



Mayor and Cabinet

Procurement of Civil Enforcement Services

Date: 4 December 2024

Key decision: Yes

Class: Part 1

Ward(s) affected: All wards

Contributors: Zahur Khan, Director Public Realm, Senior Lawyer and Finance Business Partner

Outline and Recommendations

This report seeks approval from the Mayor and Cabinet to award the Civil Enforcement contract following a competitive open tender process to Marston Holdings Ltd for five years from 1 April 2025 to 31 March 2030, with the option to extend up to five years following this.

The estimated cost of the new contract stands at £5.4m annually, and the total cost may reach up to £60m (excluding inflation) over the potential lifetime of the contract after taking into consideration additional expenditure for further enforcement activity.

It is recommended that the Mayor and Cabinet approve this contract's award as outlined in this report.

Timeline of engagement and decision-making

11-January 2023: Mayor and Cabinet approved procurement of a new contract

06-December 2023: Mayor and Cabinet approved the extension of the current contract to the end of March 2024

13-March 2024: The Mayor and Cabinet approved abandoning the previous procurement and extended the contract to the end of March 2025, pending a procurement

21-August - 30 September 2024: Tender Issued / Competitive Tender Process

1. Summary

- 1.1 This report seeks approval from the Mayor and Cabinet to award the contract to Marston Holdings Ltd, for the Civil Enforcement contract following a competitive tender process in which they were the successful bidder.
- 1.2 The contract will be for five years from 1 April 2025 to 31 March 2030, with the option to extend up to five years following this.
- 1.3 This contract comprises several enforcement services with an expansive view of future strategic needs to deliver the associated services.
- 1.4 A comprehensive and refreshed approach to undertake this re-procurement was undertaken and closely monitored by Procurement and Legal to ensure a robust and fair procurement process could be concluded.

2. Recommendations

- 2.1 The Mayor and Cabinet are recommended to award the contract to Marston Holdings Ltd, to deliver the Civil Enforcement contract. The estimated average annual cost of the new contract will be £5.4m, and the total estimated cost of the contract may reach £60m (excluding inflation), after taking into consideration additional expenditure for further enforcement activity, which is within the maximum budget as set out in the Mayor and Cabinet permission to procure report dated 11 January 2023. The contract will be for five years, commencing 1 April 2025 to 31 March 2030, with options to extend up to five years following this.

3. Policy Context

- 3.1 Parking management services are essential to ensure that all users in the community, including vehicle and non-vehicle users, can travel within or through the borough with reasonable access to parking. The service will ensure the area's economic vitality 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 the Climate Emergency Action Plan, including Healthy Neighbourhoods, School Streets, and Emissions Charging for long to short-term parking, would not be effective. Similarly, streets would become congested and unsafe. Parking management is an essential but unpopular part of modern life that helps achieve more comprehensive strategic transport and public health objectives.
- 3.3 The contents and recommendations of this report are consistent with the Council's policy framework, as well as broader regional and national policies and priorities, as outlined below.
- 3.4 Future Lewisham (2021) – This outlines the Council's ambitions for the future and priorities as the borough continues to recover from the impact of the pandemic. One of the core themes of the plan is to create a greener future, building on the observed increase in walking and cycling locally and all the other ways our environment benefitted from behaviour changes over the last year. The other core theme is 'a healthy future' and recognises that good health and wellbeing depend on many determinants, including air quality.
- 3.5 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

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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 traffic congestion, improve air quality and encourage sustainable modes of travel. The intention is to implement a rolling programme across every borough area by 2030.

- 3.6 Air Quality Action Plan (2022-2027) – This outlines the Council's five-year strategy, 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 uptake of electric vehicles.
- 3.7 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.
- 3.8 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.
- 3.9 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 to achieve net zero, for which one of the essential requirements is a 27 per cent reduction in car vehicle kilometres travelled by 2030.
- 3.10 Streets for London (2017) – The Mayor of London and 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". It sets out a roadmap to zero-emission road transport, which includes reducing car use.
- 3.12 The Council's Corporate Strategy 2022-26 outlines our strategy, values, priorities and budget. The contents of this report are consistent with the Council's policy framework. They are particularly relevant to the many economic, environmental, and social improvements that rely on a modern transport system. The goal, objectives, and outcomes of intelligent management and delivery of parking services align with

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corporate priorities.

