

## RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

### PART 1 – PUBLIC DOCUMENT

#### SERVICE DIRECTORATE: Regulatory

#### 1. DECISION TAKEN

- 1.1 Approval of Single tender procurement of Imperial Civil Enforcement Solutions for a hosted solution to upgrade the current software for new handheld/smartphone devices for issuing penalty charge notices (PCNs) for Parking Enforcement purposes and to appoint Imperial Solutions under a three-year contract to continue with the provision of the Council's licensing and software system for the issuing and processing of PCNs and processing permits.

#### 2. DECISION TAKER

- 2.1 Ian Fullstone, Service Director – Regulatory

#### 3. DATE DECISION TAKEN:

- 3.1 4 August 2021

#### 4. REASON FOR DECISION

- 4.1 There is an immediate requirement to replace the current failing handheld devices used for issuing Penalty Charge Notices with smartphone technology and improved updated software.
- 4.2 Imperial Solutions currently provides the existing back-office notice processing and hosting software for the handheld devices. The award of a direct contract to Imperial Solutions under a single tender would enable the seamless integration of the upgraded software and improve the administration of PCNs. The updated software will also integrate with the software for issuing virtual permits that is planned within the next 6 to 12 months.
- 4.3 A new renegotiated three-year contract with the current supplier that incorporates the upgraded smartphone software and associated licences, the back-office penalty charge notice and permit processing software systems into one contract will enable the Council to make a saving of circa £17,100 over three years. The total cost of the new three-year contract is £107,751.88
- 4.4 In addition to the overall cost saving, by entering into a contract for three years will enable officers the time to:
- (i) familiarise themselves with and embed the new handheld software system and associated technology with the back-office systems,
  - (ii) move forward with the issuing of virtual permits,
  - (iii) investigate other parking management and administrative options such as alternative methods of payment for on and off-street parking as instructed by Cabinet in March 2021 and consider the option of rolling associated software systems into one integrated project. The alternative methods of payment exercise is expected to take approx. 2 to 3 years including carrying out a trial in one or more of the Council's car parks, as well as

- (iv) prepare and undertake a full procurement exercise whilst offering a seamless service to the customer.

4.5 In entering into a new re-negotiated contract with Imperial Solutions over three years and given that the overall cost of this service will be over £50k, an official NHDC Decision Notice must be published on the Council's website. (See paragraph 9.2 below).

## 5. ALTERNATIVE OPTIONS CONSIDERED

5.1 In considering the opportunity for the Council to terminate its current set of contracts associated with the parking enforcement function, i.e. the notice processing software and also the current permit software contract, and to enter a new contract including the upgraded software for handheld devices with the same supplier for a limited period, i.e. up to three years, the following options were considered:

- Option 1 - remain with the existing contractual arrangements
- Option 2 - procure from a Framework
- Option 3 - carry out a procurement and evaluation exercise.
- Option 4 - enter a single combined contract for all the services

5.2 The first three options were discounted for the following reasons:

5.2.1 Option 1 - The Council would need to procure a separate contract for the software upgrade to the replacement hand helds i.e. for the smart phones. This option would be more expensive than entering into a new combined contract.

5.2.2 Option 2 – Two Frameworks were considered and while some suppliers were more expensive and cheaper than Imperial Solutions, they were not providing the appropriate products. It was considered not appropriate to select a new supplier at this stage as it would delay the urgent requirement to upgrade the software to support the new handhelds, it would also delay the implementation of virtual permits and create a disruption to parking services work programme. In addition a termination fee would be incurred to exit the permit contract.

5.2.3 Option 3 - carrying out a procurement exercise would at this stage take at least 12 months and would delay the replacement and upgrade of the handheld software, disrupt the existing parking services work programme, delay the implementation of virtual permits and impact on the administration of Penalty Charge Notices.

In addition, given that the current payment systems for the Council's car parks are being evaluated with a request from Cabinet to consider pay on exit, any procurement process would be completed prior to the alternative payment system business case being approved with no guarantee that the procurement would deliver on the outcomes of the business case.

