

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 30 April 2019	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Procurement Strategy Approval: Parking and Traffic Enforcement and Associated Services	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Environment, Transport Management and Air Quality	

## **FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR ENVIRONMENT, TRANSPORT MANAGEMENT AND AIR QUALITY**

Southwark's current parking enforcement contract comes to an end on 31 March 2020 and this report sets out the next steps in procuring these services from next April.

In February, the cabinet reviewed the scope of this work and decided to bring elements of this service back in-house. This was not appropriate for all areas of the service, due to the inability to generate the economies of scale within a single borough to provide a value for money service. The report therefore sets out the strategy for tendering for those parts of the service that cannot be delivered directly by the council.

An important change to the current contract is that this procurement sets out an expectation that the successful bidder will put a trade union agreement in place to support its workforce.

If agreed, invitations for tender will be issued on 1 July and tenders received by 2 September. This would enable decisions to be taken to allow for the contract to be awarded on 6 January 2020.

## **RECOMMENDATIONS**

1. That cabinet approve the procurement strategy outlined in this report for the parking and traffic enforcement services contract, namely that the council will procure a new contract externally for the provision of parking and traffic enforcement and associated services to commence 1 April 2020, for a period of four years with two possible three-year extensions at an estimated annual value of £4.2m, meaning £16.8m across the initial term and up to £42m if both contract extensions are used, each having a value of £12.6m.
2. That cabinet note that the services detailed in paragraph 4 will be brought in-house as outlined in the Gateway 0 report.

## **BACKGROUND INFORMATION**

3. This Gateway 1 procurement strategy approval report refers to the strategic options assessment and procurement proposal (Gateway 0) for delivery of Parking and traffic enforcement services approved by the cabinet on 6 February 2019.
4. The Gateway 0 approved the bringing in house of:

- Early appeals and challenge correspondence
  - Parking permits and administration
  - Parking call centre
  - School crossing patrol officers.
5. The Gateway 0 required officers to prepare a Gateway 1 report for further cabinet consideration and to outline the procurement strategy for the outsourced services.
  6. During 2011-12 Southwark Council carried out a competitive tender process under the EU Restricted route to procure services for their parking enforcement and associated services responsibilities. The provision of the services was a single contract with a single supplier who would utilise a number of specialist parking sub-contractors to deliver the service.
  7. Following evaluation the contract was awarded to APCOA Parking UK Ltd, with the main sub-contractors being Paybyphone (permits and virtual pay and display), Conduent (parking and traffic enforcement IT), Siemens (CCTV cameras and maintenance) and ELV (vehicle removals and car pound).
  8. The contract commenced on 1 April 2013 for a duration of 4 years taking the contract through to an expiry date of 31 March 2017. The contract allowed for an option for Southwark Council to extend the contract for 3 years by informing APCOA in writing with a minimum of three months' notice. Following due process at the Southwark Council cabinet meeting on 13 December 2016 an extension of this contract for 3 years was approved.
  9. The council's parking and traffic enforcement service has generated a surplus as a consequence of income from permitted parking and parking/traffic fines. The statutory guidance to local authorities under the 2004 Traffic Management Act says "For good governance, enforcement authorities need to forecast revenue in advance, but raising revenue should not be an objective of Civil Parking Enforcement, nor should authorities set targets for revenue".
  10. The previous 4 financial years' income and expenditure set out by work stream is detailed below. This is both for highway enforcement and permits as well as on-estate enforcement and permits. 2018-19 is estimated.

