



## Mayor and Cabinet

### **Parking and Traffic Enforcement and Associated Services Procurement**

**Date:** 11 January 2023

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** All wards

**Contributors:** Kyki Kim-Bajko, Parking Services Manager

### **Outline and recommendations**

This report reviews the current Civil Enforcement Contract exercise, assesses the strategic procurement exercise to recommend a procurement to deliver the best value and service for the Council.

Recommendations are: -

*To agree a 3-months extension to the existing contract*

*To agree a new procurement via open tender process for Parking and Traffic Enforcement and its associated Services contract for a period of 8 years with the option to extend for a further 2 years and to award the contract*

### **Timeline of engagement and decision-making**

Mayor and Cabinet 12 December 2018 – approved an extension to the contract to end of July 2023

A further extension up to three months being sought to 31 October 2023 to meet the re-procurement and mobilisation of the service contract which may include TUPE

## 1. Summary

- 1.1. This report reviews and recommends the procurement exercise to tender a Parking and Traffic enforcement and associated Services contract. The current contract comes to an end at the end of July 2023. This contract will consist of a number of support service areas which fall within the existing parking enforcement contract with an expansive view to future strategic needs to deliver the associated services.
- 1.2. Consideration is given to potential alternative options and key benefits to the Council, extending the present contract up to 3 months in order to carry out an open and competitive tender to procure the service contracts which optimises the value and service level for the Council.

## 2. Recommendations

It is recommended that Mayor and Cabinet:

- 2.1. Approves an extension of the current contract with NSL Limited for 3 months to end of October 2023 at an estimated cost of £1.1m.
- 2.2. Approves the re-procurement of parking services via an open tender process which will be for a period of 8 years with the option to extend for up to a further 2 years at an estimated total cost which may reach up to £80m in the lifespan of 10-year contract.
- 2.3. Approves the award of contract to the preferred service provider, provided the contract value is within authorised limits.
- 2.4. Delegates authority to Executive Director for Housing, Regeneration and Public Realm (in consultation with Director of Law, Governance and Elections) to select the preferred service provider in accordance with the selection criteria published in the tender documentation and agree final form of contract.

## 3. Policy Context

- 3.1. Parking Services are essential to ensure that all users in the community, including vehicle users as well as non-vehicle users, enabling them to travel within or through the borough with reasonable access to parking. The service will ensure the economic vitality of the area, whilst preventing and discouraging unnecessary car use, e.g. for short journeys or commuting into the borough, and encouraging the transition to sustainable modes of transport and where not possible cleaner, greener vehicles.
- 3.2. Without parking and traffic enforcement, the various policies that have been introduced to improve air quality and achieve net zero carbon objectives as set out in Climate Emergency Action Plan ([lewisham.gov.uk](https://www.lewisham.gov.uk)) including Low Traffic Neighbourhoods, School Street schemes and Emissions Based Charging for long to short term parking would not be effective. Similarly, streets would become congested and unsafe. Parking enforcement is an essential but unpopular part of modern day life that helps achieve bigger overall objectives.
- 3.3. The contents and recommendations of this report are consistent with the Council's policy framework, as well as wider regional and national policies and priorities, as outlined below.
- 3.4. Climate Emergency Action Plan (2020) – This sets out the Council's ambition for Lewisham to be a carbon neutral borough by 2030. More than 25% of the borough's carbon emissions come from transport, including vehicles travelling in or through the borough. Within the action plan, one of the key policies to move to a decarbonised transport network is to implement a Healthy Neighbourhoods programme to reduce