5.3 Option 4 - was considered the preferred option. This option considered combining the provision of the Council's licensing and software system for the issuing and processing of PCNs and processing permits, including the upgraded software for handheld devices into a single combined contract and negotiating new prices under either a 12, 18, 24 or 36 month option contract. In addition to providing cost savings on additional features for the handheld software, there was also a saving on the permit costs over the various contract periods from £2 to £1 resulting in a saving of £1.50 per permit under a 36-month contract. The shorter the duration of the contract the higher the cost. For example, if the Council chose to enter into a new 18-month contract this would result in a minimal saving of circa £676 and a lower overall cost saving of circa £4,650 for a 24-month contract compared to a saving of circa £17,100 under a 36-month contract.

5.4 Entering into a 36-month contract will enable the Council to consider its future payment methods, move forward with improved technology for issuing and processing PCNs and to issue virtual permits in a more cost-efficient way.

## **6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)**

6.1 The requirement to upgrade the handheld equipment and to streamline and improve the administration of Penalty Charge Notices and to move to virtual permits has been discussed with and is supported by the previous Executive Member for Planning & Transport and Deputy and the current Executive Member for Enterprise, the Arts and Transport and Deputy.

6.2 The option of entering into a single combined service contract to deliver all the services has been discussed with the above-mentioned Executive Members and Deputy's and are supportive of the decision.

6.3 The Service Director – Resources has been consulted under Rule 29.2 of the Contract Procurement Rules and supports the extension of the contract (See paragraph 9.3 below).

## **7. FORWARD PLAN**

7.1 This decision is not a key Executive decision and has therefore not been referred to in the Forward Plan.

## **8. BACKGROUND/ RELEVANT CONSIDERATIONS**

8.1 At present, the Council has a single supplier, Imperial Enforcement Solutions Ltd that hosts its licencing and software system for the issuing and processing of Penalty Charge Notices (PCNs) and for processing permits. These services are provided through multiple separate contracts, of which all but one currently run on a rolling basis. These contracts will need to be terminated before the Council can enter a new contract with Imperial Solutions.

8.2 The current handhelds that are used by the Parking Civil Enforcement Officers for the issuing of PCNs have come to the end of their lifespan and the associated software is outdated. The handheld devices themselves are becoming unreliable resulting in additional costs to the Council in terms of engineer charge out fees and the cost of replacement parts that are becoming more difficult to source. By replacing the handhelds to smartphone devices also allows for an upgrade in the software that would improve the administration of the PCNs and would seamlessly link in with the other Penalty Charge Notice Processing and Hosting software systems currently supplied by Imperial.

8.3 The proposal for the new contract with Imperial Enforcement Solutions will include the upgraded software and licences to be used on the smartphones, the current software system for the issuing and processing of Penalty Charge Notices (PCNs) and for processing permits.

8.4 As outlined in paragraph 5.3 above, when considering the various options of contract lengths, entering a new three-year contract will result in a saving of circa £17,100 over the period. Having considered the pricing options that are open to the Council and as summarised in the table below, it is the Officers' view that entering into a new 3-year contract offers best value to the Council.

<b>Cost Options summarised</b>	<b>Council would pay over 3 years</b>	<b>Cost Difference over Existing Contract.</b>
Remain with the existing contracts and Do nothing (i.e. omitting the need to update the current handheld software)	£124,853	
Cost of upgraded Handheld software and licences only plus existing back-office notice processing software and Permit Software	£160,771	+ £35,918
Cost of Entering into a new 3 Year Contract	£107,751.88	(- £17,101)

8.5 In conclusion and in light of the reasons for recommendations, the alternative options considered, and for the reasons set out in paragraphs 8.1 to 8.4 above, it is the officers' view that terminating the current contracts with Imperial Enforcement Solutions and entering into a new contract for a limited period of three years with the same supplier would be in the Council's best interest whilst offering best value, with the intention of undertaking a full procurement exercise within the three years.