Income	Financial Year, in £000s			
	2015-16	2016-17	2017-18	2018-19
Parking Meters/Pay and Display	3,352	3,762	3,795	4,100
Parking Permits	3,159	3,991	3,664	4,400
Off-Street Car Parks	130	70	68	50
Clamping and removal	0	0	0	0
Penalty Charge Notices	5,907	6,177	6,220	6,500
Bailiffs (PCN recovery)	643	766	763	950
Other income	171	134	482	150
<b>Total income</b>	<b>13,363</b>	<b>14,900</b>	<b>14,992</b>	<b>16,150</b>
<b>Total expenditure</b>	<b>-7,348</b>	<b>-8,104</b>	<b>-8,879</b>	<b>-9,600</b>
<b>Surplus</b>	<b>6,015</b>	<b>6,796</b>	<b>6,113</b>	<b>6,550</b>

11. Any surplus is ring fenced to parking and related services and must only be used in accordance with section 55 of the Road Traffic Regulation Act 1984 (as amended).
12. The market is used to long contracts, and typical equipment refresh periods are 3 to 4 years for the handheld equipment and vehicles that are used to deliver parking services.

**Summary of the business case/justification for the procurement**

13. Parking enforcement was decriminalised in 1994 and the council was required by national government to take on powers for decriminalised parking enforcement from the Metropolitan Police Service (MPS). Initially the council used powers granted under the Road Traffic Act 1991 as amended and then Traffic Management Act 2004 from April 2008.
14. Additionally the council also took on powers to enforce decriminalised moving traffic contraventions, initially in bus lanes from 2002 and others such as banned turns, yellow boxes and no entry's from 2006. The legislation used for this type of enforcement is the Road Traffic Act 1991 as amended by the London Local Authority Acts 1996 and 2003.

**Market considerations**

15. There are a number of contractors capable of delivering parking and traffic enforcement services for Southwark Council. These are mostly parking specialist companies but also include some of the larger administrative government service providers as well as multi-national or multi-disciplined conglomerates.
16. There are five external operators of parking enforcement currently working in London with a further two (Egis and Conduent) possibly interested in joining the market; it is a competitive market place.
17. As the table below indicates there are 34 organisations in London which enforce parking and traffic regulations on the public highway these include the City of London (CoL) Transport for London (TfL) as well as the 32 London boroughs.

Civil Enforcement Operations	Number of boroughs	% of boroughs
As of July 2018		
APCOA	7	21%
NSL	11	32%
Mouchel	1	3%
Serco	2	6%
Indigo	3	9%
In house	9	26%
Metropolitan Police (TfL)	1	3%
	34	100%

18. The two main contractors in London are parking and traffic enforcement specialists, they account for 75% of the contracts let in London. In central London most boroughs outsource parking and traffic enforcement.

19. APCOA and NSL have dominated the outsourced parking market but there continues to be newcomers to it. Mouchel and Serco have both won and retained contracts but their expansion has been slow.
20. Indigo have traditionally only bid for enforcement contracts where there are significant amounts of off street car parks, but are under new ownership. There are a further two companies Egis and Conduent who have parking enforcement contracts outside of the UK who may consider bidding.
21. Contract values will vary in price across London but it is estimated that the average contract will be in the £3.5 to £4 million range. This gives an annual value for the 24 contracts which are outsourced in London of £85 to £97 million per annum.
22. Small and medium sized companies do not take the lead on bidding for these contracts but do exist as subcontractors particularly in the provision of IT services including the specialised back office software.
23. The 'normal' central London contract consists of outsourced parking and traffic enforcement, with sub contractors providing vehicle removal and car pound services. Normally the specialist IT is also outsourced and this is either procured as part of the enforcement contract or as a separate lot. Experience suggests that having the enforcement contractor also responsible for the IT works well as there is clear responsibility for equipment and the software that runs on it.
24. The contract type that is used by multiple local authorities is the British Parking Association model enforcement contract. That contract is based around the achievement of a series of key performance indicators and it works well at producing a constructive relationship with the contractor. Other contracts make use of a wide variety of defaults and other damages which tend to create an adversarial relationship between contractor and council.
25. Based on market consideration and intelligence it should be expected that a tender carried out now would be as competitive as those carried out some years ago.

## **KEY ISSUES FOR CONSIDERATION**

### **Options for procurement route including procurement approach**

#### **Do nothing**

26. This is not an option, as parking and traffic enforcement is a statutory obligation. Enforcement of parking and traffic controls is essential with the ever increasing population to drive regeneration and improve safety. Consequently every highway authority ensures this function is delivered.

