

# Portfolio Holder Decision

## Approval to procure pay and display machines

<b>Portfolio Holder</b>	<b>Portfolio Holder for Finance and Property</b>
<b>Date of decision</b>	<b>28 July 2023</b>
	<b>Signed</b>

### 1. Decision taken

The Portfolio Holder for Finance and Property approves the commencement of a procurement exercise for the procurement of 180 new pay and display machines with card, contactless and cash payment facilities and authorises the Executive Director for Communities to enter into any relevant agreements to implement the installation and maintenance of the machines on terms and conditions acceptable to the Executive Director for Resources.

### 2. Reasons for decisions

- 2.1 The Council's on-street pay and display machines are 15 years old and having reached the end of their useful operational life, and require urgent replacement. Many integral parts needed for repairs and maintenance have been discontinued and maintenance times are lengthy. As a result some machines have been removed from service as faults can no longer be rectified.
- 2.2 Pay and Display machines are heavily used and the visibility of faults and out of service machines is generating an increasing level of customer complaints.
- 2.3 It is proposed that the Council carries out a compliant procurement exercise using the Eastern Shires Purchasing Organisation (ESPO) framework to purchase 180 new pay and display machines. It is intended to include a 4 year service and maintenance contract, with the option to extend for a further 12 months at the Council's discretion. Of the 180 machines, the specification will require that 80% are solar fed in line with Warwickshire's Energy Plan.
- 2.4 The specification will also require the machines to have card, contactless and cash payment options (although not necessarily all within one machine) in order to provide a flexible and inclusive modern service delivery. For card/contactless payments, the Council will be charged a transaction charge for each parking session. For cash payments, the Council will be charged cash collection costs.

### 3. Background information

- 3.1 The procurement of new machines will bring a significant service delivery improvement through increased reliability and a more responsive maintenance contract. The provision of machines with different payment options will enable customers to pay using the method of their choice. New machine models are intuitive in their design functionality and will be operated using solar energy where this is possible, reducing the Authority's reliance on fossil fuel energy and supporting the Council's commitment to sustainability.
- 3.2 The new machines will be configured to enable card/contactless and cash payments through a simple keypad or adaptive touchscreen and will issue a paper ticket. It is anticipated that customer behaviour will alter given the expansion in payment options and this will be monitored.
- 3.3 50% of the new machines will provide cash payment facilities, as a result of feedback from stakeholders including the Leamington and Stratford Business Improvement District (BID) Teams. All machines offering cash payment facilities will be clearly marked for customer convenience. Card/contactless only machines will have information signposting customers to the cash alternative. Cash location maps will be available online and will be distributed to key stakeholders such as the Business in Development (BID Teams).
- 3.4 The introduction of card / contactless machines reflects the significant national shift towards digital and contactless payment methods. This has been expressed in Warwickshire with the shift from cash over to the RingGo cashless app which received 69% of all parking session transactions in April 2023. All locations will have a cash payment machine.
- 3.5 The Authority have completed a machine rationalisation exercise, to replace in locations only where they're required. The exercise has identified 180 locations, a reduction of 70 machines from the 250 in the current contract. This reduction will continue to ensure that all parking locations have a safely accessible machine.
- 3.6 Machines located in key locations reporting significant parking levels will all have multiple payment options. The continuation of the cash payment option reflects our customers' preference for multiple payment options.
- 3.7 All parking sessions paid for using card/contactless options will be subject to a transaction fee. This will be a new cost for the service to absorb and a percentage charge will be used to mitigate the impact on shorter parking sessions.
- 3.8 All machines enabling cash payments will continue to be collected by NSL, our enforcement supplier as part of the existing Civil Parking Enforcement contract.
- 3.9 To align with the Council's Energy Plan the contract requires 144 (80%) of all new machines will be solar fed to reduce the Council's carbon footprint and mains power requirements.
- 3.10 Soft market testing has been conducted on the 'customer journey' when paying for parking at a machine. This includes the requirement for a clear and intuitive screen, offering instructions as well as a maximum duration for the overall process. These requirements are included in the specification.

- 3.11 If approved, it is intended to finalise Invitation to Tender documents and go out to the market by the end of July, with all bids to be received by the end of August. It is anticipated that this will enable the Authority to award a contract in September. During soft market testing, suppliers confirmed an estimated 8-week timeline for installation once surveys have been completed.
- 3.12 Phase 1 will be implemented in Leamington, phase 2 in Stratford followed by Warwick, Rugby, and Kenilworth.
- 3.13 All existing machines will be removed and disposed of in accordance with the Governments Waste Electrical and Electronic Equipment (WEEE) regulations.

## 4. Financial implications

### ***Capital implications***

- 4.1 A set amount was secured for the purchase of new machines from the Asset Replacement Fund on 12 December 2022. The Asset Replacement Fund is a capital fund approved as part of the capital programme to meet the cost of the replacement of the Council's vehicles, plant and equipment at the end of their useful life.

### ***Revenue implications***

- 4.2 There will be ongoing maintenance and operational costs for the machines although it is anticipated that these will be lower than current expenditure, due to the additional costs currently incurred as a result of aging machines, the greater efficiency of new machines and the move to solar where possible. The cost of maintenance and operation will be met from within the revenue budget approved for Civil Parking Enforcement.
- 4.3 There will be transaction costs relating to card/contactless payments, to be paid by the Council to the supplier which will be applied at a percentage rate to minimise the impact of these charges on the shorter parking sessions. However, it is anticipated that the impact of transaction charges will be mitigated through the change in customer behaviour through the introduction of card/contactless, and lower operating, cash collection and maintenance costs.

## 5. Environmental implications

- 5.1 The specification requires 80% (144) of the 180 machines to be powered using solar energy. The successful supplier will be required to survey all machine locations and report on the suitability of installing solar powered machines. In some instances, where machines are located next to buildings or high walls, with insufficient sunlight, operation speeds and service can be affected. In these instances, the continuation of mains power may be required to ensure high reliability levels for customers this decision will be made in consultation with the Council.
- 5.2 The proposal to replace the existing mains power fed machines with Solar powered machines aligns with the Warwickshire Energy Plan through the reduction in carbon emissions and dependence on fossil fuels. Each existing mains

powered machine uses roughly 185kWh annually to operate, every machine switching from mains to solar power equates to 68kg less of Co2e being emitted annually.

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<b>Executive Director</b>	Mark Ryder Executive Director for Communities
<b>Portfolio Holder</b>	Cllr Peter Butlin Portfolio Holder for Finance and Property

<b>Urgent matter?</b>	<i>No</i>
<b>Confidential or exempt?</b>	<i>Exempt</i>
<b>Is the decision contrary to the budget and policy framework?</b>	<i>No</i>

### List of background papers

EA Assessment

### Members and officers consulted and informed

Portfolio Holder – Peter Butlin

Corporate Board – Mark Ryder and David Ayton-Hill

Legal – Nic Vine and Sioned Harper

Finance – Andrew Felton

Equality – Joanna Kemp

Democratic Services – Isabelle Moorhouse

Councillors – Warwick, Birdi, Boad, Philipps and W. Roberts

Local Member(s): n/a