- 3.13 The multi-disciplinary contract will also be utilised to assist with the Council's environmental enforcement aspirations and tackle fly-tipping.

4. Background

- 4.1 On 11 January 2023, the Mayor and Cabinet approved procuring a new contract and a three-month extension of the existing contract to allow for a complete open tender process.
- 4.2 An open procurement process was undertaken between June and August 2023. The outcome did not progress, and a decision was made in March 2024 to re-procure the contract.
- 4.3 A refreshed procurement approach was undertaken, including a review of the specification with tenders issued on 19 August 2024 and a competitive tender process open until 30 September.
- 4.4 Tender specification documents were issued on 21 August 2024 and remained live until the submission window closed on 30 September 2024. During this period, the Procurement team received 21 expressions of interest, and 147 clarification questions were received and responded to.
- 4.5 Following a thorough evaluation, the contract was awarded to Marston Holdings Ltd.

5. Tender evaluation and synopsis of bids

- 5.1 The table below sets out details of the critical dates and number of tenders received:

Activity	Date
Tender published	21 August 2024
Tender deadline	30 September 2024
Evaluation moderation meeting	21-22 October 2024
Expressions of interest received	21
Tender received	3
Compliant tenders	2
Tenderers assessed for experience (SSQ)	2
Tenders evaluated	2

- 5.2 An open tender process was undertaken to identify the most appropriate provider.
- 5.3 The scope of the service contract includes the following:
- On-street and off-street parking and traffic enforcement, including the provision of Civil Enforcement Officers (CEOs), equipment, materials and associated services
 - Implementation, maintenance, and provision of automatic number plate recognition (ANPR) closed-circuit television (CCTV) traffic enforcement camera hardware, installation, and review software
 - CCTV enforcement, including review of captured contraventions
 - Environmental enforcement, including the provision of Environmental Enforcement Officers (EEOs), equipment, materials and associated services
 - Abandoned vehicles removal service management
 - Cashless parking services
 - Penalty charge notice and back-office processing
 - Parking permit issuing and processing

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- Enforcement Agencies management
- Disabled bay application processing and implementation
- Signs and lines implementation and management
- Suspensions and all associated management
- Provision and maintenance of Information and Communication Technology (ICT) hardware and software, including all associated enforcement
- Customer contact call centre
- Environmental enforcement
- All associated services and equipment required to facilitate the contract

5.4 The procurement was advertised via the Council's online tendering system (Proactis procurement portal). Civil Enforcement Services DN739448 published the opportunity onto Contracts Finder and Find a Tender service.

5.5 Following tender closure, procurement carried out initial compliance checks. Two of the three tenderers submitted met compliance checks, submitted the required documentation, and were brought forward for a full evaluation.

5.6 The submissions were scored in the following manner:

Scores	Weighting
Quality Score	45%
Social Value	10%
Price Score	45%
Total Score	100%

5.7 The following criteria were used during the Quality evaluation process:

MS	Section	Subsection	Weighting
MS1	Operations	Parking and Traffic Enforcement	11%
MS2	Operations	CCTV	4%
MS3	Operations	ASB and Environmental Enforcement	5%
MS4	Operations	Back Office	4%
MS5	Operations	Cashless Parking	2%
MS6	Operations	Enforcement Agents (Bailiffs)	2%
MS7	Operations	Print and Post	2%
MS8	Operations	Continuous Improvement	5%
MS9	Systems	IT	6%
MS10	Mobilisation	IT	2%
MS11	Mobilisation	Operations	2%
MS12	Social Value	Action Plan	5%
MS13	Social Value	Delivery	5%

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- 5.8 The scoring for quality was awarded on a scale of 0-10 at two mark increments (i.e. 0,2,4,6,8,10). With zero representing No response or unacceptable response and ten representing an Excellent response. The table below describes each score:

