



**Cabinet**  
7 February 2022

**Report from the Strategic Director of  
Regeneration and Environment**

**Authority to Tender Contracts for Parking and Traffic Civil  
Enforcement Services**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”
<b>No. of Appendices:</b>	One Appendix 1(exempt): Contract Risks and Mitigations
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Chris Whyte Operational Director Environmental Services Tel:0208 937 5342 Email: <a href="mailto:chris.whyte@brent.gov.uk">chris.whyte@brent.gov.uk</a>  Steve Prince Senior Parking Manager Tel:0208 937 4953 Email: <a href="mailto:steve.prince@brent.gov.uk">steve.prince@brent.gov.uk</a>

## 1.0 Introduction and Overview

- 1.1 In August 2021, Cabinet agreed the Final RLS Delivery Model, which is a “specialist contracts delivery model with low to moderate levels of insourcing”, including the high level procurement strategy for those services which will be outsourced.
- 1.2 This report now presents the procurement strategy and timetable for i) the Parking and Traffic Civil Enforcement (PCE) Services Contract and ii) the Cashless Parking Contract (the “Parking Services Contracts”). The current parking services contract is due to expire on 31 March 2023. This report requests approval to invite tenders in respect of the Parking Services contracts from 1<sup>st</sup> April 2023, as required by Contract Standing Orders 88 and 89.

## 2.0 Recommendations

2.1 That Cabinet approves:

- (i) Invitation of tenders for the Parking Services contracts on the basis of the pre - tender considerations set out in paragraphs 4.17 and 4.18 of the report; and
- (ii) Officer evaluation of the tenders for the Parking Services contracts on the basis of the evaluation criteria set out in 4.17 (vi) and 4.18 (vi) of this report.

## 3.0 Background

### RLS Aims and Objectives

3.1 The aim set by members for the RLS programme is to design and implement a better, more integrated and flexible local services delivery model that improves the look and feel of Brent's public realm. The following RLS programme objectives were defined by Brent's members following the launch of the programme in May 2019:

- Meet residents' and businesses' requirements for the services: fully engage with the community to understand their needs and aspirations
- A clean, green environment: place clean streets, clean air, carbon reduction, quality green spaces, trees & biodiversity at the heart of the programme
- Be bold and innovative: explore all possible delivery options and seek out best practice and innovation from other providers, from the UK and abroad
- Provide the best value possible with available council resources, in the context of post-Covid financial pressures
- Ensure services are flexible and adaptable to change: build in control, flexibility and resilience to manage future change

### RLS Programme Scope

3.2 A key element of the RLS programme is the recommissioning of functions that are currently delivered through contracts. The key contracts are:

Contract	Supplier	Annual Value (2020/21)	End / extension
Special Needs Transport (shared service)	LB Harrow	£11m	2022
CCTV Maintenance	Tyco	£0.2m	2022 + 1
Highways Services	FM Conway	£8m	2023
Parking Services	Serco	£6m	2023
Arboricultural Services	Gristwood & Toms	£0.77m	2023 + 2
Street Lighting Services	FM Conway	£1.1m	2023 + 2

Public Realm	Veolia	£18 m	2023 + 7
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### **RLS Service Improvement Priorities**

3.3 A comprehensive review of existing environmental services provision was undertaken as part of the RLS programme in order to identify areas for service improvement. The Final RLS Delivery Model will aim to achieve the following overarching objectives, informed by the outcomes of the RLS reviews:

- A neighbourhood approach to managing local issues to meet the needs of local areas
- A borough-wide approach to managing our assets and infrastructure to ensure investment is spent well
- A specialist contracts approach for outsourced services
- Improved contract management and monitoring for contracted services
- An intelligence-led approach to the deployment of resources
- Integrated deployment of environmental enforcement services across public realm
- Greater responsiveness to addressing issues and problems in the public realm
- Better digital customer interface with real-time information and issue reporting
- Additional council capacity for continuous service improvement and innovation
- Focusing specialist officers where they can add the greatest value, with more triaging between generalist and specialist roles
- Deliver improved Social Value outcomes via our Social and Ethical Procurement Policy, including: striving for carbon neutrality by 2030 and enhancing nature and biodiversity; the number of local jobs created (where appropriate for the contract), including focus on disadvantaged groups; and the number of SMEs and third sector organisations that benefit from the procurement exercises.

### **Final RLS Delivery Model**

3.4 Following statutory best value consultation, the Final RLS Delivery Model, agreed by Cabinet on 16 August 2021, is a “specialist contracts delivery model with low to moderate levels of insourcing”. This delivery model comprises outsourcing using discrete, specialist contracts, and the insourcing and enhancement of a small number of client functions that would provide the Council with greater strategic and financial control and improved contract management and stakeholder engagement.