#### **In source**

27. The Gateway 0 approval was to in-source correspondence, parking permit administration, parking call centre and the school crossing patrol service. The council already operates similar services and the parking services team carry out administrative and correspondence tasks.

28. To deliver a comprehensive parking and traffic enforcement service of the type required by the council is a major undertaking which requires resources other than staff such as specialist types of vehicles equipped with ANPR (Automatic Number Plate Recognition) and mobile CCTV; stock of materials, such as signs, uniform, body worn video, etc; specialist IT software and systems for the provision of permit, virtual pay and display and back office IT services and training.
29. The main service providers have multiple contracts which enable them to transfer skilled staff to other contracts and strong purchasing power and agreements with specialist sub-contractors. There is also the need for specialist training and IT solutions. External contractors benefit from economies of scale in all of these areas and this is a benefit for the council, they also have the ability to be flexible and increase and decrease service provision. These services have always been outsourced since the council took on these additional powers in 1994.

### **External procurement**

30. In the Gateway 0 it was concluded that the council proposed a number of the parts to the service would be outsourced. A number of external out-sourcing options have been reviewed and considered. These are outlined in paragraphs 32 to 39.

### **Frameworks**

31. There are no known frameworks for the provision of parking enforcement services. Some related services such as IT, permit services and pay by phone services are available by separate frameworks which is not what is required.

### **Tender**

32. New competitive tender – On expiry of the current contract, a new supplier or suppliers would be ready to take over the relevant services having been selected after an EU compliant competitive tender process in compliance with the Public Contracts Regulations 2015.
33. Different types of contract have been considered (there are models based around delivery of the manpower service and charged by hour, number of recorded visits to streets with defaults, etc.) and the existing BPA (British Parking Association) model service contract based around key performance indicators which helps create a partnership rather than adversarial relationship and that contract is the most appropriate. A future contract would be procured in accordance with the Fairer Future Procurement Strategy.
34. The proposed contract would allow the council to access the latest IT and infrastructure without capital investment, access specialist skills and training provision while not having to invest in that provision.

### **Shared service delivery**

35. Joint Borough procurement – Joint operations do exist with the Bexley / Bromley parking partnership (about the same size as Southwark combined) who have a joint parking outsourced contract with APCOA. The set-up of that contract is similar to that which exists at Southwark currently.
36. Southwark's parking operation is of sufficient size and importance that a joint operation is unlikely to result in much/any saving. There is a possibility of a

reduced management structure, but even that might not be delivered as the bigger operation may require additional management support.

37. The structure of the proposed Southwark contract period means discussions with neighbouring boroughs can continue, although currently contracts are not expiring at the same time.

#### **Voluntary sector/not for profit**

38. There are no known voluntary sector or not for profit organisations that provide the required service.

#### **Proposed procurement route**

39. This report seeks the cabinet's agreement to carry out the procurement process for the provision of a sole contractor to Southwark.
40. The parking and traffic enforcement and associated services contract will be let in a single lot using the EU open procedure providing;
  - A simpler streamlined contract letting process using the open EU procedure
  - Lower procurement costs and officer time requirements
  - A straightforward contractor/council relationship focussed on delivery of a first class parking service to Southwark Council with no distractions
  - Lower overall contract costs as a result.
41. The procurement will follow an open EU compliant procedure; the process is seeking at least five tenders, such is the size of the UK on-street parking enforcement industry that running a restricted process is unnecessary.
42. The British Parking Association's model parking enforcement contract has been used through the current contract period and has been successful. The KPIs which have been set have been monitored monthly and any areas of concern have been addressed through regular KPI meetings with plans agreed and actioned to bring any problem areas back to within the KPI measurement.
43. The change control and the ability to be flexible and increase and decrease resources has been successful through the life of this contract.
44. Technical change and disruption particularly in regards to self driving vehicles are likely to become realities during the new contract period. It is therefore essential that this flexibility is continued. It is therefore proposed that the contract period will be for four years with two possible extensions of three years each. This allows for even more flexibility in response to operational and technological changes.
45. Typical equipment refreshes for the more expensive equipment used on the parking and traffic enforcement contract is three to four years, therefore shorter extensions are not fit for purpose as they do not allow for planning of investment in equipment. The parking market is used to long contracts. The break points will allow the council and contractor to review whether the contract remains relevant.

