

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

PART 1 – PUBLIC DOCUMENT

SERVICE DIRECTORATE: Regulatory

1. DECISION TAKEN

To award Flowbird Smart City UK Ltd. a contract for parking payment machines and associated back-office software (Further Competition ESPO Framework Agreement 509_23 Parking Management Solutions (Project Reference: NH514974700)).

The value of the contract is circa £300,000 for an initial term of 3 years with an option to extend for a further period of 2 years.

2. DECISION TAKER

Ian Fullstone, Service Director - Regulatory

3. DATE DECISION TAKEN:

15th April 2024.

4. REASON FOR DECISION

- 4.1 To undertake the comprehensive replacement of all parking payment machines currently situated in car parks operated by the Council. As well as replacing the parking machines which are deemed at the 'end of lifespan', this will also enhance service provision by offering parking customers a variety of alternative payment methods. This initiative aims to modernise the parking infrastructure and improve the overall user experience by aligning with current technological advancements and consumer payment preferences.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The pay and display machines currently installed across the Council operated car parks have been in place since 2012. It is acknowledged by the Council that the machines have reached the end of their lifespan and will need to be replaced over the next two years. The Council recognises that the pay and display operation may not always be the most appropriate system for charging, and therefore, it was considered timely to explore and review alternative methods of payment.

- 5.2 A feasibility study was undertaken to assess all available parking payment methods. Initially, pay on exit/barrier systems were highlighted as a suitable potential option, but this was then discounted as barrier systems are more costly than other available post payment solutions on the market such as a 'tap in/tap out' system (use of debit or credit cards to commence and end parking sessions). Post payment methods allow visitors to pay for their length of stay at the end of their session having entered their registration number and payment method at the parking machine on arrival. This option was presented to PLB and supported as the favoured option. Officers were tasked with proceeding with a procurement exercise to commission the replacement of and installation of new parking machines and back-office system which would include other forms of payment such as the 'tap in/tap out' system.

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

- 6.1 Cabinet at its meeting on 16 March 2021 resolved: *“That officers be encouraged to explore and prepare a business case for alternative methods of payment for on and off-street parking, including investigation of pay on exit within the council’s multi-storey car parks”*.
- 6.2 Following an initial feasibility study on various payment options, including pay on exit, two reports were presented to the internal informal Political Liaison Board of the Executive and the Leadership team on 1st November 2022 and again 7th February 2023, where it was agreed that a tap in/tap out system should be explored in some, if not, all the Council operated car parks when replacing the parking machines including investigating the most appropriate procurement exercise to be followed.
- 6.3 No consultation was undertaken with Ward Members or the public as this is an operational decision to provide additional payment methods within Council-owned car parks.
- 6.4 The Executive Member and Deputy Member for Planning and Transport have been consulted and kept informed throughout the procurement process.

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 Cabinet at its meeting on 16 March 2021 resolved: *“That officers be encouraged to explore and prepare a business case for alternative methods of payment for on and off-street parking, including investigation of pay on exit within the council’s multi-storey car parks”*.
- 8.2 Consultants were commissioned in March 2022 following a detailed procurement process to undertake an assessment of the most suitable methods of payment in Council managed car parks across the district.
- 8.3 As part of the development of the feasibility study, each council operated car park was assessed by the consultant to determine the potential suitability for a pay on exit system.
- 8.4 A report summarising the outcome of the feasibility study was tabled at Political Liaison Board (the ‘Board’) in November 2022. The Board felt ‘pay upon exit’ principal was to be supported together with other innovative forms of payment system, such as a tap in/tap out payment system, had not fully been explored and recommended that officers undertake further research into these forms of technology and investigate the most appropriate procurement exercise to be followed.
- 8.5 Officers undertook a benchmarking exercise against neighbouring councils to understand what systems they were using as well as understand their lessons learned including what works well.
- 8.6 This was followed by a soft market testing exercise in January 2023 to ascertain the kind of parking payment systems and equipment that were available to inform the future procurement. This included looking at the ESPO Framework to assess the various types of innovative payment systems on offer.

- 8.7 From the gathered information and seeking advice from the Council's Procurement and Legal teams it was agreed to conduct a mini competition through the ESPO Framework, inviting proposals from various tenderers/suppliers. This approach sought to ensure adherence to Regulation 18 of the Public Contracts Regulations 2015 and the selection of the most suitable supplier.
- 8.8 The mini competition through the ESPO Framework ran from 23rd November 2023 until 22nd January 2024. Three suppliers submitted proposals.
- 8.9 The evaluation of bids was conducted by an evaluation panel of six in accordance with the award/evaluation criteria stipulated in the promulgated procurement documents. Flowbird Smart City UK Limited scored the highest marks in representing the most economically advantageous tender in terms of both price and quality criteria. Following a ten-day standstill period the call-off contract was awarded to Flowbird Smart City UK Limited in early March.

