

Cabinet Member Delegated Decision 5 April 2018

Report title: Civil Enforcement Systems Procurement Contract Award

Wards: All

Portfolio: Cabinet Member for Housing & Environment, Councillor Jennifer Brathwaite

Report Authorised by: Sue Foster: Strategic Director for Neighbourhoods and Growth

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Report summary

This report seeks approval to award a 5 year contract (11 April 2018 – 31 March 2023) for the provision of a notice processing IT System following a competitive procurement process to eStreet, a wholly owned subsidiary of Farthest Gate Ltd (FGL).

Finance summary

The estimated value of this contract is £2,875,860.00 over 5 years. The maximum budget of this contract is £3,987,944.00 to accommodate the possible extension by up to a further 2 years (5 +1 +1).

Recommendations

To award the contract for a Notice Processing IT system to eStreet to start on the 11 April 2018 for a period of 5 years at a cost of £2,875,860.00 and to include the option to extend them for an additional 2 years (+1 +1) at a total cost of £3,987,944.00.

Reasons for Exemption from disclosure

The accompanying part II report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

Paragraph Three: Information relating to the financial or business affairs of a particular person. (Including the Authority holding that information).

1. Context

- 1.1 Parking Services has a statutory duty to enforce parking restrictions on our roads and car parks under the Road Traffic Regulation Act 1984 (RTRA), Road Traffic Act 1991 and the Traffic Management Act 2004.
- 1.2 In order to keep our streets clear and safe, the service needs to be able to enforce parking contraventions and manage both payments and appeals to penalty charge notices effectively.
- 1.3 The service also needs to enable residents, businesses and visitors to purchase a range of parking permits each year, which equates to approximately 30,000 permits per annum.
- 1.4 There are reasons why customers may need to suspend a parking bay for various activities such as moving house, funerals, tree pruning and skips. The service needs to have a solution in place to allow customers to make the necessary arrangements as easily as possible.
- 1.5 Parking Services has been working for a number of years to make it easier for customers to interact with the Council by enabling payments, penalty charge notice appeals and permit applications to be done online. This has led to 85% of customers now purchasing their permit fully online, meaning they no longer need to visit our service centre in person.
- 1.6 All of these parking functions are managed through a specialist parking system. As the existing contract comes to an end on 31 March 2018 Parking Services has carried out a procurement exercise to award a new contract.
- 1.7 The service is continually evolving as we try to find more customer friendly and innovative ways to manage all aspects of parking. This has already led to the introduction of electronic permits and a range of initiatives to try and tackle the ever increasing problem of poor air quality in the borough. There has been a real drive to find further opportunities for innovation through this procurement.
- 1.8 This is a Procurement Report - Gateway 3.

2. Proposal and Reasons

- 2.1 It is proposed to award the contract to eStreet.
- 2.2 The Procurement Strategy was approved by Procurement Board on 28 December 2017. The Procurement Process commenced in line with the Procurement Strategy on 26 January 2018 where contractors from the Crown Commercial Services (CCS) - Local Authority Software Applications (RM1059) Framework Agreement were invited to submit Tenders. These were evaluated and a final evaluation panel decision was made on 26 February 2018.
- 2.3 The contract was awarded following a procurement exercise with the suppliers listed on the framework. They are as follows:
 - Bramble Hub Ltd
 - eStreet
 - Civica UK Ltd
- 2.4 Two out of three suppliers listed on the framework submitted tenders. Civica UK Ltd did not respond.
- 2.5 The procurement was conducted on a 50% quality / 50% price ratio.

- 2.6 The contract was awarded on the basis of the most economically advantageous tender. Suppliers were provided with the methodology behind the evaluation, including the evaluation criteria and the weightings that are applied to each criterion.
- 2.7 The most economically advantageous tender was the tenderer scoring the highest ranking Final Score provided that they have achieved a Final Score of 3 or higher (“Minimum Pass Score”).
- 2.8 The evaluation of the quality element of the tenders received was carried out by the Parking department with input from Lambeth IT, according to the detailed guidance on evaluation set out in the tender documentation.
- 2.9 The evaluation process concluded that the most advantageous tender was from eStreet. Its submission met and went beyond the specification, with real focus on the customer throughout. It provided a wide range of opportunities for innovation to continually evolve the way parking services can deliver services.

