

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 21 September 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 – Initial Procurement Strategy Parking and Traffic Enforcement Services Contract	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Barrie Hargrove, Transport, Environment and Recycling	

## **FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING**

1. I welcome the innovative approach to the re-tendering of this contract. The possibility of introducing Civil Enforcement Officers throws open the possibility of the authority taking on a more active role protecting our highways is something that would bring tangible benefits to highway using public, particularly in the light of our administration's recently signing up to the London Permit Scheme.
2. Working co-operatively with other London Councils is also something that is important to this authority. So within this planned contract that option is being actively explored.
3. I therefore recommend this report to my cabinet colleagues.

## **RECOMMENDATION S**

4. That the cabinet agree to further market testing to explore the range of issues set out in paragraphs 16 -18 of this report.

## **BACKGROUND INFORMATION**

5. London Borough of Southwark currently operates 3 parking services enforcement contracts with a total value of £6.35 million per annum. The current contract values are as follows
  - parking enforcement (including school crossing patrols) £3.2 million per annum,
  - clamping, removal and car pound contract £700,000 per annum, with a variation to include the housing estate enforcement contract of £1.1 million per annum.
  - the parking business support contract £1.3 million per annum including an extension to provide cashless parking services.
6. In addition there are two service areas which are currently undertaken but not formally contracted out
  - Abandoned vehicles contract valued at £35,000 per annum procured on a casual basis.
  - Bailiff services which in future will be procured jointly with the Revenues and Benefits Service.
7. The current parking enforcement, clamping and removal and car pound (including estates) and the business support contracts expire on 30 June 2011.

## Summary of the business case

8. The range of services currently delivered in the existing parking contracts includes:-

- Deployment of on-foot civil enforcement officers
- Deployment of mobile civil enforcement officers
- Removal and relocation of vehicles
- Car pound operations
- School crossing patrols
- CCTV parking and traffic enforcement
- CCTV public protection monitoring
- Parking back office software supply and maintenance
- All statutory noticing
- Scanning of documentation
- Processing of postal payments
- Providing a parking expert telephone enquiry service
- Response to early appeals
- Investigation and recommendation in regards to representations
- Web/telephone permit renewal and application services

### Developments in parking services

9. There are a number of development in the area of parking enforcement which are liable to significantly change the manner in which these services are delivered over the term of the next parking services contracts including:-

- reduction of vehicle removals both on street and on the estates,
- ending of clamping on estates and private land,
- fully digital CCTV parking and traffic enforcement
- use of small efficient vehicles fitted with Automated Number Plate Recognition (ANPR) equipment
- virtual parking permits for residents, resident's visitors and businesses
- carbon based parking charges

### A wider role for Civil Enforcement Officers

10. In addition to parking enforcement the Council needs to control other works or activities that take place on the highway, such as

- Road works
- Street Trading (Both Shop Frontage and Mobile)
- Scaffolding (Both on the public highway and on private land adjoining highway)
- Hoardings (Both on public highway and on private land adjoining highway)
- Building Materials on the public highway
- Mobile Construction Equipment on the highway (Cranes and Cherry pickers)
- Events on the public highway
- Skips on the public highway

11. Permitting and licensing procedures in relation to these activities have been reviewed; however there is still a significant amount of such activity that takes place in the Borough without proper notification to the Council. A number of metropolitan authorities have expanded the role of Civil Enforcement Officer (CEO's) to deliver the monitoring of such activity.

## Packaging options

12. The new parking services contracts could be packaged as two rather than the current three contracts, as the clamping, removal and car pound elements of enforcement are reducing in size and scope, abandoned vehicles will be amalgamated in to the parking enforcement service contract and that the pay by mobile parking service will be one of the elements in the parking business support services contract.
13. It may also be possible to evaluate a parking enforcement separately from the back office solution which may mean more than one contractor providing all services. When one contractor provides all of the services there can be a conflict of interest between enforcement and back office processes, though it may be that a single supplier can offer economies of scale to make that route the most financially attractive.

## **Market considerations**

14. Data from other local authorities across London shows that the of the 33 London Authorities 21 out source at least the parking enforcement part of parking services. Of the 18 inner London Authorities only 3 use an in house team and none of the Central London Authorities use an in house team.
15. There are three main parking services enforcement contractors APCOA the current incumbent in Southwark, NSL (formerly NCP services) and Mouchel. There are a further three known smaller operators, On-Time, Vinci and Legion. It is anticipated that due to the geographic location of Southwark, situated in central London a number of companies from outside the current UK market may also express an interest.

## **Proposed procurement route**

16. There are 4 options for procurement
  - An in house service team
  - Joining a framework agreement
  - Letting our own contract
  - Partnering with another local authority
17. An option appraisal has been undertaken (Appendix 1). The options of an in house team, and a framework agreement are not recommended on the basis of cost and the fact there is no London wide framework agreement in place respectively. It is therefore proposed to continue considering the options of letting our own contract and partnering with another London Authority as both options offer the potential for meeting our service objectives.
18. It is proposed to commence a series of structured market testing interviews with the suppliers identified above with a view to establishing:-
  - The most economically advantageous packaging options for the services
  - Service providers response to a wider role for CEO's
  - The availability of innovation to increase service efficiency
  - Options for using parking services to contribute to sustainable transport policies.
19. There are two other London local authorities which are on a similar time scale for the provision of replacement parking enforcement contracts. Over the next three months officers will be exploring the options of joint procurement with those authorities.
20. Following analysis of the market testing and discussions with other London Authorities a full Gateway 1 procurement report will be brought to the cabinet in January 2011.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

21. The recommendations contained within this report are consistent with the policies of the Parking and Enforcement Plan and associated Transport local implementation plan. The recommendations are also consistent with the Sustainable Community Strategy - Southwark 2016.