Score	Level	Standard
0	No response or response is unacceptable	The response completely fails to meet the requirements set out in the question in all respects or the response does not allow the Council to evaluate the submission or is irrelevant or no response has been submitted.
2	Poor	In almost all areas the response does not meet the requirements set out in the question or the evidence is weak, unconvincing or lacks the detail required. The response casts serious doubt on the supplier's ability to provide the service and outcomes the council seeks.
4	Weak	The response has several areas where it does not meet the requirements set out in the question or the evidence is weak, unconvincing or lacks the detail required. The response provides insufficient detail with some major reservations.
6	Satisfactory	The response meets the requirements set out in the question in most material respects and provides sufficient detail and evidence. There are some omissions and reservations.
8	Good	The response is comprehensive and demonstrates a full understanding of the requirements and gives confidence in the supplier's ability to deliver the Council's requirement. There are only minor omissions and/or reservations, and the evidence is clear and detailed.
10	Excellent	The response is comprehensive and demonstrates a full understanding of the requirements and gives confidence in the supplier's ability to deliver the Council's requirement. There are no omissions or reservations, and the evidence is clear and detailed in all respects.

- 5.9 Each criterion in the table above were assigned a minimum percentage weighting score that bidders had to achieve. Any tender which failed to attain the minimum score (4) was deemed invalid on this basis.

- 5.10 Price formed 45% of the overall award weighting. Maximum marks were awarded to the contract tender with the lowest overall price. Other submissions were awarded points based on a percentage calculation against that lowest price.
[price score= (lowest price/tendered price) x price weighting]

- 5.11 The Council received 3 submissions however one of them was non-compliant.

- 5.12 Marston Holdings Ltd's submission provided the best quality and most economically advantageous tender, with high scores for quality, social value and price. Competence was demonstrated in all areas, particularly the delivery of front-line services.

- 5.13 The Marston Holdings Ltd solution delivers critical benefits to multiple sub-contractors under a single ownership, supporting innovation and resilience and enabling the service to operate at maximum cost efficiency under a single ownership.

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5.14 The overall score for both price and quality evaluation is shown below.

Scores	Marston Holdings Ltd	Bidder B
Quality Score (45%)	44.60	37.20
Social Value (10%)	10.00	9.59
Price Score (45%)	45.00	44.69
Total Score	99.60	91.48
Ranking	1	2

5.15 Marston Holdings Ltd ranked in first place out of two compliant tenders. They scored first in all three assessment areas, Quality, Social Value and Price, and achieved an overall score of 99.6%.

Financial Review

5.16 The current extended Parking Enforcement Contract value is wholly self-funded by income generated from parking, environmental enforcement, short and long-term parking and suspension of parking bays.

5.17 The value of the current contract has increased over its lifespan, due to the growth in 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.

5.18 The estimated annual cost of the new contract is £5.4m, an annual cost reduction of over £1m. Taking the above into consideration, the lifetime cost of the contract is estimated at £60m. 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.

5.19 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.

6. Financial implications

6.1 This report is seeking the approval of Mayor and Cabinet, to award the Parking and Traffic Enforcement and associated services contract to Marston Holdings Ltd. The contract will be awarded for five years from 1 April 2025 to 31 March 2030, with the option to extend for up to five years following this. The approximate contract cost is £5.4m per annum (excluding inflation), up to £60m over the lifetime of the contract, after taking into consideration additional expenditure for further enforcement activity..

6.2 The cost of the new contract will be contained within the current Parking Service

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budget envelope, with the estimated £1m cost reduction negating the Service's current contract overspend in 2024/25 due.

- 6.3 As stated in the section above, net income from on-street 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 four 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.
- 6.4 The latest credit safe report for Marston Holdings Ltd considers the company to be credit safe with a score of 100. The report states that the company's latest Pre-tax Profit figure shows a very high profit for the trading period. The company has a very high amount of capital available for re-investment, and it has a very high amount of Equity within the business. Marston Holdings was compliant with the required minimum financial standing criteria stated in the tender documents

7. Legal implications

- 7.1 The Council's Constitution contains requirements about how to procure and manage contracts. These are in the Contract Procedure Rules (Constitution Part IV). Some of the requirements in those Rules are based on the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment etc) (EU Exit) Regulations ("the Regulations") with which the Council must comply. Given the value of the contract the Regulations apply.
- 7.2 The report proposes the establishment of a contract for 5 years with an option to extend for up to a further 5 years. The potential value of the contract including the extension is above £500,000, which means that this is a Category A contract for the purposes of the Council's Contract Procedure Rules and one which is to be awarded by the Mayor and Cabinet.
- 7.3 This contract has been externally and openly advertised as required by the Regulations and the Council's Constitution. The report explains the evaluation approach and process applied to the bids and the reasons for recommending the successful bid for approval. The process followed was in compliance with the advertised and required procedures.

