



Report for:	Cabinet
Date of meeting:	17 October 2017
Part:	1
If Part II, reason:	

Title of report:	AWARD OF CONTRACT FOR THE PARKING ENFORCEMENT TENDER
Contact:	<p>Cllr Graeme Elliot, Portfolio Holder for Finance and Resources</p> <p>Author/Responsible Officer Ben Hosier -Group Manager - (Commissioning, Procurement & Compliance)</p> <p>David Skinner - Assistant Director (Finance & Resources)</p>
Purpose of report:	<p>1) To update Cabinet on the progress of the replacement Parking Enforcement Service contract.</p> <p>2) To seek authorisation to delegate authority for the award of contract(s) for the Parking Enforcement Service as set out below:</p> <p>Lot 1 - Integrated Systems, Software and Associated Hardware Systems Provider.</p> <p>Lot 2 - Compliance Management and Business Processing Solution Provider.</p>
Recommendations	<p>Cabinet is recommended to:-</p> <ol style="list-style-type: none"> Note the progress of the replacement Parking Enforcement contract process, in particular the introduction of newer technology to improve the enforcement service. Subject to submitted tender costs falling within the approved budget, delegate authority to the Assistant Director (Finance & Resources) in consultation with the Portfolio Holder for Finance and Resources to award the contracts for an initial 5 year period.

	<p>3. Subject to satisfactory performance, delegate authority to the Assistant Director (Finance & Resources) in consultation with the Portfolio Holder for Finance and Resources to extend the contracts in such a period or periods as deemed appropriate up to a maximum of five (5) years, providing a total possible Contract Period of ten (10) years.</p>
Corporate Objectives:	<p>The provision of a Parking Enforcement Service supports;</p> <ul style="list-style-type: none"> • A clean, safe & enjoyable environment • Ensuring economic growth & prosperity
Implications:	<p><u>Financial</u></p> <p>The current budget for delivering the Parking Enforcement Service is c£600k per annum</p>
'Value For Money Implications'	<p><u>Value for Money</u></p> <p>Undertaking the pre-procurement market engagement followed by a competitive tendering exercise will ensure that the Council can demonstrate value for money.</p>
Risk Implications	<p>It is a legal requirement that any new contract will need to be advertised and awarded in compliance with the Public Contract Regulations 2015 and it will ensure that any new service better reflects the Council's requirements. A new 5-year plus 5-year contract duration will result in a total contract value of c£6.0M and will be caught by these regulations.</p> <p>The service specification has been drafted taking into consideration other local authority contracts and following a market engagement exercise. This ensures that the service</p>
Community Impact Assessment	<p>Community Impact Assessment has been carried out.</p> <p>The primary purpose of the Parking Enforcement Service is to support Dacorum in their delivery of its overall transport objectives, this includes:</p> <ul style="list-style-type: none"> • Improving road safety. • Improving the local environment • Managing and reconciling the competing demands for kerb space. <p>This should have a positive impact on all residents, visitors and businesses in Dacorum.</p>
Health And Safety Implications	<p>Health and Safety issues have been considered as part of the commissioning process.</p>
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>Close consideration should be given in the procurement process and subsequent service contracts to ensure that any proposed surveillance of vehicles is carried out and authorised</p>

	<p>lawfully, and all processing of personal data is compliant with the relevant data protection regulations.</p> <p>Deputy S.151 Officer</p> <p>The current budget for the car parking enforcement contract is c£600k per annum and it is anticipated that the cost of the new contract will not exceed this figure. Cabinet will be updated verbally at the meeting on the financial element of the evaluation as the tenders were still being evaluated at the time of writing.</p>
Consultees:	<p>Councillor Graeme Elliot - Portfolio Holder Finance and Resources</p> <p>David Skinner - Assistant Director (Finance & Resources)</p> <p>Ben Hosier – Group Manager (Commissioning, Procurement & Compliance)</p>
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	<p>DPE - Decriminalised Parking Enforcement CEO - Civil Enforcement Officers TRO - Traffic Regulation Orders CPZ - Controlled Parking Zones SLA – Service Level Agreement CCTV – Closed Circuit Television ANPR – Automatic Number Plate Recognition PCN – Penalty Charge Notice IVR – Interactive Voice Recognition GPS – Global Positioning System DVLA – Driver & Vehicle Licensing Agency P&D – Pay & Display BPA – British Parking Association</p>