3. Finance

- 3.1 Parking services has a statutory duty to enforce parking restrictions on our roads and car parks under the Road Traffic Regulation Act 1984 (RTRA), Road Traffic Act 1991 and the Traffic Management Act 2004. The budget for Parking service is funded from revenue and there are no capital implications. There is sufficient funding within the Parking Services budget to meet the cost of this procurement. There is also additional funding from reserves to meet any unexpected cost in future development.

4. Legal and Democracy

- 4.1 The Council has delegated the authority to enact this report’s recommendations to the Cabinet Member for Housing and Environment. Before exercising that authority, this paper should be reviewed by the Procurement Board.
- 4.2 Procuring from a properly procured framework is compliant with the requirements of both the Council’s Contract Standing Orders and the Public Contracts Regulations 2015 provided the Council is named, or is part of an identifiable group cited, in the original contract notice published in respect of the framework.
- 4.3 It would be prudent for the Council to provide a written notice to the unsuccessful bidders, stating the date before which the contracting authority will not enter into the contract.
- 4.4 This proposed key decision was entered in the Forward Plan on 19 January 2017 and the necessary 28 clear days’ notice has been given. In addition, the Council’s Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

- 5.1 This report has been circulated for clearance to Cllr Jennifer Braithwaite as per the consultation grid of this report.

6. Risk management

6.1 Officers responsible for the procurement have developed a risk register. Details of the main risk associated with the procurement and service are set out below.

6.2 Due Diligence has been carried out by way of checking eStreets insurance documents and IT accreditations.

Risk	Probability	Impact	Mitigating Action
Unrealistic time / cost expectations	Medium	Medium	Specification & contract to be clear and comprehensive to limit scope creep or variations. Precise implementation of KPI's and penalties will be adhered to.
Impact on service delivery if implementation is not managed sufficiently	Medium	High	Ensure there are suitably qualified staff on the project team from various skill sets and levels. Hold regular meetings to update the team and address any concerns early in the project. Ensure the project team are aware of their responsibilities. This has been captured during the whole process via the specification, evaluation criteria /questions, responses, dialogue and post tender and will also form part of the contract.
Failure to define needs to the market/ Inadequate statement of requirements	Low	Medium	The specification has evolved over the course of the procurement process, based on inviting potential bidders to demo their products and benchmarking with other local authorities. The specification has also been adapted / amended accordingly, to suit the current needs and requirements to be provided by these services.
Can the public authority readily continue to function (meet all key customer needs) if supply is interrupted?	Low	Low	The contract terms & conditions will contain clauses which stipulate that the contractor should continue to perform their work until a suitable form of resolution has been achieved, should issues arise regarding the contractors or their services. This includes the ability to issue handwritten PCNs and print permits locally until service has resumed
The new contract takes longer than anticipated to install and implement if awarded to a new supplier	Low	High	There is provision within the existing contract to extend to continue service delivery in the event of any delays as the last contract award was for 5+2 years.

Risk	Probability	Impact	Mitigating Action
Impact of service delivery if implementation of new contract unsuccessful	Low	Low	Any implementation requirements will be project managed using relevant methodology. Contingency plans are also in place to ensure continuous service delivery.
Non-compliant with General Data Protection Regulation (GDPR)	Low	High	eStreet is currently in the process of obtaining ISO27001 and GDPR certification and they have confirmed that this should be complete in April 2018.

7 Equalities impact assessment

7.1 There are no changes to current service delivery as a result of this procurement. Previously the equalities impact was Low as the IT system is focussed initially on cars and details of owners are only added later where necessary. This is a 'business as usual' re-provision of an existing outsourced service arrangement. The existing Equalities Impact Assessment is available on request.