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- traffic congestion, improve air quality and encourage sustainable modes of travel. The intention is to implement a rolling programme across every area of the borough by 2030.
- 3.5. Air Quality Action Plan (2022-2027) – This outlines the Council’s five-year strategy, from 2022-2027, to improve air quality in the borough and across London. This includes objectives for cleaner air around schools and for cleaner transport policies, such as encouraging more trips to be made by walking, cycling or public transport to reduce car use; introducing more School Streets, temporary road closures and restrictions for parking; improved provision of infrastructure to support walking and cycling; installation of Ultra-Low Emission Vehicle (ULEV) infrastructure and promote the update of electric vehicles.
- 3.6. Transport Strategy and Local Implementation Plan (2019-2041) – The objectives of the Council’s transport strategy is for travel by sustainable modes to be the most pleasant, reliable and attractive option for those travelling to, from and within Lewisham; Lewisham’s streets to be safe, secure and accessible to all; Lewisham’s streets to be healthy, clean and green with less motor traffic; and Lewisham transport network to support new development whilst providing for existing demand.
- 3.7. Mayor of London’s Transport Strategy (2018) – This has an overarching aim of reducing dependency on cars and sets strategic targets for 80% of journeys in London to be made by walking, cycling and public transport by 2041 and for all Londoners to do at least 20 minutes of active travel each day by 2041.
- 3.8. London Net Zero 2030: An Updated Pathway: In 2022, the Mayor of London commissioned Element Energy to analyse the possible pathways to achieving net zero. The Mayor has indicated an Accelerated Green pathway will be followed in order to achieve net zero, for which one of the key requirements is a 27 per cent reduction in car vehicle kilometres travelled by 2030.
- 3.9. Streets for London (2017) – The Mayor of London and Transport for London (TfL) are taking the Healthy Streets Approach to encourage more Londoners to walk, cycle and use public transport. This approach aims to improve air quality, reduce congestion and help make London’s diverse communities greener, healthier and more attractive places to live, work, play and do business. It outlines some practical steps to help Londoners use their cars less and walk, cycle and use public transport more, including:
- Improving local environments by providing more space for walking and cycling, and better public spaces where people can interact;
  - Prioritising better and more affordable public transport and safer and more appealing routes for walking and cycling;
  - Planning new developments so people can walk or cycle to local shops, schools and workplaces, and have good public transport links for longer journeys
- 3.11 London Environment Strategy (2018) – This strategy brings together approaches to every aspect of London’s environment, integrating air quality, green infrastructure, climate change mitigation and energy, waste, adapting to climate change, ambient noise, and the low carbon circular economy. It recognises that poor air quality is the “most pressing environmental threat to the future health of London” and sets out a roadmap to zero emission road transport which includes reducing car use.
- 3.12 The Council Corporate Strategy (2022-26) sets out the Council’s corporate strategy, values, priorities and budget. The contents of this report are consistent with the Council’s policy framework with particular relevance to the many economic, environmental and social improvements that rely on a modern transport system. The goal, objectives and outcomes for the intelligent management and delivery of the Parking Services align with the Council’s Corporate Priorities. In particular, the services’ impacts on the following Priorities.

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## 4. Background

During 2011-12 Lewisham Council carried out a competitive tender process under the EU Restricted route to procure services for their parking enforcement and associated services responsibilities. The contract was awarded to NSL Ltd for a period of 6 years with the option to extend for a period of 4 years. The contract commenced on 1<sup>st</sup> May 2013 for a duration of 6 years taking the contract through to an expiry date of 31<sup>st</sup> July 2019. The contract allowed for an option for Lewisham Council to extend the contract for 4 years by informing NSL in writing with a minimum of three months' notice. Following due process at the Lewisham Council cabinet meeting on 12<sup>th</sup> December 2018, the contract was extended to 31<sup>st</sup> July 2023.