## Identified risks for the procurement

46. The below table lists the main risks:

No	Risk	Description and mitigation	Risk Rating
1	Challenges to award decision	Ensure procurement is carried out in line with EU / UK regulations and guidance. Evaluation methods to be clearly identified within procurement documents and evaluation carried out as stated.	L
2	Delays to the procurement process	It is intended to carry out the procurement process for the contract in 2019. If this is delayed it would become necessary for a Gateway 3 report to be prepared and approved in order to extend the existing contract, subject to the agreement of APCOA. .	M
3	That the parking surplus declines as a result of the restructuring where services are to be delivered.	Parking services have the first call on the parking surplus by law. This change in structure will move the parking service to a similar structure as is found elsewhere in London. Through the existing KPIs and performance management any problems will be addressed if they occur.	M
4	Fall off in enforcement activity and therefore revenue during the period post contract award and the first few months of new contractor	Financial implication of the drop in income. Through the existing performance management meetings any problems with performance will be dealt with by the parking management team as required.	M
5	Existing parking IT system uses multiple interfaces with Southwark IT	Reduction in services available after a switch to a new contractor. Sufficient time must be available for any new contractor to organise smooth transition of IT services.	M
6	Insufficient equipment available to run the operations on day 1	Loss of revenue as workforce not properly equipped. The council has existing hand held computers and printers it owns which will pass to the next contractor	L
7	There may not be enough companies interested in the procurement to enable us to select the number we need.	There is an active market for parking enforcement within London.	L

No	Risk	Description and mitigation	Risk Rating
8	Insufficient project resource to handle expressions of interest and/or tenders within the project timescales.	Extra resources will be made available at peak periods	L
9	As some services are being brought in-house TUPE regulations will apply to some currently out-sourced personnel	At this stage, liabilities are unknown. Early liaison with internal TUPE lawyer, HR and pensions representative is required	L
10	Possibility of EU exit leading to changes in freedom of movement and exchange rates.	It is uncertain how suppliers will view these risks in their pricing strategy or how long it will be until the risks are resolved. Workforce planning measures will be included in the new contract.	L

### Key /Non-key decisions

47. This is a key decision.

### Policy implications

48. Having an effective parking and traffic enforcement service is an important component of delivering the council's plans (Movement Plan and Transport Plan) and fairer future commitments. In particular theme 3 - a greener borough, theme 4 - a full employment borough and theme 5 – a healthier life, will benefit from this service. The contract will reflect the Fairer Future Procurement Strategy.

### Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	23/01/2019
DCRB Review Gateway 1	06/03/2019
CCRB Review Gateway 1	14/03/2019
Brief relevant cabinet member (over £100k)	26/03/2019
Notification of forthcoming decision - Cabinet	10/04/2019
Approval of Gateway 1: Procurement strategy report	30/04/2019
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	15/05/2019
Completion of tender documentation	30/05/2019
Publication of OJEU Notice	01/07/2019
Publication of Opportunity on Contracts Finder	01/07/2019
Invitation to tender	01/07/2019

<b>Activity</b>	<b>Complete by:</b>
Closing date for return of tenders	02/09/2019
Completion of any clarification meetings/presentations/evaluation interviews	20/09/2019
Completion of evaluation of tenders	07/10/2019
Forward Plan (if Strategic Procurement) Gateway 2	02/09/2019
DCRB Review Gateway 2:	05/11/2019
CCRB Review Gateway 2	12/11/2019
Notification of forthcoming decision – despatch of Cabinet agenda papers	20/11/2019
Approval of Gateway 2: Contract Award Report	10/12/2019
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	24/12/2019
Debrief Notice and Standstill Period (if applicable)	24/12/2019
Contract award	06/01/2020
Add to Contract Register	06/01/2020
TUPE Consultation period (if applicable)	06/01/2020
Place award notice in Official Journal of European (OJEU)	06/01/2020
Place award notice on Contracts Finder	06/01/2020
Contract start	01/04/2020
Initial contract completion date	31/03/2024
Contract completion date – (if extension(s) exercised)	31/03/2030