3.5 The agreed future configuration of outsourced services, insourcing and enhancement of related client functions is set out in Table 2 below. The outstanding matter of the level of insourcing of the highways reactive maintenance function is the subject of a separate report on the 7th February 2022 Cabinet agenda.

Table 2: Final RLS Delivery Model – Service Configuration

<b>Specialist contracts with either low to moderate level insourcing</b>
<b><i>Specialist contracts</i></b>
• Integrated street cleansing, waste collections and winter gritting
• Recyclates reprocessing
• Grounds maintenance
• Parking services
• Tree maintenance
• Street lighting
• Highways Services
<b><i>Insourcing (TUPE noted where applicable)</i></b>
• Education, Communication and Outreach function from waste contract (TUPE)
• Informal Parking Appeals (TUPE)
• Tree surveying, data, work orders (TUPE)
• Highways gang for 20% reactive repairs <b>OR</b> full reactive highways maintenance (TUPE)
• Park wardens function (TUPE)
<b><i>Stronger client (new posts)</i></b>
• 1 additional highways inspector
<b>Total additional cost recurring revenue: £0.2m - £0.8m</b>
Mobilisation costs can be contained within existing R&E budgets
<b>£0.02m - £0.65m</b> Capital required for tree database and highways reactive maintenance

- 3.6 The agreed Final RLS Delivery Model includes the insourcing of the Pre-Notice to Owner (NTO) Correspondence work-stream (informal parking and bus lane PCN representations). The incumbent contractor currently provides this service to the Council with two staff based at its depot in Park Royal. These two staff members will be incorporated into the larger Parking Notice Processing section without any need to change either structure or management capacity and the increase in costs (£32k) will be covered from within the Parking Service's current budget.
- 3.7 While there is nothing in legislation that prevents the outsourcing of this work-stream, doing so results in a situation where the contractor is in effect "marking its own homework" as it is issuing the PCNs and then answering the challenges to those same PCNs. Moving this service back in-house could provide:-
- Greater transparency on the activities of the contractor
  - More control on how policy is applied to the cancellation of PCNs
  - Improved quality of Pre-NTO correspondence
  - Greater consistency between Pre and Post NTO communications with customers
  - Greater flexibility across the wider PCN correspondence team to deal with surges in workload

3.8 TUPE arrangements are currently underway and staff will be transferred with effect 1 April 2022 allowing a year for these arrangements to be embedded before the intended new contract commences.

#### **4.0 Parking and Traffic Civil Enforcement Services**

4.1 It is intended that parking and traffic civil enforcement (“PCE”) services will be procured as standalone service contracts giving specialist parking providers the opportunity to bid directly for separate services for the PCE services.

4.2 The Cashless Parking (virtual pay and display) services (“Cashless Parking”) and IT – PCN and Permits System Licences services (“IT System”) will be independent and outside the scope of the PCE services and will be entered into as two separate contracts with their own associated governance steps being followed. Although the Cashless Parking and IT System contracts are linked to the PCE services, Cabinet is asked to note that the tender and pre-tender considerations requiring approval in this report are limited to the PCE and Cashless Parking Services contracts.

4.3 Cabinet is also asked to note that a waiver has been sought from the Director of Finance to waive the requirement to obtain three quotes in respect of the contract for the IT System. The benefits of this approach include: -

- Mitigate the risks of immediate disruption to the service, prohibitive changeover costs and risks to the mobilisation of the main contract by any new contractor.
- Avoid the incurrence of estimated £250k mobilisation costs arising from system change over.
- Avoid the loss of revenues arising from PCN cancellations due to data errors and penalty charges timing out that arise from the system changes.
- Allow the Council legal right to nominate the IT provider to the selected main contract provider.

4.4 This approach reflects the trend in London for outsourced PCE services, and feedback received from potential bidders whereby outsourced PCE services are better served by specialist companies.

#### **Soft Market Engagement**

4.5 The Council held a soft market engagement / Bidders Open Day to discuss the upcoming tender and potential approach to tendering for a new PCE contract with potential bidders. The soft market engagement opportunity was advertised via the Brent e-tendering portal and ‘Find a Tender Service’. Ten organisations expressed an interest and responded to our questionnaire. All ten companies attended the open day.

4.6 The Open Day consisted of two sessions where initially the Council briefed on its current service status, the changing environment and openness for innovation. There were opportunities for clarification from the attendees collectively. The second session involved organisations meeting with officers individually to pitch

their ideas and services confidentially. It was made clear in this process that any proposed procurement approach was provisional and subject to Cabinet decision in February 2022.

4.7 The main aims of the market engagement were to seek views from potential bidders on the Council's outline procurement strategy and to understand what would make any procurement exercise attractive to the market. The discussions were highly informative and can be summarised as follows:

- There was consensus on the length of the contract linked to the expected life of the associated vehicle fleet; a main term of ten years and a mutually agreeable break from year 5 with cumulative extensions up to five years granted on an annual basis.
- The proposed use of the Restricted Procedure was understood by all, with opportunities for clarification included in the procurement procedures for this contract.
- Regarding the tender structure, there was a balance of views. The more established companies in the market suggested a sole provider delivering all services was preferred, but they could also work with nominated sub-contractors or other lot winners.
- Cashless and IT providers made cases for multiple LOTS, on the basis that they did not feel a main contractor added any value to their offering. There was some sympathy with this view from the major providers with regard to cashless parking provision.
- Feedback on IT raised significant concerns about changing from the current system, considering the service recently changed systems following a fairly disruptive change over process during 2018/19.
- Most of the providers understood the Council's need to protect the volume and quality of parking enforcement activity, taking account of budget planning considerations, as well as maintaining residents' confidence, and therefore it was considered vital that quality would be weighted highly at tender evaluation stage.
- There was reticence about pricing bids and there appeared to be a preference for contract budgets highlighted upfront, showing what services could be delivered for that with profit declared as part of open book accounting policies.
- The range of Price / Quality ratios suggested ranged from 30/70 to 40/60 respectively.
- Innovation was heavily linked to technology rather than methodology.
- IT providers did not think that their added value solutions would be 'primed' by main providers, and as a result LBB would secure potential benefits. For example, there are systems which integrate PCN and Permit administration into a single solution.

- This again pointed to a preference for the LOT approach, as this gives contractors an opening opportunity and then the ability to offer added value later on with offerings across the wider service.
- A contract term of 10 years was welcomed with points around return on capital investment, particularly on first renewal, highlighted.
- Organisations appeared knowledgeable and supportive of the green agenda, with matters regarding electric vehicles and charging points and low traffic neighbourhoods discussed in detail.
- Issues raised included:
  - the tender date clashing with other local authorities and allowance for sufficient time to construct tender responses;
  - the contract base and vehicle pound location; and
  - Flexibility / variability – length of contract means things are likely to change. How will LBB build this into specification?
- All companies supported our Social Value and Ethical Procurement Policy objectives, understanding that Social Value should be a core part of doing business with Brent.
- All companies understood and supported the Parking Services' contract requirement that the London Living Wage must be the minimum salary payment to staff working on the contract.

### **Parking and traffic enforcement scope of services**

4.8 Parking and Traffic Civil Enforcement (PCE) services are currently delivered by the incumbent Serco with contractual costs of approximately £6.0m per annum. This sum includes sub-contractor costs for RingGo – cashless parking; TSL Taranto – PCN IT system; Dash – Permit IT system; and, ELV – vehicle removal equating to £5.8m p.a. as well as variable payments of £0.2m (£200k) for transactions with DVLA, post, etc.; pass through charges that are associated with PCN volumes. The services altogether generate approximately £21m p.a. in revenues.

4.9 The core service packages now being considered for outsourcing are:-

	<b>Services</b>	<b>Tender Route</b>
<i>PCE Services</i>	<ul style="list-style-type: none"> <li>• <i>Premises – Base for contractor operation</i></li> <li>• <i>Premises - Vehicle pound</i></li> <li>• <i>Vehicles supply and maintenance – CCTV cars / Removal Lorries / CEO transport / Mopeds</i></li> <li>• <i>On-Street enforcement (Civil Enforcement Officer deployment)</i></li> <li>• <i>Vehicle Removals and relocations</i></li> <li>• <i>Reporting Signs and lines maintenance</i></li> </ul>	<i>Restricted</i>

	<ul style="list-style-type: none"> <li>• <i>Blue Badge enforcement</i></li> <li>• <i>Persistent Evader management</i></li> <li>• <i>Event Day management (Wembley PPS)</i></li> <li>• <i>Safe School Streets enforcement</i></li> <li>• <i>Low Traffic Neighbourhoods enforcement</i></li> <li>• <i>Bay suspensions enforcement</i></li>   <li>• <i>CCTV - Moving Traffic enforcement &amp; ANPR</i></li>   <li>• <i>Car Parks enforcement</i></li> <li>• <i>Car Parks management (inc. opening/closing)</i></li>   <li>• <i>Pay and display cash collection and banking</i></li> <li>• <i>Pay and display – maintenance 1<sup>st</sup> line</i></li> <li>• <i>Pay and display – machine provision (quotes with option to/not to procure)</i></li>   <li>• <i>Permits Administration (staff)</i></li>   <li>• <i>Call handling for general enquiries</i></li>   <li>• <i>Suspensions and dispensations administration</i></li>   <li>• <i>IT support – administration of PCNs, Handheld devices and Permits</i></li> </ul>	
<i>Cashless Parking</i>	<i>Cashless Parking (virtual pay and display)</i>	<i>Restricted</i>
<i>IT System</i>	<i>Integrated PCN / Permit System with user Licences</i>	<i>Waiver sought until 2025/26</i>

