with the parking permit system.
7. This change is necessary to future proof this function against changes to Parking operating models by giving the department the flexibility necessary to amend permit types and create new permit types to respond to changing landscapes.
8. Zatpark is the most cost-effective option that fits the councils' requirements following the G-Cloud 13 buyers guide.

Contract Specifications Summary

9. The contract will be for the provision of a parking permit system. The contract term will be 2 years with two optional 1-year extensions.
10. A specification document has been prepared detailing the Council's requirements.

Procurement Route Analysis of Options

11. As this is a relatively niche function a direct award through the G-Cloud 13 framework is believed to be the most efficient and cost-effective avenue for procurement. This will ensure a new system can be procured within the current financial year.
12. A filtering process was undertaken, and two suppliers were identified through this that were able to supply an appropriate permit system. From this the most economically advantageous option was chosen.

Market Analysis, Local Economy and Social Value

13. 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.
14. This procurement will follow any Social Value elements as set out within the G-Cloud 13 framework.
15. 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

16. The risk of continuing with the current system is that it is not equipped to deal with any changes to the current landscape or develop to improve operations.
17. There is always a risk when implementing a new IT system, but the Parking department will mitigate this by working closely with the development team within Unity Five and ensuring the IT staff within the council have an active role in implementation.

Timetable

Key Decision Entry (Strategy)	28/09/2023
Contracts Assurance Board (Strategy)	19/11/2023
Cabinet Member Sign off (Strategy)	30/11/2023
Evaluation of G-Cloud Services	01/12/2023 – 07/12/2023
Key Decision Entry (Award)	07/12/2023
CAB (Award)	10/01/2023
SLT/Cabinet Member (Award)	12/01/2024
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
Contract Monitoring Meeting	01/07/2024

Selection and Award Criteria

- 1 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.
- 2 As such the decision will be based 50% on price and 50% on ability to fully support the councils' specifications.

Contract Management

18. The contract will be managed by the Parking Business Development team. The contract manager will be Kwab Amponsem, Head of Business Development, who will have contract management meetings with Unity Five every 2 months.
19. KPIs will be formulated based on platform up-time as well as limiting errors within the system.

Equality Implications

20. There are no equalities implications as the permit system will not change any current parking policies. Any future developments will include equality implications.

Risk Management Implications

21. The report recommends approving the use of a competitively procured framework to award a contract for a new resident parking permit system, which is in line with the objective of being ruthlessly financially efficient. The contract will enable the new system to be future-proofed and capable to take advantage of advances in technology in this area.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 7 August 2023

Climate and Ecological Emergency Implications

22. This procurement would have no direct implications for the climate or ecological emergency as this is just a system replacement.
23. There could be improvements made in the future regarding new parking permit types or charging parking permit policies made possible by the new permit system. These would include further developments regarding emission-based charging.

Hinesh Mehta, Assistant Director for Climate Change, 08/08/2023

Local Economy and Social Value Implications

22. 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.
23. 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

24. IM Implications: A Data Privacy Impact Assessment (DPIA) will need to be completed to ensure that all the potential data protection risks around a new contract are properly assessed with mitigating actions agreed and implemented. The information management team should also be consulted on the storage of information on the system being decommissioned.
 - Any new supplier will be expected to have a Data Protection policy in place and staff will be expected to have received Data Protection training.

Cinar Altun, Digital Strategy Lead, 23.08.2023

LIST OF APPENDICES

Exempt Appendix 1 – financial Implications

Exempt Appendix 2 – suppliers evaluation