Background

1. History

- 1.1. Dacorum Borough Council adopted Decriminalised Parking Enforcement (DPE) powers in October 2003. In respect of on-street parking enforcement, Dacorum Borough Council acts on behalf of Hertfordshire County Council (the highway authority) under the terms of a parking agency agreement between the two authorities. In respect of off-street parking enforcement the Council is responsible for the enforcement of its own off-street car parks.
- 1.2. DPE has been delivered across the borough using a traditional approach, which primarily includes a number of Civil Enforcement Officers (CEO) walking/patrolling specific on and off street locations enforcing parking restrictions in compliance with the relevant legislation and providing a business processing solution from an office environment that is located within the Council's main offices.
- 1.3. Although this has proved to be successful, the Council is well aware that the current service delivery model is based upon a specification that was first drafted in 2003 and reviewed in 2008. Since then there has been significant improvements with enforcement technology and the Council's enforcement requirements have substantially increased through the introduction of Traffic Regulation Orders (TRO) and 9 Controlled Parking Zones (CPZ).

2. Current Contractual Arrangements

- 2.1. In 2008 the district and borough Councils of Dacorum, Watford and Three Rivers agreed to carry out a joint procurement for the Parking Enforcement contract with Watford acting as the lead authority. The contract that was subsequently awarded has been delivering the 'Parking Enforcement' service on behalf of all 3 authorities.
- 2.2. The current parking enforcement contract is delivered by Indigo Park Services (UK) Ltd, and the contract is managed by Watford and comes to an end on 8 April 2018. The Council pays Watford one third of the contract management costs and the relationship between Dacorum and Watford is covered under a separate Service Level Agreement.
- 2.3. In 2014 the Council began a project to look at identifying and reducing the operational running costs of the contract. The information which Watford BC shared with the Council identified a lack of transparency with the contract costs.
- 2.4. Upon reviewing the current contract it has become clear that it has been drafted from a service provision perspective and has very little scope to reduce operational running costs.
- 2.5. Due to the technology that was around when this contract was originally drafted, both operational and financial service improvement have been hampered by the limitations on the equipment, the lack of

data for decision making, the reliance on cash and therefore risk of theft, vandalism and costs of cash collection.

- 2.6. During the latter part of 2016 the 3 authorities commenced work on starting to look at a new joint procurement project to re-tender this contract. Initial discussions were productive, it was agreed that Watford would once again be the lead authority, officers from Dacorum made it clear that they wanted the contract to be much more accessible and transparent between the 3 authorities and also suggested changes to the SLA between Watford and Dacorum so that it became more focussed on outcomes.
- 2.7. Dacorum also expressed their right to withdraw from the tender process should it not agree with the final contract award decision, this is something that it had agreed with Watford on a recent joint procurement (sorting and sale of co-mingled recycling).
- 2.8. DBC officers have approached Watford and other neighbouring authorities and although initial discussions were useful these have not resulted in any interest in a shared procurement exercise.

3. Pre-Procurement Market Engagement

- 3.1. Prior to the commencement of any tender process the Council have undertaken market engagement with the major IT and Solution providers in the UK, this included:
 - Indigo Park Services
 - Serco Group Plc
 - Imperial Civil Enforcement Solutions
 - Spur Information Solutions
 - NSL Ltd
 - Cobalt Telephone Technologies
- 3.2. The purpose of the market engagement was to understand the context of the current Parking Enforcement market and any future market developments;
- 3.3. Dialogue has identified current business, technological and innovative solutions and market developments, which has led to a good understanding of how an effective and responsive Parking Enforcement Service could be shaped to deliver future ongoing efficiencies.
- 3.4. It also enabled the Council to explore new systems which will ensure that data is reliable, robust and able to inform customers, service priorities and support future planning.
- 3.5. This commissioning process has provided the Council with an opportunity to review how technology can target enforcement activity at those areas that have highest instances of contraventions.
- 3.6. The Council has been able to outline and generate initial views/ideas around the outcomes and scope of the procurement strategy for approaching the market.

3.7. **Key Findings**

3.8. Technological Solutions

It was clear that from the market engagement that technology will allow innovation and growth to deliver efficiencies savings and reduce parking contraventions. It is suggested that we should treat Software as a service and if procured in this way to deliver outcomes will promote continuous improvement of equipment and systems taking advantage of innovations as they develop in the market.