4.10 In order to deliver stability and achieve competitive prices, the Parking Service is seeking to award:

- i. A contract for PCE for up to 10 years on a 5 +1+1+1+1+1 basis, based on good performance with a break clause at year 5 and for each year subsequently to the maximum term (i.e. breaks at years 6 to 9). The decision to extend will be based on services being delivered to a minimum satisfactory standard outlined in up to 20 key performance indicators, covering the range of services outlined in the table in above.
- ii. A contract for Cashless Parking for up to 10 years on a 5 + 5 basis, again based on good performance but with a break clause at year 5 only. This is because the risk to the Service is lower with less variables arising from the economic environment and human resources. Whilst the Service is linked to PCE from an enforcement aspect, as a parking place booking function it is operated independently.



## **Parking and Traffic Civil Enforcement contract improvements**

- 4.11 The Service is seeking ways in which it can control expenditure for the contract services due to the length of contract, and has considered the tender strategies available including competitive procedure with negotiation (CPN), competitive dialogue (CD) and restricted tender routes. Officers have reviewed the distinction between negotiation and clarification approaches, and concluded there was a risk of re-pricing using any of the negotiation routes as the best bids may not be put forward initially. There would also be risks of extending the tender timeframe due to ongoing negotiations. Seeking bids and clarifying submissions using the restricted route is deemed the right approach, balancing pricing risk and tender schedule.
- 4.12 External factors have recently created higher than expected inflationary pressures. In seeking to manage our contract costs, the Service is adopting an approach whereby it informs bidders of the budget available (baselined at 2020/21) and requires that tenders bids are submitted using this budget as a gauge. In the spirit of transparency, bidders will be required to indicate the fixed, variable and pass-through costs together with profit element. The price bid can be higher or lower than the indicative budget figure. As is standard with other contracts, the bidders will have to commit to the prices in their bid. The Service is currently developing modelling to assist with working out how the Price and Quality evaluation would be carried out and appropriate weighting levels.

## **Cashless Parking contract improvements**

- 4.13 The Council's Climate Emergency Strategy (2021 – 2030) requires contractors to indicate where they can contribute to less emissions and sustainability. Cashless parking service providers are well equipped to identify high emission vehicles and managing vehicle journeys. The current agreement includes charges for driver reminders. In order to dissuade unnecessary journeys the Service will seek to ensure that:
- (i) there will be no subsidies for driver reminder text messaging;
  - (ii) there is no promotion of free or cheap parking places in the borough; and,
  - (iii) cashless parking will reduce the requirement for physical pay and display machines that require greater support and therefore maintenance and cash collection visits.

## **Overall Service improvements**

- 4.14 The following opportunities exist for improved service delivery:-
- 4.14.1 Reduced number of pay and display machines, with users showing a gradually increasing preference for app-based cashless payments. In time, this may result in reduced cash collection, banking and machine maintenance costs. However a core group of mainly older motorists, around 1 in 6 of customers, currently prefer to pay by cash;
  - 4.14.2 Increased and modernised CCTV infrastructure facilitates greater compliance with traffic and bus lane restrictions;

- 4.14.3 Permit system integrated with core IT infrastructure reducing dependence on administrative support and manual interventions;
  - 4.14.4 Updated IT system allowing for improved enforcement, debt recovery and persistent evader tracking;
  - 4.14.5 Integration of mapping systems for improved lines and signs maintenance, and controlled parking zone updates; and
  - 4.14.6 Improved on-line\*, mobile app and digital communication with the aim of reducing net call-handling.
- 4.15 Opportunities for working with other Council services include:
- 4.15.1 links with the Brent customer account project\*;
  - 4.15.2 use of cleansing / waste services at Council car parks;
  - 4.15.3 use the highways maintenance contractor for lines and signs maintenance;
  - 4.15.4 increasing joint and integrated enforcement and public safety initiatives through the Council's wider Enforcement Practitioners' Group; and
  - 4.15.5 supporting front line staff and civil enforcement officers (CEOs) who may be subject to confrontation and abuse through CCTV and combined communication systems.

### **Vision for the Parking and Traffic Civil Enforcement contracts**

- 4.16 The vision for the contracts is to:
- Manage parking and traffic flows for the benefit of residents, businesses and visitors;
  - Improve motorists' compliance with parking, traffic and bus lane restrictions;
  - Contribute to improved road safety;
  - Improve the way Brent 'looks and feels' to residents, businesses and visitors, including promoting compliant parking, pedestrian safety;
  - Promote a greater connection with other services for the benefit of Brent residents, businesses and visitors, with more opportunities for them to access to seamless contact and payment points on the Council's web portal and deliver clean parking places;
  - Promote the use of easy to use cashless systems; and
  - Make a positive impact on social, environmental and economic sustainability by promoting the regular turnover of parking spaces for shoppers and visitors,

whilst keeping public transport flowing through clear bus lanes and rights of way.