## **9. LEGAL IMPLICATIONS**

9.1 Under terms of reference 14.6.4(a)(ii) of the Constitution, the Service Directors are delegated the following functions, powers, and duties for their respective service areas to: *entering into contracts to carry out works and/or for the supply of goods and services within approved budgets (subject also to approval of the Service director for: Customers in respect of software or hardware contracts).*

9.2 Under rule 7.13 of the Contract Procurement Rules, an official NHDC Decision Notice must be published on the Council's website for contracts above £50k.

9.3 The contract value for the upgrade and value for the three-year combined contract does not equal or exceed the relevant threshold under The Public Contracts Regulations 2015, therefore, the procurement of either of these contracts does not need to be competitively tendered for.

9.4 Imperial Solutions have informed officers that there would be no penalty in terminating the current individual contracts with a view to entering a single contract that incorporates all the services provided by Imperial Solutions.

9.5 A new contract will need to be in place at the end of the termination period to allow smooth continuity of the current services and legal officers will liaise with officers and Imperial Solutions to ensure a contract is duly signed and executed.

## **10. FINANCIAL IMPLICATIONS**

10.1 The total cost of the new three-year contract is £107,752 and will be funded from the parking income budget.

10.2 By implementing the new contract the Council would save circa £17,100 over 3 years.

- 10.3 There will be growth in the IT budget of £3,100 per annum, and a saving of £7,300 against the Parking budget in year 1, followed by a saving of £9,600 in year 2 and year 3. The increase in the IT costs are relating to the software upgrading and the savings associated with issuing the parking permits. So the total net saving will be £4,200 in year 1, and £6,500 in year 2 and 3.

## **11. RISK IMPLICATIONS**

- 11.1 The Parking Service” and “Implementation of Parking Strategy” are already identified as risks on the Council’s Risk Register. Currently, officers have assessed “Implementation of the Parking Strategy” as a Medium risk in terms of both Impact and Likelihood.
- 11.2 There will be a number of ongoing budgetary and parking challenges facing the Council over the coming years and it will therefore be important to manage the contract implementation within the timelines agreed to ensure that there is no business disruption.
- 11.3 The intention to undertake a full procurement exercise prior to the end of the new three-year contract which could offer the Council a more competitive solution. This will provide the opportunity to review the current systems and processes, investigate new technological solutions, and to test the market for a comprehensive service that seeks to achieve best value for money.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no equalities implications.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 As the recommendations made in this report constitute a public service contract, the measurement of ‘social value’ as required by the Public Services (Social Value) Act 2012 applies.
- 13.2 Upgrading the handheld software and combining the contract will enable the council to move towards issuing virtual permits which will provide additional options for the customer and the more immediate issuing of permits to be used within the Council Car Parks and on street within Controlled Parking Zones or under special circumstances in the case of granting special dispensations. The issuing of virtual permits seeks to cater for the immediate needs of the local residents and businesses. Reducing the need for issuing paper permits and saving on postage also provides a more environmentally friendly option to the Council and the customer.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are no Human Resource implications to consider other than managing the implementation of the new contract.

**15. ENVIRONMENTAL IMPLICATIONS**

15.1. There are no known Environmental impacts or requirements that apply to this contract.

**16. BACKGROUND PAPERS**

16.1 Approved Single Tender Report and associated appendix 1 -detailing cost analysis of options. (22 July 2021)

**17. APPENDICES**

17.1 None

**NOTIFICATION DATE**

**Signature of Executive Member Consulted:** *Agreed by Cllr Sam Collins (Exec Member for Enterprise, the Arts and Transport)*

**Date:** *Via email dated 3 August 2021.*

**Signature of Decision Taker** 

Ian Fullstone. Service Director - Regulatory

**Please Note:** that *unless urgency provisions apply* EXECUTIVE decisions cannot be implemented until 5 clear working days have elapsed after the decision has been taken to allow for scrutiny call-in.

**Call-in does not apply to NON-EXECUTIVE DECISIONS**