8. Equalities implications

- 8.1 As part of the open tender evaluation process, tenderers were asked to address equal opportunities in the Method Statements, which were assessed as part of the non-financial criteria. The implication will also extend to all public transport users, particularly vulnerable users and people with mobility impairments affected by high non-compliance in parking and moving traffic offences.
- 8.2 Consistent monitoring of compliance and offering outstanding services to the community are instrumental. Accessible roads and easy parking facilities are crucial to making the borough more attractive for those living there and serving as a London hub. 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.

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The service provider has been asked to embed low-carbon and environmental policies and practices in every approach to service delivery.

- 9.2 The Service Provider will continuously conduct complete environmental quality assessments, including re-using, recycling, and utilising biodegradable products to reduce landfills, digitalising all paper documents, and archiving in secured cloud storage with encryption. The requirement is part of the criteria for tender evaluation.
- 9.3 The service provision contract will have a range of environmental management requirements that include an 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, the service provider must 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 award.
- 10.2 Health and Wellbeing Implications
- 10.3 Parking and Traffic enforcement and all associated services will indirectly impact the borough residents' health and well-being, as well as the borough's economic and environmental living conditions.
- 10.4 In tandem with council officers, the Service Provider will continue to work towards a high-quality public realm, improving traffic access for drivers and non-drivers. The service contract will support the delivery of the Sustainable Streets programme and active sustainable modes of travel, which contribute to encouraging people to walk and cycle more and providing positive conditions for growth.

11. Social Value implications

- 11.1 The Social Value Policy for Procurement 2022-2026 outlines that KPIs are grouped under four 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 the contract.
- 11.2 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 in accordance with the submitted social value action plan. The monitoring of social value delivery forms part of the Council's contract management framework and enables non-delivery to be identified and rectified.
- 11.3 The Council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and sub-contractors engaged by the Council to provide works or services within Lewisham pay their staff at a minimum rate equivalent to the LLW rate.
- 11.4 Once contracts have been awarded, the delivery and monitoring of social value will be formally reported in the KPI Performance report.

12. Contract Management

- 12.1 A refreshed governance process will be defined, agreed and implemented. This includes contract management meetings that will be held on a monthly basis, and the key performance indicators (KPIs) on the contract management dashboard will be monitored and reported accordingly. These meetings feed into Quarterly and Annual

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Contract review meetings attended by senior representatives from both sides.

- 12.2 Core KPIs include Effective Enforcement, Customer Service, Business Processing, Reporting & Administration and Technology & Innovation. Failure to meet Key Performance Indicators (KPIs) will result in deductions from monthly invoices.
- 12.3 The Civil Enforcement contract will be managed by dedicated permanent staff in the Parking Service within the Public Realm within the Place Directorate. The Parking Service has undergone an expansion to build resilience and to effectively monitor and continuously improve the service area.
- 12.4 Potential Business Impact and mitigations are as follows:

Service Area	Business/ Contract Impact
On-street and off-street parking and traffic enforcement, including the provision of CEOs, CEOs, CSOs, CCTV Reviewers, equipment, materials and associated services	Business as usual
Abandoned vehicles removal service management	Business as usual
Cashless parking services	Business as usual
Parking permit issuing and processing	Business as usual
Enforcement agencies management	Business as usual
Disabled bay application processing and implementation	Business as usual
Signs and lines implementation and management	Business as usual
Suspensions and all associated management	Business as usual
Provision and maintenance of Information and Communication Technology (ICT) hardware and software, including all associated enforcement	A detailed mobilisation plan was received. This will be the key focus of both teams to ensure a smooth transition to the new operating systems
Customer contact call centre	Business as usual

13. Glossary

Term	Definition
KPI	Key Performance Indicator
APR	Automatic Number Plate Recognition
EV	Electric Vehicle

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