- 4.1. The Council has a statutory duty under the relevant Transport Acts to manage its traffic demands through parking and moving traffic enforcement. Most of the parking service provision has been outsourced from the Council since 2000 in London.
- 4.2. Following evaluation the contract was awarded to a single vendor, NSL Ltd, with a number of sub-contractors such as RingGo (permits and virtual pay and display), Si-Dem (enforcement and back office software) and Siemens CCTV camera solution to deliver the service provision.
- 4.3. The parking industry has changed considerably since the last tender in 2013. Many advancements such as advent of fully virtual permits, cashless solution, decommissioning of all pay and display machines and usage of Automatic Number Plate Recognition (ANPR) CCTV for moving traffic offences in aid support Low Traffic Neighbourhood schemes were introduced.
- 4.4. The Council is committed to making Lewisham cleaner and greener by working to protect and improve the local environment. In order for the service to tackle the increasing amount of fly tipping and associated anti-social behaviour occurring in the Borough, an innovative and cost-effective solution was required. The Mayor and Cabinet agreed in February 2021 to a 6-month pilot between the Council and NSL to create a Hybrid Enforcement team that would target fly tipping and the issuance of Fixed Penalty Notices for littering and fly tipping offences. The joint operation of Environmental, Parking Enforcement Team have achieved many successes tackling air quality monitoring and engine idling in known hot spots in the borough. To date, the hybrid enforcement generated £200,000 of income which enables the service to be financially self-sufficient. It is recommended that this is continued to further support the Council's Corporate Strategy in enhancing Lewisham to become cleaner and greener.

## 5. Options Appraisal

- 5.1 Option 1 – Do nothing
  - 5.1.1 This is not a viable option as it would result in the failure of the service which is a statutory obligation. The services include all parking and traffic enforcement services including on, off street and CCTV enforcement, notice processing, permit administration etc would cease. The Council would not achieve its net zero carbon ambitions, and pollution would increase, and streets would become unsafe. There would be a budget deficit of £14m per annum. Enforcement of parking and traffic controls is essential with the ever-increasing stress on parking in growth of population to drive regeneration and improve safety. Consequently, every highway authority must ensure this function is delivered.
- 5.2 Option 2 – In-source the Parking Service in its entirety

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- 5.2.1 To deliver a comprehensive service of the type required by the Council would be an immense undertaking. The services require vast scope of resources other than staff such as specialist technology equipped with niche IT software and systems for the provision of virtual permit, cashless, secured payment platform which requires various integration via application programming interface to back office IT services. External service providers benefit from economies of scale in all of these areas which delivers key benefits to the Council. Due to the lack of the Council's present capacity to facilitate and cultivate technicalities on niche services, this will inevitably result in fragments of smaller sized contracts being required for each area.
- 5.2.2 This approach will increase the Council service's team resource, legal and procurement concurrently. Due to the smaller sized contracts, it is likely that these would require re-procurement on a fairly regular basis to ensure best value. Please refer to the Analysis of Financial & Non-financial Implications of Parking and Traffic Enforcement Associated Services (and related activities) In-sourcing annexed in Part 2 of the report.
- 5.2.3 The most prominent cost involved in the delivery of the service is the cost of labour. Full analysis of the labour cost is highlighted in annexed report in Part 2.
- 5.2.4 External service provider will have the flexibility to match increase and decrease service provision. This is not the case for the Council who would be reliant on increased overtime costs or untrained agency workers.
- 5.2.5 Expert service providers have multiple contracts within London which enable them to transfer skilled resources to other local authority contracts with stronger group purchasing power and agreements with specialist sub-contractors. External service providers benefit from economies of scale in all of these areas, and this is one of the greater benefits for the Council. These services have always been outsourced since the Council took on these additional powers in 2013 when the current contract was agreed.
- 5.2.6 Prolonged disruption to the service during the transition poses severe risk to the Council as this has more definitive impact to the residents. For example, high absence level of enforcement teams will lead to inconsistent enforcement coverage which can lead to road and traffic obstructions affecting essential goods and services being delivered to the borough. In order to ensure continuous service, the Council may recruit or find external additional resources short term which would be challenging as the Council simply does not have the capacity deliver a civil enforcement qualification training programme or recruit from a specialised workforce talent pool with civil enforcement officer qualification.
- 5.2.7 Lessons learnt from other local authorities that have recently in-sourced parking services was that the transition was disruptive and costly to both corporate support areas involved such as legal and procurement and direct impact on the service to customers.
- 5.3 Option 3 - Insource part of the service, as a hybrid model
- 5.3.1 This option would likely result in the 'worst of both worlds' as mobilisation and operational costs are expected to increase. This approach will likely demand a larger structure on the client-side to manage each service area.
- 5.3.2 The option will heighten the risk to the council as one or more failures of each of the service providers will have a 'domino effect' on the overall service delivery. This in turn, depending on the level of severity, will impact both the council's revenue and affect the community. Given the rigidity in the Council's structure, there would be a lack of resilience on the Council to manage increased peaks and troughs in workload.
- 5.4 Option 4 – Shared Service Delivery
- 5.4.1 There are a number of other London boroughs whose main parking contracts expire in 2024, however, none expire at the same time as the Lewisham parking contract in 2023.

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- 5.4.2 Shared service is a good theoretical idea but often more challenging to manage largely because of the variances in the services from borough to borough and the contracts are simply not alike enough to be shared. This is particularly true for parking services where bespoke restrictions are designed to suit the needs of residents and local businesses, and there is a lack of uniformity, even between adjacent boroughs in the application and enforcement of restrictions.
- 5.4.3 Our assessment shows Lewisham's parking service and its operational scope is of sufficient size. The possibility of a joint operation is unlikely to result in a significant saving delivery nor efficiency in the service delivery.
- 5.5 Option 5 (recommended option) – Re-procure the service
- 5.5.1 The benefits include:
- a simpler streamlined contract let process using the open procedure
  - lower procurement costs and resources spent against smaller lots with varied frequency on re-tender
  - a direct service provider relationship focussed on delivery of parking service to Lewisham Council with no distractions
  - better assessment for the Council to evaluate the selection criteria which serves Lewisham with the most competitive rate and service expertise
- 5.5.2 On the expiry of the current contract, a new service provider would be ready to mobilise the relevant service area having been selected after a compliant competitive tender process in compliance with the Public Contracts Regulations 2015. The scope is as-is basis but with a refreshed contract with a central focus on achieving a competitive rate for each service area that will equally achieve improved services for community, investment and value for money.
- 5.5.3 This option allows for resilient recruitment and talent pool, flexibility to hire; and experts in the field of parking and technology with experience and expertise to handle a reactive parking policy environment.
- 5.5.4 Different types of contracts have been considered and the existing British Parking Association (BPA) model service contract based around key performance indicators (KPIs) which creates a partnership rather than adversarial relationship is deemed the most appropriate.
- 5.5.5 The proposed contract would allow the Council to access the latest IT and infrastructure without capital investment, access specialist skills and training provision without a large capital investment.
- 5.5.6 The new specification will be explicitly clear that a new service provider would take full accountability of mobilisation as well as day to day operation of the IT system. If a new IT partnership is to be proposed, the new service provider must bear the cost as well as handle the complete migration.
- 5.5.7 The benefits of a commissioning style parking contract include the following;
- Single ownership – use of multiple sub-contractors under a single ownership supporting innovation and resilience. Empowering the service to operate at maximum cost efficiency under single ownership.
  - Access to latest innovation and technology without the need for onerous procurement exercises – a highly functional contract which incentivises the service provider to deliver savings for the Council by continuous improvements and adaptation.
  - Economy of scale/ enhanced buying power – the more services that are contracted out, the lower the cost per schedule of rate item. The supplier will naturally have enhanced buying power which does not preclude SMEs from tendering. This additionally results in retention of existing relationships between suppliers which can be beneficial to the service. For example pre-existing data sharing agreements, which facilitates the smooth running of the interconnected elements of the contract.
  - As mentioned, revised KPIs will be introduced to exceed demanding standard targets, focusing on the experiences of customers and will measure the following areas:

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- Customer journey and satisfaction level
  - Improved Service Level Agreement & effective management of tertiary services
  - Environmental performance
  - Health and safety records
  - Innovation and new technology to deliver savings and resilience
  - Best value and improve the reputation of the Council
- 5.5.8 The contract will be designed so that additional parking equipment and resources can be purchased on flexible basis providing the benefits of trialling new technology and the associated return on investment with the minimal capital outlay. Examples of equipment and resources may include:
- CCTV cameras for enforcement;
  - bike hangars
  - electric vehicle charging points;
  - enforcement hardware and software;
  - project management resource;
  - survey resource
- 5.5.9 A contracted service inevitably results in some loss of control for the Council as the employees delivering the service are not direct Council employees. However, the Council will continue to take ownership and the lead in transforming its service, through synergy with a partner that has aligned itself with the Council's values.
- 5.5.10 The intention is to hold a series of in-person and virtual supplier days whereby a Prior Indication Notice (PIN) is issued to alert the market of this contract and invite them to participate in sessions with Council representatives / the consultant and explain the latest industry innovation and technology for inclusion in the specification. This will also serve to advise the market that this contract will be out to tender shortly.
- 5.5.11 The current coverage of the Borough CPZ is at 23%. On 7<sup>th</sup> December 2022, Sustainable Transport and Parking Improvements paper was presented to the Mayor and Cabinet and it had been agreed a phased consultation in the remaining part of the borough will be carried out with the view to introduce sustainable improvement and parking controls. The newly procured contract must consider the potential expansion programme which may in turn increase the current value of the contract. This takes into account, the cost control exercise to deliver an efficient usage of latest technology and data to lead intelligence-led deployment and parking control.
- 5.5.12 Specialist IT service is commonly outsourced and this is either procured as part of the contract or as a separate lot. Experience suggests that having the enforcement provider with the sole responsible for the IT works best as there is clear responsibility for equipment and the software providing end-to-end service.
- 5.5.13 Based on market consideration and intelligence it is expected that an open tender would invite healthy competition, avoiding monopolisation and increase further chances of interests from smaller sized companies looking to expand. There are a number of service providers capable of delivering parking and traffic enforcement services for Lewisham Council. The majority of parking specialist companies which also provide administrative government service are multi-national or disciplined conglomerates. Due to the specifications set out by local authorities, SMEs do not usually take the lead on bidding for such contracts but do participate as sub-contractors particularly in the provision of IT services including specialised back office software and abandoned vehicle removal service.
- 5.5.14 The previous 4 financial years' income and expenditure set out by work stream is detailed below. This table illustrates the total income for the parking service. FY 2022-23 is estimated based on projection only.

Income	Financial Year, in £000s	Projection
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	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Pay & Display	2,462	2,333	1,893	2,363	2,790
Parking Permits	2,327	2,387	2,300	2,757	2,405
Penalty Charge Notices	4,804	5,048	3,911	8,366	8,878
Other income (suspensions)	327	226	108	2,541	110
Total income	9,920	9,994	8,212	14,426	14,183
Total expenditure	3,883	4,042	4,036	7,783	6,743
Surplus	6,037	5,952	4,176	6,643	7,440

5.5.15 During the contract extension, the Council introduced a new set of KPIs to manage the service contract more robustly to improve performance and increase efficiency in its service delivery. The service provider introduced a new end-to-end software for enforcement and back office partner Farthestgate Ltd from the previous system Si-Dem. With the featured benefit of built-in ANPR technology on new handheld devices, the average PCN issuance rate increased to 1.2 per hour from 0.9 previously. Pre-covid stats from London Councils suggest the average PCN issuance rate for local authorities in London was 0.9.

5.5.16 The extension offered an opportunity to re-visit service level agreements with other sub-contractors including cashless platform solution. By replacing RingGo to PayByPhone, the Council was able to make yearly savings in the region of £120,000.