### **TUPE/Pensions implications**

49. A change in the provider of existing services, including in this case insourcing, is likely to amount to a service provision change under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However whether TUPE will apply and the extent to which it may result in the transfer of employees will depend on a number of factors, in particular whether there is change in identity from an incumbent provider to a new provider and, if so, how the existing provider organises its workforce to deliver the services under its current contract or sub-contract.
  
50. Due diligence needs to be undertaken with the current provider to obtain a clearer picture of the TUPE and pension implications after the Gateway 1 stage during procurement and further legal advice will be sought in light of the result of that due diligence. If there is a transfer of employees to the council from an incumbent contractor, then support will be also be sought from the council's human resources and pensions department at the earliest opportunity.

## **Development of the tender documentation**

51. A project board has been convened with appropriate officer members to provide suitable technical expertise and governance. The project board will be responsible for ensuring all documentation has been produced and approved for the final tender packs. The project board is meeting on a monthly basis. The documents will be reviewed at these meetings.
52. The specification and ITT documents will be developed by Southwark's Parking and traffic enforcement team in conjunction with procurement, legal contracts and finance teams.
53. The council intends to make use of the British Parking Association model contract as a starting point for its documentation. This is a contract specifically written for this type of service contract and has been used successfully for the current contract with the inclusion of appropriate Southwark specific amendments.
54. Members of the parking and traffic enforcement are producing the tender documents. These documents are comprehensively reviewed by the project board, legal and procurement.

## **Advertising the contract**

55. The contract will be advertised in the OJEU and on Contract Finder.

## **Evaluation**

56. The procurement of the contract will be overseen by a project board led by the strategic director of environment and leisure or suitable delegate.
57. A departmental parking project team, consisting of departmental procurement and legal teams will report to the parking procurement board with the sign off required by the executive of the board at the completion of each stage.
58. As this will be an open procedure tenderers will be asked to submit a SQ alongside their tender proposals. The Standard Questions (SQ) will be assessed prior to the tenderer's proposals being evaluated and will need to be passed in the same way as a closed process.
59. The SQ / tender evaluation criteria will be based around the tenderers' proposals meeting specified quality requirements. The contract will be awarded to the most economically advantageous tender based on price (60%) and quality/innovation (40%).
60. Each tenderer's price will be calculated in accordance with the price evaluation methodology detailed in the tender pack with suppliers completing a schedule in the tender. The lowest sustainable tender price will be awarded the maximum scores for the price evaluation, the other tenderers' scores will be based on a percentage of that score.
61. The quality element of the tender evaluation will be by weighted score against the following criteria for tender evaluation: The questions will revolve around how the tenderer intends to deliver the services and the answers submitted by the winning tenderer will become contractually binding. It is expected the questions will be based around:

- Proposed management structure
- Contractor's proposed method statements for carrying out the service
- Quality management and quality control
- Social value and benefits to local community
- Compliance with parking management
- Equality and Diversity
- Innovations to improve the highway network / service.

62. The quality evaluation will be carried out independently by an evaluation panel. Each question will be scored independently by each member of the evaluation panel from 0 to 5. Once each question is scored the appropriate weighting will be applied to each score.
63. A quality moderation meeting will be held. This will be chaired by an officer who has not independently scored the quality submissions and attended by all officers who have independently scored the quality submissions. At this meeting a consensus score will be agreed to ensure consistency in the scoring methods. The consensus scores will then be weighted as defined in the tender documents and will be added together to produce the final quality score for that tender.
64. The price score and the quality score will then be added together to produce an overall score for each tender. The tenderer providing the most economically advantageous offer evaluated across the quality and pricing to deliver the contract will be awarded the contract.

### **Community impact statement**

65. People in all areas of the borough are affected by the quality of the parking and traffic enforcement services.
66. The award of new contracts and delivering some of the services directly will through the contract specification deliver aspects of social value and have a positive impact on local people and communities.
67. All service elements contained in the contracts have borough-wide application. The updated technical specification addresses planning and delivery of planned and responsive parking and traffic enforcement and seeks to improve quality of the service and customer satisfaction.
68. The impact of the service will affect all communities / groups, residents, businesses, visitors and those that pass through the borough and will in turn improve the quality of life to all. Direct benefits are a service which makes an important contribution to the safety and health of all. Continued emphasis on safety and health will especially benefit the most vulnerable members of the community i.e. the elderly, the disabled and young children.

### **Social Value considerations**

69. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the Fairer Future Procurement Strategy and below.

### **Economic considerations**

70. Fairer future procurement strategy and the economic and social benefits to Southwark will be considered and weighted as part of the procurement process and the criteria for award in line with this policy.
71. The contractor during the duration of the contract will be expected to have a Trade Union agreement in place with a recognised organisation(s).

### **Social considerations**

72. The new contract will deliver benefits to Southwark and particularly to the Fairer Future promises and policy commitments. These will include:
  - London Living Wage
  - Job creation and local employment
  - Signing up to the Southwark Diversity Standard
  - Apprenticeships and work placement opportunities
  - Recruitment of local people using Southwark Works
  - Vehicles to comply with the council's Safer Lorries, Safer Cycling Pledge and the Fleet Operators Scheme at the Gold Standard (where appropriate).

### **Environmental/Sustainability considerations**

73. The new contract and service provision will adhere to industry best practice on sustainability and waste arising from parking and traffic enforcement will be recycled and re-used in the borough whenever possible.
74. The contract specifications will demand the latest Euro standard engines on new fleet in this contract, and encourage more sustainable forms of transport where this is feasible. Currently half of the enforcement vehicles are fully electric supporting the air quality strategy

### **Plans for the monitoring and management of the contract**

75. The parking and traffic enforcement services contract will be monitored through the use of pre-determined key performance indicators managed by the parking and traffic enforcement team.
76. Monthly KPI review meetings will take place with each KPI discussed and agreement reached on whether it was achieved or not. KPIs will be marked on a red amber and green (RAG) basis, with KPIs becoming amber when there is a first failure after a number of sustained months green.
77. In addition to this a parking management board will meet quarterly initially to discuss at a higher level the progress of the contract and contractor. One of the quarterly meetings will be an annual KPI review meeting out of which the annual performance reports for the council's CCRB and six monthly for the DCRB meetings will be agreed and taken forward in compliance with the contract standing orders (CSOs).

### **Staffing/procurement implications**

78. Additional resources will be required to undertake the correspondence, permit and call centre roles in house. It is anticipated that the correspondence will go to the existing parking team while permits and call centre function will go to the council's Customer Service Centre, as a permit team already exists there for estate permit processing. In addition there will also be additional staff for HR, payroll and recruitment.
79. The School crossing patrols will become part of the existing road safety team and parking services will continue to fund them. The existing school crossing supervisor will probably be subject to TUPE.

### **Financial implications**

80. The estimated net increase in internal costs arising from insourcing of all of the permit administration, correspondence duties and early appeals decision making and the school crossing patrol services is £250,000. However, the costs will be largely offset by a reduction in current contract costs as a result of the services brought back in-house.
81. Any additional costs will be contained within existing parking service revenue budgets and there is sufficient departmental budget to fund.
82. The proposed insourcing is designed to provide a robust service delivery option that builds flexibility and empowers the business unit to meet the current and anticipated future demands on the service as well as provide more accountable local services.
83. Bringing the service in-house will benefit our residents, there will be a more consistent response to early challenges, this will highlight on-street assets that may require replacement or repair earlier. This may lead to reduction in the number of PCNs which are cancelled as a result of challenges being made and improvements to overall quality.