### Pre-Tender Considerations for the Parking and Traffic Civil Enforcement (PCE) Services contract

4.17 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations for the procurement of the PCE contract have been set out below. Cabinet is asked to approve these:-

Ref.	Requirement	Considerations	
(i)	The nature of the services.	Parking and civil enforcement, covering all borough public highways, controlled parking zones, adopted highway, car parks, pedestrian zones and footways.	
(ii)	The estimated value.	The contract budget is £5.8m p.a. x 10 years = £58m using 2020/21 base figures, therefore excluding indexation.  Contract estimate circa £5.8m p.a. for up to 10 years	
(iii)	The contract term	The contract term proposed is for a period up to 10 years on a 5 +1+1+1+1+1 based on good performance with a break clause at year 5 and for each year subsequently to the maximum term (also including breaks at years 6 to 9).	
(iv)	The tender procedure to be adopted.	Parking services outlined would be procured using a two stage restricted procedure should there be advantage in including optional items and clarification points. <ul style="list-style-type: none"> <li>• Procurement from Feb 2022 – July 2022 (6 months)</li> <li>• Tender award report – Sept 2022</li> <li>• Mobilisation from Sept 2022 – Mar 2023 (7 months)</li> </ul>	
v)	The procurement timetable.	<b>Indicative dates are:</b>	
		Adverts placed	Early April 22
		Deadline for tender submissions	Early May 22
		Evaluation and moderation	Mid-June 22
		Report recommending Contract award circulated internally for comment	July – August 22
		Cabinet approval	September 22
		Minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers	September 22

Ref.	Requirement	Considerations	
		Cabinet call in period of 5 days ends (to be run simultaneously with standstill).	September 22
		Standstill period ends	Mid-September 22
		Contract Mobilisation	September 22 – March 23
		Contract start date	1 April 23
(vi)	The evaluation criteria and process.	<p>1. At selection stage shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines by the use of a selection questionnaire to identify organisations meeting the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>2. At tender evaluation stage, the panel will evaluate the tenders against the following criteria:</p> <ul style="list-style-type: none"> <li>• 30% Price</li> <li>• 60% Quality</li> <li>• 10% 10% Social Value and Ethical Procurement Policy factor</li> </ul> <p>A higher consideration is given to quality due to the financial outcomes being sought and that the risk around price is somewhat mitigated as it is based on current budget (2020/21).</p>	
(vii)	Any business risks associated with entering the contract.	Business risks and mitigations are outlined in the table in Appendix 1 of this report.	
(viii)	The Council's Best Value duties.	This procurement process and on-going contractual requirement will ensure that the Council's Best Value obligations are met.	
(ix)	Consideration of Public Services (Social Value) Act 2012	The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement and 10% of the evaluation criteria will be assigned to evaluating the bidders' social value proposals.	
(x)	Any staffing implications,	See section 10 below.	

Ref.	Requirement	Considerations
	including TUPE and pensions.	
(xi)	The relevant financial, legal and other considerations.	See sections 6, 7 and 8 below.
(xii)	Sustainability	This procurement will be undertaken in line with the Council's Sustainable Procurement Policy.
(xiii)	Key Performance Indicators / Outcomes	<ul style="list-style-type: none"> <li>• The Council's parking policies must comply with the law (particularly the Traffic Management Act 2004); and must have regard to the Secretary of State's Statutory Guidance to Local Authorities on the Civil Enforcement of Parking Contraventions.</li> <li>• This Guidance states that enforcement authorities should design their parking policies with particular regard to: <ul style="list-style-type: none"> <li>○ managing the traffic network to ensure expeditious movement of traffic, (including pedestrians and cyclists);</li> <li>○ improving road safety;</li> <li>○ improving the local environment;</li> <li>○ improving the quality and accessibility of public transport;</li> <li>○ meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car; and</li> <li>○ managing and reconciling the competing demands for kerb space.</li> </ul> </li> <li>• The Council's 2015-2035 Long Term Transport Strategy (LTTS) sets out five objectives, all of which are relevant to Parking service delivery:- <ul style="list-style-type: none"> <li>○ Increase the uptake of sustainable transport modes;</li> <li>○ Reduce conventional vehicular trips on the network, particularly at peak time;</li> <li>○ Support growth areas and town centres to enable acceptable development;</li> <li>○ Reduce KSI* incidents and slight accidents on Brent's roads;</li> <li>○ Reduce the exposure of Brent residents to PM and NO2 generated by the transport network.</li> </ul> </li> <li>• The LTTS also sets five priority areas that will provide a focus for further work: Road safety; Air Quality; Health; Congestion; and Growth and regeneration.</li> <li>• Both the Mayor of London's Transport Strategy (2018) and the London Plan (March 2016) contain London-wide policies on parking, to which the Council must have regard.</li> <li>• The London Plan sets out a framework of standards for the provision of off-street parking in new developments, including standards for cycle parking, car clubs, disabled parking, and the provision of parking for electric vehicles.</li> </ul>