5.5.17 The investment in ICT infrastructure helped to build full resilience within the service during COVID-19 response where the majority of the back-office team had to convert to a remote working environment to meet continuous service through cloud based services.

5.5.18 It is therefore important that we seek a refreshed contract that focuses heavily on innovation and service resilience. Furthermore, to support the Council's initiative to move over to sustainable modes of transport driving down costs and operate flexibly to allow for further industry changes in the future.

## 5.6 Option 6 – Frameworks

5.6.1 There are no known frameworks for the provision of parking enforcement services which enlists majority of parking enforcement service providers known in the industry. Although some related services such as IT, permit services and cashless services are available by separate frameworks, the framework award is not deemed fit for purpose.

## 5.7 Option 7 - Voluntary sector

5.7.1 There are no known voluntary sector or not for profit organisations that provide the required service.

5.8 It is therefore proposed that the Council re-procure parking services via an open competitive tender process for a minimum term duration of 8 years with the option to extend for 2 years. The proposed term duration is in line with the industry standard length of contract which is between 10 to 15 years. The parking market is used to long contracts as typical equipment refreshes for the more expensive equipment used on the contract is three to four years. Therefore shorter terms are not fit for purpose as they do not allow for equipment investment planning.

## 6. Financial implications

6.1 The current Parking Enforcement Contract has annual value of approximately £4.3m, which is currently wholly self-funded by income generated from parking,

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- environmental enforcement, short and long term parking and suspension of parking bays.
- 6.2 The tender specification will place a high level of emphasis on continuous improvement and efficiency within the contractual period. This will motivate the service provider to actively seek innovations and implement processes to reduce costs on both labour and non-labour to expedite the service.
  - 6.3 The value of the current contract has doubled in its lifespan, due to the increased volume of enforcement activity and it is anticipated that the size of the new contract may follow the same path. The contract will be structured to mirror a measured term contract so the service is paying for the required service rendered. This is to ensure the service operates with flexibility to grow and capture opportunity which may become advantageous to the council in line with its size, enforcement and processing capacity i.e. expansion of parking zones. Therefore, taking this into consideration it is estimated the value of the contract could increase from the current annual cost of £4.3m up to £8m which would equate to £80m over the life of the contract. The expectation is that income generated from enforcement activity and parking would grow at a minimum in line with the cost increase to fund the contract.
  - 6.4 The cost of the procurement is estimated at £0.1m which is funded from existing revenue budgets.
  - 6.5 Mobilisation of the new service contract is imperative to manage the transition of the existing over to the new contract. A dedicated project management team will be required to manage all interfaces required by the tertiary services. In the absence of this critical management, the service will result in financial loss to the Council and moreover impact the community negatively.
  - 6.6 All mobilisation costs will be met by the new service provider. The new provider shall bear the full accountability of direct or indirect costs incurred in the transition. This is to include all associated costs to integrate any other tertiary service provisions attached to the existing service to guarantee a seamless move.
  - 6.7 The new contract may be able to achieve year on year savings but to ensure the Council meet the expectation of residents it would be inadvisable to recommend downsizing of the provision. As addressed at 6.3, any growth in the service will be supported by innovation and technology to ensure minimum spend whilst achieving maximum enforcement and patrol capacity to consistent compliance throughout the borough to safeguard the community. This includes the scope to further develop intelligence-led deployment by use of ANPR mobile enforcement vehicle and moving traffic offence by CCTV ANPR cameras.
  - 6.8 Parking and its related service area generate significant net income which is ring-fenced by law and must be re-invested in transport related purposes. Any net income from parking and traffic enforcement related services will be used in line with Section 55 of the Road Traffic Regulation Act 1984. This means it is to be spent making good to the general fund where the parking account was in deficit (up to 4 years), meeting all or any part of the cost of provision and maintenance by the local authority of on and off-street parking, meeting cost of public passenger transport services, highway or road improvements, maintenance of the public highway, environmental improvements and implementation of London transport strategy.