8 Community safety

8.1 The IT system is a vital tool used in the management of parking controls. It is used by Parking services to remove vehicles parked or abandoned on the highway to the detriment of the environment and public safety. It is also vital in the safe management of kerb side space.

9 Organisational implications

9.1 Environmental

The contract will allow the Council to continue issuing emissions based parking permits. The specification includes the capability for the enforcement of environmental issues and enforcement of fly tipping and other anti-social behaviour such as littering, spitting and dog fouling,.

9.2 Staffing and accommodation

There are no TUPE implications for these proposed contracts.

9.3 Procurement

A one stage procurement tendering exercise was carried out via an approved CCS Framework. The procurement exercise was conducted on a 50% price / 50% quality ratio to get the best value for money.

All suppliers on the Framework were invited to bid for the requirement, creating a fair and open tendering exercise.

The most economically advantageous tenderer achieved the highest ranking final score, provided that they had met the minimum pass score for the quality criteria. The contract was awarded on that basis.

The service provider has agreed to pay London Living Wage. Lambeth Parking Services will ensure via the contract documents that employment conditions are adhered to. The contractor will deliver a range of social value initiatives as detailed in their bid, including offering Apprentiships.

10 Timetable for implementation

Activity	Proposed Date
Pre-tender market engagement	N/A – Framework being used
Specification raised & approved	N/A
OJEU Contract Notice despatched	N/A – Framework being used
Advertisement published	N/A – Framework being used
Expressions of interest deadline	N/A – Framework being used
Candidate evaluation	N/A – Framework being used
Strategy report date	Submission - 28 December 2017
Issue Invitation to Tender	26/01/2018
Tender return deadline	20/02/2018
Tender evaluation	21/02/2018 – 26/02/2018
Procurement Board submission	08/03/2018
Procurement Board date	13/03/2018
Cabinet Member Board date/decision published online	22/03/2018
Contract Start	11/04/2018
Contract End Date for 5 years	31/03/2023

11 Contract Management

A robust project management approach and close supplier contact will be applied to the implementation process to ensure a smooth transition based on the successful tenders transition plan.

The contracts documents will include the following

- Effective management and monitoring processes incorporated into the specifications
- Agreed clauses appended to the Terms and Conditions of contract
- Robust pricing mechanisms / schedules
- Agreed and applicable KPI's

Regular meetings will also be held with the service providers during implementation and during the course of the contract. The contract will be managed and monitored by the Supplier Relationship Team within the Highways Enforcement business unit after award.

Audit Trail				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Jennifer Brathwaite	Cabinet Member for Housing and Environment	13.03.18	21.03.18	
Rachel Sharpe on behalf of Sue Foster	Strategic Director for Neighbourhoods	20.03.18	20.03.18	
Raj Mistry	Director of Environment			throughout
Andrew Ramsden, Finance	Assistant Director, Finance	01.03.18	05.03.18	3
Michael O’Hora, Legal Services	Corporate Resources	01.03.18	02.03.18	4
Kevin Edgar, Procurement	Corporate Resources	01.03.18	05.03.18	throughout
Siji Janardhanan, ICT Services	Corporate Resources	08.03.18	08.03.18	
Wayne Chandai, Democratic Services	Corporate Resources	03.03.2018	12.03.2018	4
Procurement Board	13.03.18 Cleared by Chair – 21.03.18			

Report History	
Original discussion with Cabinet Member	12.12.17
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	19.01.18
Key decision reasons	2. Expenditure, income or savings in excess of £500,000
Background information	Permits https://www.lambeth.gov.uk/parking-transport-and-streets/parking/apply-for-residents-parking-permit-e-permit PCN https://www.lambeth.gov.uk/PARKING-transport-and-streets/parking-fines/view-evidence-and-challenge-or-pay-your-parking-fine Company http://www.estreet.co.uk/
Appendices	None

APPROVAL BY CABINET MEMBER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Raj Mistry, Director, Environment

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** 5 April 2018

Post: Councillor Jennifer Brathwaite, Cabinet Member for Housing and Environment

Any declarations of interest (or exemptions granted):

Any conflicts of interest:

Any dispensations: