



Executive
19 September 2012

**Report from the Director of
Environment and Neighbourhood
Services**

Wards Affected:
[ALL]

Update on the Cross Borough Parking collaboration

1.0 Summary

- 1.1 This report provides an update on key issues of the tender process such as highlights of the proposed specification, confirmation of the final scope of the contract, agreement of the evaluation criteria and details of the governance arrangements.

2.0 Recommendations

- 2.1 That the Executive give approval to the pre-tender considerations for the proposed Parking Services contract as set out in section 4 of the report as per requirement of Contract Standing Order 89 (Pre-tender Consideration).

3.0 Detail

- 3.1 Approval was given to Officers to invite tenders for a joint contract with other participating members of the WLA at the Executive in July 2012. This report now seeks to provide an update on the progress of the Working Group in the three key areas of contract specification, final scope of the contract and the proposed governance arrangements.
- 3.2 In terms of specification highlights, this predominantly relates to the implementation of technology on both enforcement practices and certain customer processes. It is likely that the percentage of enforcement undertaken via CCTV will increase with the introduction of Automatic Number Plate Recognition (ANPR). In conjunction with the introduction of a paperless permit system and an increase in the take up of cashless parking, vehicles fitted with ANPR equipment will be able to undertake greater enforcement responsibility in a shorter space of time. Details of both paperless permits and cashless parking schemes are provided in reports due at the September Executive.

- 3.3 The July report also referred to the possibility of including in the new contract the in house team that handles appeals to an Adjudicator and formal representations. Officers reviewed this possibility but have decided not to recommend the inclusion within the scope of this contract. Statutory Guidance issued by the Secretary of State suggests this element should remain in house although some Local Authorities have taken steps to circumnavigate this recommendation. It is also perceived that retaining this element of control of the appeal process increases the quality control of the service provider and this factor outweighed the marginal savings that may arise.
- 3.4 The scope of the Brent tender will replicate that of previous Parking tenders, that is to say that no new services will be included. Hounslow have confirmed their intention to duplicate the requirements of Brent with the exception of cashiering which will remain a corporate function. Ealing currently have an external provider for on street services, therefore initially only the back office function will be included within the scope of this contract. Ealing have also stated that, based on returned prices, they would want to retain the option to include on street operations either from the start or at the end of their current arrangements in 2015.
- 3.5 The Governance arrangements detailed previously were as per those preferred for the Cross Borough Procurement of Cultural Services, i.e. Lead Borough Model (weak) in Partnership model. Following discussions with the Steering group it has been agreed to continue with this model during the procurement with Brent acting as the Lead Borough.
- 3.6 Governance arrangements post contract award have been identified as a key element for the proposed savings. Reduced client function would streamline the process for the preferred bidder whilst reducing costs for individual Boroughs. Discussions were held on current contract management arrangements deployed within the three boroughs and although there are variations, essentially the same functions are undertaken but either by different service units or at differing levels of management. In order for individual Boroughs to retain sovereignty over individual operations, it has been agreed to retain the reporting lines between Boroughs and contractor, however it is envisaged that a Parking Board will be created with equal representation from each Borough at Director or Assistant Director level to review contract performance and resolve potential issues.
- 3.7 There are a number of different TUPE scenarios. Brent has no existing council staff liable for transfer but Hounslow currently operates both the on street enforcement and back office processes in house and Ealing operate their back office process in house with an external provider for the on street operations. A method of tender evaluation will be required to ensure that no Borough incurs higher costs as a result of the collaboration than would have been the case had they tendered for the services separately. For this reason a Partnership Agreement or some other form of legally binding document will be prepared for this collaborative procurement.
- 3.8 There are no other variations or points of clarification to the original recommendations; it is intended to tender the contract as a Part B service via a two-stage approach but with an additional Best And Final Offers (BAFO) stage.
- 3.9 Due to the size of the contract and to allow for set up costs, pay back of Capital Investment and to be deemed sufficiently attractive to the market, the initial term will be 5 years as per feedback from soft market testing. In order to allow for a similar level of reinvestment to be made after the initial five year term, a further five year option has been sought and agreed by the Executive in July.

4.0 Pre Tender Considerations

4.1 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Executive.

Ref.	Requirement	Response																				
(i)	The nature of the service.	Parking Enforcement Contract tendered on a single Lot basis with potential bidders invited to submit a BAFO following submission of tenders. To include IT provision and car pound.																				
(ii)	The estimated value.	Estimated value for Brent of £4.5 million pounds per annum would equate to a maximum value of £45 million over the proposed full 10 year term of the contract. The annual value of the contract if all three Boroughs participated would be £9 million per annum initially or £12 million if Ealing choose to opt in for enforcement. The total value of the contract over ten years will therefore be between £90 million and £114 million.																				
(iii)	The contract term.	The initial contract term will be for five years with a subsequent extension or extensions for up to five years in total.																				
(iv)	The tender procedure to be adopted.	A two stage restricted tender process in accordance with the Council's Standing Orders with the exception of an additional BAFO stage.																				
v)	The procurement timetable.	<table border="1"> <thead> <tr> <th>Indicative dates are:</th> <th></th> </tr> </thead> <tbody> <tr> <td>Adverts placed</td> <td>Early August 2012 (complete)</td> </tr> <tr> <td>Expressions of interest returned</td> <td>Mid September 2012</td> </tr> <tr> <td>Executive approval for evaluation criteria</td> <td>19 September 2012</td> </tr> <tr> <td>Shortlist drawn up in accordance with the Council's approved criteria</td> <td>October 2012</td> </tr> <tr> <td>Invite to tender</td> <td>Mid October 2012</td> </tr> <tr> <td>Deadline for tender submissions</td> <td>End of November 2012</td> </tr> <tr> <td>Panel evaluation/shortlist for BAFO</td> <td>Mid December 2012</td> </tr> <tr> <td>Negotiation/BAFO</td> <td>Start of January 2013</td> </tr> <tr> <td>Contract decision</td> <td>Mid February 2012</td> </tr> </tbody> </table>	Indicative dates are:		Adverts placed	Early August 2012 (complete)	Expressions of interest returned	Mid September 2012	Executive approval for evaluation criteria	19 September 2012	Shortlist drawn up in accordance with the Council's approved criteria	October 2012	Invite to tender	Mid October 2012	Deadline for tender submissions	End of November 2012	Panel evaluation/shortlist for BAFO	Mid December 2012	Negotiation/BAFO	Start of January 2013	Contract decision	Mid February 2012
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Ref.	Requirement	Response	
		<p>Report recommending Contract award circulated internally for comment</p> <p>Executive approval</p> <p>Voluntary minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers</p> <p>Contract start date</p>	<p>Late February 2013</p> <p>11 March 2013</p> <p>4 July 2013</p>
(vi)	The evaluation criteria and process.	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre-qualification questionnaire and thereby meeting the Council's financial standing requirements, health, safety and environmental standards, technical capacity and technical expertise. Although concessions may need to be made on the application of the usual financial ratios and assessments due to the nature of the industry and high value of the contract.</p> <p>The panel will evaluate the tenders to establish the Most Economic Advantageous Offer based upon the following criteria:</p> <ul style="list-style-type: none"> ❖ Price – 65% ❖ Quality – 35% <ul style="list-style-type: none"> ▪ Demonstrated ability to provide the services required for this Contract ▪ Proposed systems and working methods ▪ Approach to customer care, client care and equalities ▪ Details of enforcement plan ▪ Proposals for enhancement of services and cost reduction over the life of the contract 	
(vii)	Any business risks associated with entering the contract.	<p>There are numerous risks associated with this procurement process, not least the challenges that collaboration raises and the inclusion of a BAFO stage to the tender process; however with assistance from the WLA and utilising the experience already gained from cross borough working it is not anticipated this will be an issue.</p>	

Ref.	Requirement	Response
		Technological advancements in the industry mean that the specification must allow for variations of requirements with the adoption of technology. These risks will be reduced by employing a carefully managed and full procurement process, as set out in this Report and close consultation with Brent's Legal Team.
(viii)	The Council's Best Value duties.	The Council has a duty under Best Value to secure cost-effective and efficient services that meet the needs of the Borough's customers.
(ix)	Any staffing implications, including TUPE and pensions.	There is approximately 120 staff currently deployed by the incumbent Brent provider who may be entitled to TUPE. See section 9 of this report.
(x)	The relevant financial, legal and other considerations.	See sections 5, 6, and 7 of this report.

4.2 The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

5.0 Financial Implications

5.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 89.

5.2 The estimated value of this services contract is £45 million, this figure is based upon the current annual cost of £4.5 million in direct payments to the contractor, however it is envisaged that the new contracts, with the adaptation of technology, will increase efficiency and drive down the total cost of the service to give the council better value.

5.3 It is anticipated that the cost of this contract will be funded from existing resources.

6.0 Staffing Implications

6.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the contract at this stage.

7.0 Legal Implications

7.1 Members are referred to the substantive legal implications regarding this collaborative procurement as contained in the 16 July 2012 Executive report, for information.

7.2 A voluntary OJEU Contract Notice has been placed by officers, seeking expressions of interest for the single lot, collaborative Parking Services contract. In accordance

with the July Executive report, officers are seeking approval of the pre-tender considerations detailed at section 4.0 of this report, namely, the evaluation criteria and process. Further, in relation to governance of the proposed collaborative joint contract, the Parking Steering Group, chaired by the Council's Director of Environment and Neighbourhoods, propose that a formal, legally binding partnership agreement shall be entered into. The intention is for the partnership agreement to underpin the collaborative joint service, setting out payment mechanism, contract monitoring process, complaints process, costs recharges etc. The terms of such partnership agreement shall be approved by the Council's Director of Finance and Corporate Resources in accordance with Contract Standing Orders 85 (a) and agreed with Ealing and Hounslow Council.

- 7.3 In addition, as it has been decided not to include the Council's in-house team that handles appeals to an Adjudicator and Formal Representations within the collaborative procurement, there are no staffing and/or TUPE issues for the Council to consider. Any TUPE implications will be for the incumbent provider to consider.

8.0 Diversity Implications

- 8.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

9.0 Staffing/Accommodation Implications

- 9.1 The parking services under these two contracts are currently provided to the Council by APCOA Parking Services (UK) Limited. If an alternative provider is chosen, this may require staff to transfer pursuant to the Transfer of Undertakings (Protection of Employment) Regulations, 2006 from the current contractor to a successful contractor.

10.0 Background Papers

- Cross-Borough Procurement of Cultural Services Executive report January 2012.
- Authority to Tender - Collaborative Cross Borough Procurement of Parking Services July 2012.

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