### **Community Impact Statement**

22. The enforcement of parking controls assist pedestrians, particularly those with impaired mobility to cross streets and contributes to an improved environment through the elimination of on-street commuter parking and the associated reduction of local and borough-wide traffic levels with improvements to local air quality and noise reductions.
23. The policies within the Parking and Enforcement Plan are upheld within this report have been subject to an equality impact assessment (EqIA).

### **Sustainability considerations**

24. As part of this procurement the council will seek to reduce the number of removal vehicles and at the same time improve their emissions to meet Euro V emissions standards complaint, whereas the current vehicles have a Euro 3 or 4 level status only.
25. Currently the contractor operates 3 Toyota Prius Hybrid vehicles; in the future the contractor will be required to provide 3 ANPR equipped vehicles. The replacement vehicles CO2 emissions will be below 100gm/km and therefore congestion charge exempt. In addition we currently operate a number of motorcycles; the future contractor will be expected to provide a mixture of conventional and electric vehicles to replace these.

### **Economic considerations**

26. Through the overall project plans the contractor will be encouraged to include a local economic benefit plan.
  - Advertising opportunities in local press, and a range of publications to reach small businesses, ethnic minority owned business and social enterprises
  - Asking contractors/suppliers to engage with borough-wide employment programmes such as Southwark Works and Building London Creating Futures to support unemployed residents' access to training, skills and sustainable employment
  - Asking contractors/suppliers to engage with apprenticeship schemes
  - Requiring contractors/suppliers to use local companies in their sub-contracting and supply chain arrangements

### **Social considerations**

27. Small businesses SME's are not precluded from bidding for these contracts, but it is unlikely they would be able to provide the full range of services required. SME's may find its way into one of the contracts as a sub-contractor particularly in contracts such as the business support contract where larger competitors may be weaker.

## **Environmental considerations**

28. The pre-qualification questionnaire will contain questions designed to ensure that all suppliers that are short listed have reached a suitable standard on environmental issues, and that they have not breached environmental law to any significant degree.

## **Resource implications**

### **Staffing Implications**

29. The market testing interviews and discussions with other boroughs will be undertaken by the parking services and development manager with assistance of a parking project manager. There will be input from Subject Matter Experts within Parking Services.

### **Financial implications**

30. The costs of undertaking the recommendations contained in this report can be met from current service budgets.

### **Legal implications**

31. London Borough of Southwark are required to carry out parking and traffic enforcement, following the adoption of decriminalised powers initially under the Road Traffic Act 1991 from April 1994.

### **Consultation**

32. London Borough of Southwark are required to carry out parking and traffic enforcement in accordance with the Traffic Management Act 2004 as amended, and are expected to put in place a parking policy which is similar to those operated by other London boroughs. Consultation takes place in regards to this through the Transport and environment committee at London Councils. Network development carry out consultation with the public in regards to parking controls through the borough. The next transport plan due in 2011 will contain an update on Southwark's parking and enforcement plan; this will be widely consulted upon.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance**

33. This report seeks the Cabinet's approval to undertake market testing to explore a number of issues relating to the future procurement of this service. Market testing is a useful tool to assist the council in developing its strategy and ensuring it meets the council's needs but is deliverable by the market. Officers from the contracts team will provide advice during the market testing to ensure that it is conducted in a transparent manner so as not to benefit any organisation which might later submit a bid when the procurement commences.

### **Finance Director EN/NR/090910**

34. Market testing will allow the Council to examine alternative methods of service delivery offering good value for money. The costs of the market testing exercise can be covered from within existing budgets, with the overall aim of delivering a more effective service using fewer resources.

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Parking Contracts	160 Tooley Street	N.Costin 0207-525-2156
Parking Enforcement Plan	160 Tooley Street	N.Costin 0207-525-2156

## APPENDICES

Appendix number	Title of appendix
1	Delivery options

## AUDIT TRAIL

<b>Lead Officer</b>	Gill Davies Strategic Director of Environment and Housing		
<b>Report Author</b>	Des Waters, Head of Public Realm, E&H		
<b>Version</b>	Final		
<b>Dated</b>	September 2010		
<b>Key Decision?</b>	Yes	<b>If yes, date appeared on forward plan</b>	May 2010
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Strategic Director of Communities, Law & Governance	Yes	Yes	
Finance Director	Yes	Yes	
<b>Contract Review Boards</b>			
Departmental Contracts Review Board	Yes	Yes	
Corporate Contracts Review Board	Yes	Yes	
<b>Cabinet Member</b>	Yes	Yes	
<b>Date final report sent to Constitutional Team</b>			13 September 2010