## 7. Legal implications

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## Approval to Procure

- 7.1 The report seeks approval to procure an external service provider to deliver Parking and Traffic Enforcement services. Given the potential spend on this contract (at a length of 8 years with the option to extend for up to a further 2 years) this contract would be categorised by Contract Procedure Rules as a “Category A” contract. The report sets out the other options considered and explains why this is the recommended option.
- 7.2 Assuming that Mayor and Cabinet accepts the recommendation to procure a service provider, the Contract Procedure Rules (“CPR”) place requirements on how that should happen. The CPR require that when letting contracts steps must be taken to secure value for money through a combination of cost, quality and competition, and that competitive tenders or quotations must be sought depending on the size and nature of the contract (Rule 5). Given the potential spend on this contract the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment etc) (EU Exit) Regulations (“the Regulations”) will apply. The requirements of both the CPR and the Regulations would be satisfied by use of an open tender procedure. As a Category A contract, it would be for Mayor and Cabinet to take a decision on the award of any contract.

## Approval to Award

- 7.3 This report proposes that Mayor and Cabinet approve the award of a services contract for the provision of parking and traffic enforcement services. This report further proposes that Mayor and Cabinet delegates the authority to the Executive Director for Housing, Regeneration and Public Realm in consultation with the Parking Services Manager, and the Director of Law, Governance and Elections to give effect to this decision by applying the selection and award criteria to determine and enter into contract with the preferred service provider.
- 7.4 The decision to award the contract contained in this report is a Key Decision. It is therefore required to be contained in the current Key Decision Plan and the Council’s Key Decision procedure must be followed.
- 7.5 Provided that the final contract value is within authorised limits set out in the recommendation and the preferred service provider is selected in accordance with the selection and award criteria published in the tender documentation, then the selection by Executive Director for Housing, Regeneration and Public Realm of the preferred service provider in accordance with Mayor and Cabinet’s direction will not be a Key Decision. For audit purposes a written record should be kept setting out how the selection process has been applied and the preferred contractor selected, and officers from Legal Services should be consulted as necessary throughout the selection and award process.

## Extension of Current Contract

- 7.6 The report recommends that the current contract with NSL limited is extended for a period of 3 months. The report notes that this organisation has been providing this service since May 2013 on terms which will continue for the extension period.
- 7.7 The Council is obliged to comply with the Regulations in relation to any contract modification. Some variations to existing contracts may trigger a requirement to undertake a new competitive tender process. The Council’s Contract Procedure Rules set out which variations can be made without a new competitive process (Constitution Part IV I, paragraph 17 of Contract Procedure Rules). This report explains why this extension to the contract for 3 months is proposed.

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7.8 Contract Procedure Rules say that where a contract variation is 'not substantial', the variation can be made (paragraph 17.5). The definition of 'substantial' takes into account matters including the nature and size of the proposed change relative to the original contract, and the likely market effect of the change (including the change to the scope and economic balance of the contract). There is a reasonable argument that the proposed extension is not substantial. As such, the variation does not trigger a requirement to undertake a new procurement. On that basis, therefore, the proposed changes are allowable under the Council's Contract Procedure Rules paragraph 17.

## **8. Equalities implications**

8.1 As part of the open tender evaluation process, tenderers will be asked to address equal opportunities in the Method Statements which will be assessed as part of the non-financial criteria.

8.2 The implication will also extend to all public transport users, particularly vulnerable users and people with mobility impairments are affected by high non-compliance in parking and moving traffic offences. Consistent monitoring of compliance and offering outstanding services to the community are instrumental. Accessible roads and easy parking facility is a key to making the borough more attractive for those living and serving as a Hub for London. Equally, the less congestion and obstructions on the road means better air quality.