Ref.	Requirement	Considerations
		<p>The agreed RLS strategic outcomes will be delivered as part of Parking Services contract strategy in particular the contract will directly impact:</p> <ul style="list-style-type: none"> <li>• Strategic Outcome 2: Improve the way Brent “looks and feels” to its residents and visitors, by adopting a neighbourhood approach to meet the needs of local areas including opportunities for the involvement of local stakeholders through CEO deployment, enforcement results and complaints response.</li> <li>• Strategic Outcome 5: The Contractor reduces the greenhouse gas (GHG) emissions from the operations of the Services to support the Council’s commitment to achieve carbon neutrality by 2030 and contribute to the Mayor of London’s Emissions Performance Standard (EPS) through supporting low traffic neighbourhoods, enforcing bus lanes and procuring low emission fleet.</li> <li>• Strategic Outcome 6: Deliver better Social Value outcomes via the Council’s Social and Ethical Procurement Policy by continuing to employ staff locally and committing to the London living wage.</li> </ul> <p>NB (<i>to follow</i> / confidential) Officers are currently developing KPIs to be measured as part of the initial year’s performance regime.</p>
(xiv)	London Living Wage	<p>The existing contractor pays staff working on the current Parking Services Contract the London Living Wage.</p> <p>The new Parking Services contract will require the payment of the London Living Wage to staff working on the contract</p>
(xv)	Contract Management	<p>The contract will be monitored by a single team within the Environmental Services Directorate. The team will audit the contractor’s work and help identify and deliver further opportunities for service efficiencies.</p> <p>The contract will be managed through: a monthly Contract Operational Group discussing day to day issues; a monthly Contract Management Group monitoring performance and payment and a bi-annual Contract Partnership Board ensuring that the goals of the contract are being met and determining the future direction of the contract.</p> <p>A partnership/team approach will be fostered in relation to joint delivery of services on the ground between council and contractor staff.</p>

## Pre-Tender Considerations for the Parking Services Cashless Parking contract

4.18 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations for the procurement of the Cashless Parking contract have been set out below. Cabinet is asked to approve these:-

Ref.	Requirement	Considerations	
(i)	The nature of the services.	Electronic payment system for Council operated parking places within the Borough including on-street, car parks and some permit places.	
(ii)	The estimated value.	The contract budget is £100k p.a. excluding indexation.  Contract est. circa £100k* p.a. for up to 10 years = £1m	
(iii)	The contract term	The contract term will be a maximum of 10 years. This includes an initial 5 year term with mutually agreeable break clause invoked at year 4. Subject to performance review, a further annual renewal of 5 years will be granted.	
(iv)	The tender procedure to be adopted.	<p>Parking services outlined would be procured using a two stage restricted procedure should there be advantage in including optional items and clarification points.</p> <ul style="list-style-type: none"> <li>• Procurement from Feb 2022 – July 2022 (6 months)</li> <li>• Tender award report – Sept 2022</li> <li>• Mobilisation from Sept 2022 – Mar 2023 (7 months)</li> </ul>	
v)	The procurement timetable.	<b>Indicative dates are:</b>	Running parallel with PCE contract schedule in 4.14
		Adverts placed	Early April 22
		Deadline to Submit Final Tenders (ISFT)	Early May 22
		Evaluation and moderation	Mid-June 22
		Report recommending Contract award circulated internally for comment	July – August 22
		Cabinet approval	September 22
		Minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers	September 22
		Cabinet call in period of 5 days ends (to be run simultaneously with standstill).	September 22
		Standstill period ends	Mid-September 22

