

Cabinet

28 January 2021

Civil Parking Enforcement Contract 2021

Recommendations

That Cabinet:

- (1) approves proceeding with the procurement of a Civil Parking Enforcement (CPE) Contract by means of Competitive Procedure with Negotiation for a period of seven years and an option for three further years;
- (2) authorises the Strategic Director for Communities to run a tender exercise and to enter into the relevant contract(s) for the provision of CPE and second line maintenance on terms and conditions acceptable to the Strategic Director for Resources.

1. Key Issues

1.1. The current Civil Parking Enforcement Contract with NSL will be coming to an end on the 31st October 2021.

1.2. NSL have provided services in line with the Traffic Management Act 2004 since November 1st 2014. Services provided within the current contract are as follows:

- enforcement of the on-street parking restrictions across Warwickshire's highways, directly employing the Civil Enforcement Officers (CEOs) carrying out enforcement through the issue of penalty charge notices (PCNs)
- processing of first stage PCN appeals and sending corresponding letters in response to those appeals
- the scanning of post relating to the CPE process and providing back office services including email and telephone contact
- taking and administering payments for PCNs, permits, parking bay suspensions and dispensations and implementing these on-street.
- administration of the residents' permit and visitor permit schemes
- first line maintenance (meaning repairing faults with no tools such as ticket jams second line meaning repairing machines where parts or tools are required) of the Council's 250 pay and display machines

- enforcement and administration of parking services provided at the Stratford Park and Ride site.
- 1.3. NSL have delivered an efficient service over the past six years, with consistent improvements in response to WCC contract management requests and broad compliance with contract key performance indicators. The service delivery has been consistent, flexible, and cost effective and has delivered the desired parking management outcomes.
 - 1.4. The existing value reward mechanism focuses on 5 prime KPIs with a 5% bonus applied to the monthly invoice. This is only awarded if all KPIs are passed. There is a complex but fair and effective framework of financial penalties should a KPI fail. This framework has encouraged a beneficial working partnership and communication channels for both parties. For the re-procurement exercise we are planning to add an additional two KPIs; the first is based around the quality standards of correspondence to ensure all letters are accurate and the second focuses on machine uptime to ensure a fully functioning stock of machines.
 - 1.5. In preparation for entering a new contract, a procurement working group has been established to investigate the effectiveness of the existing contract and identify any improvements or amendments.
 - 1.6. First and second line maintenance responsibilities will be included within the CPE tender. First line maintenance means simple machine repairs not requiring tools and second line maintenance means a more involved repair using specialist tools. The provision of second line maintenance is currently separate and is delivered by a different supplier (Flowbird). The streamlining of this service will negate the involvement by WCC staff in coordinating repairs and maintenance issues with two separate providers. This will result in increased machine uptime and a reduction in customer complaints due to machines being out of operation.
 - 1.7. WCC has recently applied to extend the CPE process to North Warwickshire Borough Council area, which will deliver a consistent enforcement approach across the county. It is anticipated that upon successful application WCC will take over enforcement of the on-street restrictions in North Warwickshire from the police and that this will coincide with the CPE contract renewal.
 - 1.8. The working group recognises that there is a possibility that the Department for Transport may ask local authorities to take enforcement responsibility for some Moving Traffic Offences, such as but not limited to parking in box junctions, banned left and right turns and exceeding prescribed weight limits. These contraventions are currently enforceable civilly in London and Wales only but may be extended to England. The scope of the new contract will cover this in order to future proof for this requirement.
 - 1.9. Additionally, further to ongoing requests, the working group will also include provision for the enforcement of the school keep clear carriageway markings using both mobile cameras and camera cars, to increase safety outside schools. This is a large body of work to be considered within the new

contract and the group will look internally and externally to guarantee best value.

- 1.10. The Working Group have commissioned a feasibility study as part of its soft market testing exercise. It provides a direct comparison of existing income and expenditure for this service against the option of employing WCC staff to undertake this function. The study determined that bringing the enforcement process in-house would cost an additional two million pounds throughout the life of the contract due to the significant resource required, so this option has been rejected by the Working Party.

2. Options and Recommendations

2.1. The options appraisal for this exercise considered 3 proposals:

- Bringing the service in-house (this has now been rejected)
- Re-procuring an external provider based on the current requirements and scope of the existing arrangement
- Re-procuring an external provider but increasing the scope of the contract to include first and second line machine maintenance.

2.2. There is a mature market for the delivery of the current CPE requirement without the addition of the second line maintenance element.

2.3. The working group have undertaken some initial soft market testing to identify whether suppliers who are able to provide the current CPE requirement would be interested in the increased scope option to include the second line maintenance. Soft market testing has indicated that there is the potential for suppliers to deliver both first and second line maintenance. This is a new element to the contract; we are including the second line maintenance as a separate lot to the main CPE requirement. This will enable us to ensure a competitive market for the main CPE tender whilst keeping the option open to combine both elements should we choose to do so.

The benefits to the Council of including the second line maintenance element within the main CPE contract are as follows:

- The It is believed that there is scope to improve the delivery of second line maintenance.
- The supplier market for the second line maintenance element consists of a small number of providers which restricts competition.

2.4. Currently, there is significant delay in response times to faults. Combining first and second line maintenance will streamline this process negating WCC involvement. As part of CPE contract, machines are checked and reported, however there is a 24 hour delay as a minimum relaying this to the

maintenance provider and getting an engineer on site. This delay impacts on revenue levels and invites customer complaints.

2.5. Procurement Options:

The working group considered 3 different procurement options:

- Competitive procedure with negotiation - CPwN
- Competitive Dialogue Process - CD
- Open Procedure

2.6. The CPwN and CD procedures are best suited to larger more complex procurement exercises. Of the two, CPwN is considered the most suitable option as it offers the benefit of a negotiation phase which allows dialogue with bidders with a view to refining bids but without the significant resource and cost implications of a CD process.

3. Recommendation

3.1. It is proposed that Cabinet authorises the procurement of a new CPE contract with the option to include the second line (parking meter) maintenance element. The intention is to split the procurement exercise into two lots, one for the CPE requirement and the other to add the second line maintenance requirement. Once the tenders have been evaluated, the decision on whether to award the second line machine maintenance contract alongside the CPE contract will be taken. The decision on whether to award the second line maintenance Lot will be at the sole discretion of the Council.

3.2. The CPE contract should run for a period of seven years from 1st November 2021 with the option to extend for a total not exceeding a further 36 months. This contract length was chosen following market testing as it aligns to the payback periods for the successful contractor.

4. Financial Implications

4.1. The current contract with NSL has delivered a successful parking enforcement process for Warwickshire. The annual value to a bidder of the contract is 1.6 million pounds and the second line maintenance contract is run at a cost of 120 thousand pounds. It is anticipated that a renewal of the contract to deliver CPE through provision by an external service provider would not significantly affect the parking budget outcomes although firmer estimates of actual budgetary outcomes are, of course, dependent on the nature and cost of any awarded contract and its subsequent delivery.

5. Environmental Implications

5.1. The purposes of parking enforcement include promoting sustainable patterns of travel and reducing congestion, and effective enforcement furthers those aims.

6. Timescales associated with the decision and next steps

6.1. With the current contract due to expire at the end of October 2021, the new service provision is required to commence operation on 1st November 2021.

6.2. To achieve this deadline, it is proposed that procurement should commence in Spring 2021, with contract award in Summer 2021 to allow for a smooth transition to a new provider, if required.

7. Background Papers

None

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