9. LEGAL IMPLICATIONS

- 9.1. Section 14.6.4 of the Council Constitution provides delegation to service directors and states at section 14.6.4 (a) (ii):
- “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). All may attest the fixing of the Common Seal to a contract or Deed;”
- 9.2. The Council resolved to conduct a mini competition through the ESPO Framework. This approach sought to ensure adherence to Regulation 18 of the Public Contracts Regulations 2015 (as amended) and the selection of the most suitable supplier.
- 9.3 Legal will assist Officers with the Contract and will ensure that the Contract is properly executed and completed.

10. FINANCIAL IMPLICATIONS

- 10.1 A capital budget of £300,000 has been set aside initially split over two financial years 2023/24 and 2024/25. However, given the time taken in investigating most suitable payment options and the procurement process the 2023/24 budget will be carried forward into 2024/25, where it will be profiled against an agreed implementation programme, as it is proposed to phase in the new payment methods over a 6 to 12 month period. The estimated cost of the new machines together with the supporting back-office, cashless payment options, plus tap in/tap out' system and implementation package is circa. £90,000. It is noted that the supplier is proposing a reduction in the number of machines with a cashless payment option, as it is proposed that the new machines are phased in alongside the retention of a reduced number of current cash payment option machines. However, should the Council wish to increase the number of new machines including machines with a cash payment option, this would increase the costs. There are sufficient funds within the capital budget to accommodate such further requirements if considered necessary.
- 10.2 The ongoing maintenance of the machines will be funded through an existing revenue budget covering the current machines and will be rolled forward as part of the new contract. The current maintenance agreement is £29,500 per annum and depending on the roll out of the programme and the agreed number and type of machines to be implemented under the new contract, it proposed to work as within this budget give or take £10k either side.

- 10.3 Savings are expected to be made and shall be reported to Cabinet within the quarterly budget monitoring during the year.

11. RISK IMPLICATIONS

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 Pay on Exit Parking Review is listed as a Corporate Risk relating to a key project in the Council Delivery Plan.
- 11.3 The current parking machines are coming to the end of their life and by not replacing these machines will result in increasing maintenance costs, poor customer experience in not offering the most up to date forms of payment technology and impacting on the Council's reputation.
- 11.4 Phasing the implementation of the new machines with the new methods of payment i.e. tap in/tap out' system in a limited number of car parks together with a well-publicised public relations programme will seek to manage customer experience and back-office management operations, thereby seeking to reduce the risk of negative public reaction.
- 11.5 A full implementation programme will be agreed with the supplier to ensure minimal disruption to customers and loss of income to the Council during associated works.

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 An equalities assessment has been undertaken as part of the proposal, and the proposal to consider removing cash as a payment option for parking has been identified as a possible implication for the elderly. It is proposed that cash payment parking trends will be monitored for a 12-month period following the implementation of the new machines with additional payment options to determine if there is a downward trend in cash payments. The outcome of this monitoring will be reported initially to the Executive Member for consideration of next steps.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations in the report relate to a contract above the EU threshold, Social Value has been included by incorporating a social value quality criterion within the mini competition through the ESPO Framework. The results of these steps are that the Council will work closely with the supplier to provide social value benefits in the local community in North Hertfordshire. For example, Flowbird Smart City UK Ltd. are working with other Council's to deliver educational sessions to college students, outreaching to local job agencies to support the long term unemployed and providing Councils with kiosks within town centres to take monetary donations for their chosen local charities.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. Environmental Impact implications has been taken into consideration as part of the contract. This included incorporating an environmental impact quality criterion within

the mini competition through the ESPO Framework. The following environmental mitigation measures will be provided through the contract with Flowbird:

- To install Solar-powered machines in the surface car parks, to enhance sustainability.
- The proposal eliminates paper waste by discontinuing pay and display methods and moving towards a ticketless system, contributing to environmental conservation.
- Flowbird offers a comprehensive terminal disposal service for outdated terminals, achieving a recycling rate between 95% and 97%, exceeding WEEE regulations' minimum requirements.
- Flowbird's procurement policies prioritise ethical sourcing and minimal carbon footprint, favouring UK-manufactured components and suppliers that adhere to strict environmental standards.
- Flowbird is a Carbon Neutral Business, certified in early 2022, with its sustainability practices independently assessed to ensure the effectiveness of its Carbon Neutral plan, thereby supporting North Hertfordshire Council's environmental goals.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There would be no human resource implications other than requirement to project manage the implementation of the machines and the on-going maintenance contract, which is part of the Parking Enforcement Manager's duties.

16. BACKGROUND PAPERS

16.1 The following background papers are available on request:

- Cabinet Report 16th March 2021
- Car Park Payment Options Feasibility Study July 2022
- Political liaison Board Report 1st November 2022
- Political liaison Board Report 7th February 2023

NOTIFICATION DATE

19 April 2024

Signature of Executive Member Consulted 

Date15 April 2024.....

Signature of Decision Taker 

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. This is a NON-EXECUTIVE decision