## **9. Climate change and environmental implications**

9.1 To support the Council's commitment to making the borough carbon neutral by 2030. The service provider will be asked to embed low-carbon and environmental policies and practices in every approach to service delivery.

9.2 Carry out full environmental quality assessments which includes where possible re-use, recycle and utilise biodegradable products to reduce landfill, digitalise all paper documents and archived in secured cloud storage with encryption. These will form part of the criteria in any tender evaluation for new parking and traffic enforcement service contract.

9.3 The contracts will have a range of environmental management requirements that include; aim for net carbon emission, innovative sustainable design and construction solutions that have the potential to lower whole life carbon and whole-life cost.

9.4 In terms of vehicles, in line with Mayoral transport and environmental strategies and TfL's commitments to reduce pollutant and carbon dioxide emissions, any service provider will be required to increasingly use zero and ultra-low emission vehicles in their fleet where and when feasible.

## **10. Crime and disorder implications**

10.1 There are no specific crime and disorder implications resulting from this contract strategy report.

## **11. Health and wellbeing implications**

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- 11.1 Parking and Traffic enforcement and all associated service will have an indirect impact on health and well-being of the borough residents as well as impact on the economic and environmental living conditions of the borough.
- 11.2 Providing high quality public realm, improving traffic access for both drivers and non-drivers. The service contract will support in the delivery of sustainable and active modes of travel which contribute to encouraging people to walk and cycle more and providing the positive conditions for growth.

## 12. Social Value implications

12.1 Aligning with the Council Corporate Strategy (2022-2026), on 4th October 2022 Lewisham Council updated the Social Value Policy for Procurement following the adoption of the Council's first Social Value Policy for Procurement in 2019. The Social Value Policy for Procurement 2022-2026 outlines that KPIs are grouped under 4 key objectives that are used in the procurement process as part of the evaluation and then to be measured and tracked through the lifetime of contract. The 4 key objectives were:

- Core Commitments – we will introduce minimum standards we expect from our suppliers in respect of how they conduct their business generally.
- Employment and Skills – ensuring local residents have access to secure, fairly paid jobs is a priority for the Council.
- Economy and Growth – by using social value as a lever, we can drive local prosperity and economic growth, particularly as we face the challenge of the cost of living crisis.
- Environment, Community and Place – the Council will work with suppliers, the voluntary and community sector and other partners to preserve and improve our natural and built environments to strengthen communities and promote greater social inclusion.

12.2 As part of the implementation of this policy, procurement will work with legal to seek to ensure that all Council contracts have appropriate contractual mechanisms to enforce the delivery of the agreed social value KPIs. The monitoring of social value delivery forms part of the Council's contract management framework and enables non-delivery to be identified and rectified.

## 13. Background papers

- 13.1 [Climate Emergency Action Plan \(2020\)](#)
- 13.2 [Air Quality Action Plan \(2022-2027\)](#)
- 13.3 [Transport Strategy and Local Implementation Plan \(2019-2041\)](#)
- 13.4 [London Net Zero \(2030\)](#)
- 13.5 [Healthy Streets for London \(2017\)](#)
- 13.6 [London Environment Strategy \(2018\)](#)
- 13.7 [The Council Corporate Strategy \(2022-2026\)](#)
- 13.8 [Social Value Procurement \(2022-2026\)](#)
- 13.9 [Environmental Protection Act 1990](#)

## 14. Glossary

7. [Link to Oxford English Dictionary here.](#)

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<b>Term</b>	<b>Definition</b>
CEO	Civil Enforcement Officer
PCN	Penalty Charge Notice
CPZ	Controlled Parking Zone
CapEx	Capital Expenditure
OPEX	Operational Expenditure
FPN	Fixed Charge Notice
TUPE	Transfer of Undertakings (Protection of Employment)
SMEs	Small and medium-sized enterprises
ANPR	Automated Number Plate Recognition

## **15. Report author and contact**

### 15.1 Report Author

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## **16. Appendices**

16.1 N/A

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