

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>8 APRIL 2013</b>
<b>EXTENSION OF CONTRACT FOR THE MAINTENANCE OF PAY AND DISPLAY MACHINES</b>	
<b>Report of the Cabinet Member for Transport and Technical Services – Councillor Victoria Brocklebank-Fowler</b>	
<b>Open Report.</b>	
<b>Classification:</b> For Decision  <b>Key Decision:</b> Yes	
<b>Wards Affected:</b> All	
<b>Accountable Executive Director:</b> Nigel Pallace, Executive Director of Transport and Technical Services	
<b>Report Author:</b> Osa Ezekiel, Assistant Head of Parking	<b>Contact Details:</b> Tel: 020 753 3264 E-mail: <a href="mailto:osa.ezekiel@lbhf.gov.uk">osa.ezekiel@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. The existing contract for the maintenance of pay and display machines is with the Metric Group Ltd and originally expired on 31st march 2011. The contract was for a term of 5 years from 1st April 2006 with an option for the council to extend on an annual basis for a maximum of two further years on all the same terms and conditions. It was extended for 1 year from April 2011 and then finally extended for 1 year from April 2012.
- 1.2. Work is almost complete on a new joint tender with RBKC that will yield savings to both Authorities. However both Authorities currently have different expiry dates in their current maintenance contracts. LBHF's contract expires on 31/03/13 whilst RBKC's contract expires on 31/05/13. A new joint contract needs to start on the same day for both Authorities.
- 1.3. Permission is therefore sought to continue with the current contract with the Metric Group Ltd on the existing terms and conditions until the proposed new joint contract which is scheduled to start on 01/06/13.

## **2. RECOMMENDATIONS**

- 2.1. That the provisions of Contracts Standing Orders requiring the Council to obtain three quotations be waived, and it be noted that negotiations have taken place with the current provider to provide continuing support for a period not exceeding 2 months.
- 2.2. That the contract for the maintenance of pay and display machines with Metric Group Ltd be continued on the existing terms and conditions until the commencement of the proposed joint contract with RBKC which is scheduled to start on 01/06/13, with a notional value of £80,000.<sup>1</sup>

## **3. REASONS FOR DECISION**

- 3.1. Both Authorities currently have different expiry dates in their current maintenance contracts. The new joint contract needs to start on the same day for both Authorities.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. Following a joint procurement exercise with RBKC, officers are close to finalising a new contract that will yield savings for both Authorities.
- 4.2. It is intended to submit the recommendation for the new joint contract to the May 2013 cabinet meeting for approval.

## **5. EQUALITY IMPLICATIONS**

- 5.1. There are no direct equality implications arising from the recommendation.

## **6. LEGAL IMPLICATIONS**

- 6.1. It is noted that the current contract for maintenance of pay and display machines is due to expire on 31 March 2013. A procurement process is currently underway for a new bi-borough contract to provide pay and display machine maintenance services within Hammersmith & Fulham and Kensington & Chelsea. This new contract will not be in place until 1 June 2013.
- 6.2. It is recommended that the current contract be varied to allow for an extension to cover the transitional period.
- 6.3. Implications verified/completed by: Cath Irvine, Principal Contracts Lawyer, Ext 2774.

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<sup>1</sup> Based upon current monthly invoices.

## **7. FINANCIAL AND RESOURCES IMPLICATIONS**

- 7.1. This report recommends the extension of the contract for a 2 months. The monthly value of the contract is currently approximately £40,000.
- 7.2. As there is no change to the contract value, the 2 month extension will be funded from the existing revenue budgets for machine maintenance.
- 7.3. Implications verified/completed by: Amit Mehta, Principal Accountant – 0208 753 3394.

## **8. RISK MANAGEMENT**

- 8.1. Not applicable.

## **9. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

- 9.1. The report recommends a variation to the existing contract to provide continuing services for a short period of 2 months (approximately £80,000 in value). This will allow the synchronisation of the expiry dates for both H&F and RBK&C contracts with view to allowing both councils to award a new contract with a single provider to commence on 1 June 2013.
- 9.2. Given that the circumstances the Director agrees with the recommendations contained in the report.
- 9.3. Implications verified/completed by: Alan Parry, Procurement Consultant – 020 8753 2581.

### **LOCAL GOVERNMENT ACT 2000**

#### **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Tender documents (exempt)	Osa Ezekiel	TTS (Parking Services) Bagleys Lane depot