Ref.	Requirement	Considerations	
		Contract Mobilisation	September 22 – March 23
		Contract start date	1 April 23
(vi)	The evaluation criteria and process.	<p>1. At selection stage shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines by the use of a selection questionnaire to identify organisations meeting the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>2. At tender evaluation stage, the panel will evaluate the tenders against the following criteria:</p> <ul style="list-style-type: none"> <li>• 40% Price</li> <li>• 50% Quality</li> <li>• 10% Social Value and Ethical Procurement Policy factor</li> </ul>	
(vii)	Any business risks associated with entering the contract.	Business risks and mitigations are outlined in the table in Appendix 1 of this report.	
(viii)	The Council's Best Value duties.	This procurement process and on-going contractual requirement will ensure that the Council's Best Value obligations are met.	
(ix)	Consideration of Public Services (Social Value) Act 2012	The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement and 10% of the evaluation criteria will be assigned to evaluating the bidders' social value proposals.	
(x)	Any staffing implications, including TUPE and pensions.	See section 10 below.	
(xi)	The relevant financial, legal and other considerations.	See sections 6, 7 and 8 below.	
(xii)	Sustainability	This procurement will be undertaken in line with the Council's Sustainable Procurement Policy.	
(xiii)	Key Performance Indicators / Outcomes	<ul style="list-style-type: none"> <li>• The Council's parking policies must comply with the law (particularly the Traffic Management Act 2004); and must have regard to the Secretary of State's Statutory</li> </ul>	



Ref.	Requirement	Considerations
		<p>Guidance to Local Authorities on the Civil Enforcement of Parking Contraventions.</p> <ul style="list-style-type: none"> <li>• This Guidance, in relation to the Cashless Parking contract, involves policies of: <ul style="list-style-type: none"> <li>○ meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car; and</li> <li>○ managing and reconciling the competing demands for kerb space.</li> </ul> </li> <li>• The Council's 2015-2035 Long Term Transport Strategy (LTTS) sets five priority areas that will provide a focus for further work: Road safety; Air Quality; Health; Congestion; and Growth and regeneration.</li> <li>• Both the Mayor of London's Transport Strategy (2018) and the London Plan (March 2016) contain London-wide policies on parking, to which the Council must have regard.</li> <li>• The London Plan sets out a framework of standards for the provision of off-street parking in new developments, including standards for cycle parking, car clubs, disabled parking, and the provision of parking for electric vehicles.</li> </ul> <p>The agreed RLS strategic outcomes will be delivered as part of Parking Services contract strategy in particular the contract will directly impact:</p> <ul style="list-style-type: none"> <li>• Strategic Outcome 5: The Contractor reduces the greenhouse gas (GHG) emissions from the operations of the Services to support the Council's commitment to achieve carbon neutrality by 2030 and contribute to the Mayor of London's Emissions Performance Standard (EPS) through supporting low traffic neighbourhoods, enforcing bus lanes and procuring low emission fleet.</li> <li>• Strategic Outcome 6: Deliver better Social Value outcomes via the Council's Social and Ethical Procurement Policy by continuing to employ staff locally and committing to the London living wage.</li> </ul> <p>NB (<i>to follow</i> / confidential) Officers are currently developing KPIs to be measured as part of the initial year's performance regime.</p>
(xiv)	London Living Wage	<p>The existing cashless parking sub-contractor pays staff working on the current Parking Services Contract the London Living Wage.</p> <p>The new Cashless Parking contract will require the payment of the London Living Wage to staff working on the contract.</p>
(xv)	Contract Management	<p>The contract will be monitored by a single team within the Environmental Services Directorate. The team will audit the contractor's work and help identify and deliver further opportunities for service efficiencies.</p>

Ref.	Requirement	Considerations
		<p>The contract will be managed through: a monthly Contract Operational Group discussing day to day issues; a monthly Contract Management Group monitoring performance and payment and a bi-annual Contract Partnership Board ensuring that the goals of the contract are being met and determining the future direction of the contract.</p> <p>A partnership/team approach will be fostered in relation to joint delivery of services on the ground between council and contractor staff.</p>

## 5.0 Alternative Options

5.1 The alternative delivery model options applicable to the Parking Services Contract that were identified and assessed as part of the RLS review, and included in the Best Value consultation that took place in June 2021, are listed below. Further detail on these options can be found in the appendices contained within the August 2021 Cabinet report on the Final RLS Delivery Model. It should be noted that there was little support for any of these options in the Best Value Consultation responses.

- Local Authority Company
- Internal Provision (i.e. insourcing)
- Multiple contracts model within service areas

## 6.0 Financial Implications

6.1 Confirmation of spend to date and estimated contract costs:-

FY	Core Contract	Bank Charges	Event Day Signs	DVLA Checks	Revised Total
2019-20	£5,800,000	£89,500	£36,200	£21,500	<b>£5,947,000</b>
2020-21	£5,900,000	£73,900	£0	£6,000	<b>£5,979,900</b>

6.2 It is estimated that the value of the PCE services contract is £58m over 10 years. The estimated value of the Cashless Parking contract is £1m over 10 years.

6.3 The anticipated cost of the new contract will be funded by the existing R&E Directorate budget. The largest financial impact of the contract is in revenue collected (rather than the financial cost of the contract). The income estimate for this contract is £21m per annum.

6.4 The additional cost arising from the insourcing of the Pre-Notice to Owner (NTO) Correspondence work-stream is anticipated to be an additional £32k. This will be funded by efficiencies within the existing Parking Services budget.