### **Legal implications**

84. Please see concurrent from the director of law and democracy.

### **Consultation**

85. Formal consultation with the incumbent supplier and potential tenderers will be undertaken in accordance with the current contract and procurement regulations and guidance.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Strategic Director of Finance and Governance (FC18/040)**

86. This report is requesting cabinet to approve the procurement strategy for the parking and traffic enforcement services contract and also bring in-house, the services detailed in paragraph 4. The total contract value is estimated at £4.2m per year and totalling £16.8m for the initial four years. The report also indicates that the estimated contract value will total £42m if all the extensions are used, as

detailed in the report. Full details and background are provided within the main body of the report.

87. The strategic director of finance and governance notes that the additional cost of bringing some of the services in-house is expected to be funded by the reduction in the current contract costs.
88. It is also noted that staffing and any additional costs connected with this proposal will be contained within existing parking service revenue budgets.

### **Head of Procurement**

89. This report seeks that approval of cabinet for the procurement strategy in relation to the provision of parking and traffic enforcement and associated services to procure a new contract that commences on the 1 April 2020. This will be for a period of four years with two possible three year extensions. The estimated annual value of £4.2m, which equates to an estimated £16.8m in the initial contract term, and extension period that are each worth approximately £12.6m, making £42m if both contract extensions are used.
90. The tender will be compliant with than open tender within the Public Contract Regulations (2015) and will be evaluated as set out in paragraphs 40-46.
91. The report asks cabinet to note that some services outlined in the report will be brought back in-house as had been detailed in the gateway 0 report.
92. The plans to monitor and manage the contract are set out in paragraphs 76-78 of the report. Paragraph 73 confirms that London Living Wage will be paid under this contract.

### **Director of Law and Democracy**

93. This report seeks approval of the procurement strategy relating to a proposed new contract for the provision of parking and traffic enforcement and associated services, from 1 April 2020.
94. The procurement of these services is subject to the full application of the (EU) Public Contracts Regulations 2015 ("PCR"). The report sets out the various procurement options available to the council and confirms that, whilst a number of functions are to be performed in-house, it is intended to undertake a single stage process using the Open Procedure prescribed by the PCR for the purpose of procuring the parking and traffic enforcement services.
95. The procurement strategy is consistent with the council's statutory duties and powers and also with the requirements of the council's Contract Standing Orders. The decision to approve the report recommendations is one which is expressly reserved to the cabinet, after consideration of the report by the corporate contract review board.
96. In making procurement decisions cabinet should be mindful of the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010, and to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender

reassignment, pregnancy and maternity, race, relation, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). Cabinet is specifically referred to the community impact statement at paragraphs 66 to 69, setting out the consideration that has been given to equalities issues, and it is recommended that an equality analysis should be undertaken periodically in order to demonstrate compliance with the PSED and to measure the likely and actual effect and impact of the services on individuals and groups within the community, in particular those having a protected characteristic under the Act.

97. Cabinet is also referred to paragraph 85 which acknowledges that appropriate consultation with the existing service provider and interested firms and companies concerning the proposed procurement will be required.

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gateway 0 – Parking and traffic enforcement and associated services	Regulatory Services / Road Network 160 Tooley Street, London SE1 2QH	David Sole 020 7525 2037
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=6717">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=6717</a>		

## APPENDICES

No	Title
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Richard Livingstone, Environment, Transport Management and Air Quality		
<b>Lead Officer</b>	Mick Lucas, Director of Environment (Acting)		
<b>Report Author</b>	David Sole, Parking Services and Development Manager		
<b>Version</b>	Final		
<b>Dated</b>	12 April 2019		
<b>Key Decision?</b>	Yes		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Strategic Director of Finance and Governance	Yes	Yes	
Head of Procurement	Yes	Yes	
Director of Law and Democracy	Yes	Yes	
<b>Contract Review Boards</b>			
Departmental Contract Review Board	Yes	Yes	
Corporate Contract Review Board	Yes	Yes	
<b>Cabinet Member</b>	Yes	Yes	
<b>Date final report sent to Constitutional Team</b>			12 April 2019