- Introduction of vehicles equipped with CCTV ANPR linked to the back office system can be used to identify vehicles parked in contravention allowing CEO's to be targeted at non-compliant vehicles.
- Develop "Heat Maps" showing areas that have the most number of PCNs issued. This then allows for 'Resource Optimisation' based on location/time.
- Utilise systems and websites that promote customer self-service by
 - o providing virtual online tickets and permits.
 - o providing a self-serve pre-appeal web site – this reduces the number dealt with by officers considerably
 - o utilising telephony IVR to give information to callers
- Use in road sensors to detect if a vehicle is in a bay. Currently expensive but could be used to support disabled/electric car users.
- Use fixed CCTV to enforce parking around schools on Zig Zag lines only

3.9. Innovative Solutions

The market has indicated that there is a shift from traditional parking permits towards a virtual permit platform and a migration away from cash:

- Virtual Permits support different kinds of permits that can be configured for variations based on for example, age / disability.
- Includes a verification system which is linked to DVLA information for automated look up to establish eligibility.
- Can be automated by establishing a set of rules the system uses to issue permits
- Supports the use of a pack of virtual vouchers for visitors and manage waiting lists if required.
- Support the delivery of savings through reduced costs of maintenance and cash collection (DBC already have a policy of not accepting cash for other transactions).
- Reduces the risk of loss of money via theft from P&D machines.
- Provide other methods of payment – on line/ phone or contactless, which increases resilience in that there is more than one payment channel and this reduces any consequential loss as a result of machine failures.

3.10. Future Business Developments

It is possible the CEO's could be utilised for other enforcement activities:

- Service providers have expanded patrols for some customers to include environmental activities including dog fouling / litter as this uses a shared infrastructure.
- Many service providers can also offer a range of services linked to parking enforcement, shared service centre, permit printing, cash collection, machine maintenance, signs and lines and car park maintenance

4. Service Design

- 4.1. Taking the pre-procurement market engagement discussions in to consideration, the Council have approached the market for a Parking Enforcement Service and have been mindful to lot the requirement to cover the provision of *'Integrated Systems, Software and Associated Hardware'* to the Authority's Systems Provider as Lot 1 and a separate Lot 2 to include the *'Compliance Management and Business Processing Solution'* to the Enforcement Service Provider.
- 4.2. The Council has chosen this approach as they feel that the technology and supporting systems will be the main driver for changing the service delivery model and delivering efficiencies.
- 4.3. By separating out these two elements of the service, the Council will remain in full control of the service improvements and future service enhancements that will be delivered as a result of the technological and innovative solutions.
- 4.4. These improvements will include real time data that will allow for more in-depth analysis of parking data and enable resource optimisation to combat areas where parking contraventions are prevalent.
- 4.5. The service improvements will embrace the Council's 'digital transformation' and enhance the customers contact with the Council an example of this will be through the implementation of virtual permits.
- 4.6. The introduction of newer technology to support the redesign of the service will enable the Council to become more efficient and effective should the scope and number of CPZ's continue to expand.
- 4.7. At all times, the public shall be dealt with in a fair and reasonable manner and any changes to how the services are delivered must not compromise the ability of vulnerable or protected groups to access the services.
- 4.8. Investment in newer technology and a lower operational running cost will become clear during October when the bids are submitted and evaluated.

4.9. Service Objectives

4.10. The Council is seeking a Systems Provider and an Enforcement Service Provider that can work together to deliver a complimentary high quality service that will support the Authority to deliver its overall traffic management objectives, which are:

- 1) Improve the quality of service and the environment to residents and visitors to Dacorum
- 2) Investment in new technology to support the safety of the traffic network
- 3) Comply with current and future Legislative requirements
- 4) Use of resources to ensure effective deployment for compliance management
- 5) Introduce innovative solutions to deliver operational improvements and efficiencies
- 6) Increase levels of compliance through efficient and effective operations
- 7) Provide a reporting solution to account for and report accurate information

5. Tender Update

5.1 During the tender process the Council received 130 clarification questions that required responses.

5.2 It was agreed that following a number of requests and due to the level of interest that was shown from the market as well as the high volume of parking tenders currently out to the market that the tender closing date would be extended from 25th September to 6th October.

5.3 The Council has received 6 compliant bids for Lot 1 and Lot 2. This reflects the extension of time that was given to bidders and the pre market engagement dialogue that allowed DBC to explore and better understand business, technology and innovative solution to deliver a parking service.

5.4 The Parking Service and the Procurement Service are in the process of carrying out the evaluation of the tendered submissions. It is anticipated that the evaluation process will take between 2-3 weeks to complete and a decision to award is expected during w/c 23rd October.

5.5 Deferring the award decision until the next Cabinet meeting will delay the contract implementation by approx. 4-6 weeks (and maybe more allowing for the call in period to expire and the Christmas break) and could potentially impact on the rollout of new technology at the beginning of the contract period.