- 6.5 The revenue funding to support parking operations and contract costs is raised through the parking fees and charges that are levied. To that extent, the service and the contract are self-financing.

## **7.0 Legal Implications**

- 7.1 The PCE and Cashless Parking contracts both fall within the definition of a 'public services contract' under the Public Contracts Regulations 2015 ('PCR 2015') and is above the procurement threshold for services (currently £189,330). As such, the procurement is subject to the full application of the procurement rules under PCR 2015. The contract is also categorised as a high value contract under the Council's contract standing orders and accordingly is subject to the Council's rules for high value contracts.
- 7.2 It is proposed to use the Restricted Procedure for the procurement of both the PCE and Cashless Parking contracts. The Restricted Procedure is a specific legislative procurement route set out in the PCR 2015 which allows contracting authorities to follow a two stage process. The first stage is a selection process, where the bidders' capability, capacity and experience to perform the contract is assessed. The second stage is when the Invitation to Tender is issued and the bids are assessed to determine the most economically advantageous tender, the basis of the contract award. Only the shortlisted bidders are then invited to submit a tender. There are no restrictions on when this can be used.
- 7.3 For High Value Contracts valued over £5 million for services, the Cabinet must approve the pre-tender considerations set out in paragraphs 4.14 and 4.15 of this report (Standing Order 89) and the inviting of tenders (Standing Order 88).
- 7.4 Once the tendering process is undertaken, Officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contract and recommending award.
- 7.5 As the procurement is subject to the full application of the PCR 2015, the Council must observe the requirements of the mandatory minimum 10 calendar day standstill period imposed by the PCR 2015 before the contract can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.

## **8.0 Equality Implications**

- 8.1 In 2020 an Equality Analysis was undertaken in relation to the RLS programme as a whole and no adverse equality or diversity implications were identified. This was updated in July 2021 to include consideration of the Final RLS Delivery Model and again no adverse equality or diversity implications were identified.
- 8.2 The Recommendations in this report have been subject to screening and Officers consider there are no adverse equality implications given the minimal changes

expected to service delivery. If, during the procurement process, any potential changes to the specification arise, we will develop an equality impact assessment (“EIA”) for the PCE contract and the Cashless Parking contract; this would be completed in time to inform the contract award report scheduled for Cabinet in September 2022. The EIA will identify if there are any adverse impacts for people with protected characteristics and, if there are, to decide what actions (if any) should be carried out to mitigate any identified adverse impacts on equalities arising from the proposals. The same applies for any other specialist contracts to be issued for tender under the RLS programme.

## **9.0 Any Other Implications (HR, Property, Environmental Sustainability - where necessary)**

9.1 The Final RLS Delivery Model includes insourcing the Pre-Notice to Owner (NTO) Correspondence (informal parking appeals) team. This will involve the TUPE transfer to the Council of contractor staff currently assigned to that function (2 members of staff). The TUPE transfer will need to be managed in partnership with Human Resources and in line with current HR Policies and Procedures and legislative requirements. Throughout these processes, consultation will be required with relevant individuals, partners, stakeholders and Trade Unions as appropriate.

9.2 Soft market testing suggests contractors prefer to identify and operate their own property site/s and will only approach the Council for use of its facilities if there is limited market supply. We do not believe this to be the case. Further information about what Council facilities may be offered should this scenario arise and, once we know, there may be further Legal Implications regarding appropriate leases / licences that need to be entered into as part of the PCE contract. Due to the nature of the Service it is imperative that enforcement operations and the Pound are located as close to the Borough as possible and ideally within the Borough boundary.

## **10.0 Proposed Consultation with Ward Members and Stakeholders**

10.1 Targeted consultation on the RLS Delivery Model Options to comply with Section 3 LGA 1999 took place from 17 May to 28 June 2021 and the results of this exercise and how these have influenced the Final RLS Delivery Model are set out in section 4 of the August 2021 Cabinet Report, with further detail in Appendix 1 of that report.

10.2 The RLS Members’ Reference Group has met several times to consider the RLS programme, the RLS Review, the Delivery Model Options and statutory consultation results and the Final RLS Delivery Model.

10.3 Decisions on service changes which are likely to result in a significant change in the services provided to residents require consultation with them on common law grounds. Whether or not consultation is required will depend on the scale and significance of the proposed changes. There are no significant changes to services proposed. Service delivery is guided by the Traffic Management Act and related legislation, along with the Secretary of State’s Statutory Guidance and the London Councils Code of Practice. Therefore no resident consultation is required.

**Related Document:**

Cabinet – 16 August 2021 – RLS: Final Delivery Model & Integrated Street Cleansing and Waste Contract Procurement Strategy

**Report sign off:**

***Alan Lunt***

Strategic Director Environmental Services