



CABINET

19 DECEMBER 2017

COMMERCIAL DIRECTOR: ANDREW QUINCEY

**CABINET MEMBER WITH RESPONSIBILITY FOR: TRANSPORT, HIGHWAYS
AND THE ENVIRONMENT: COUNCILLOR IAN MORRIS**

Subject:	Managed Information System (MIS) Contract for the Parking Enforcement Service
Recommendations:	<p>That Cabinet:</p> <ol style="list-style-type: none">1. Confirms and approves the recommendation of the Options Appraisal at Annex 1 to this Report, as set out in paragraph 2 below;2. Grants delegated authority to the Commercial Director in consultation with the Cabinet Member for Transport, Highways and Environment to award a contract and any relevant extension periods and appoint a Service Provider to deliver the Managed Information Services Contract following conclusion of the procurement process;3. Notes that this is a Key Decision, as the overall value of the services to be delivered exceeds £500,000.

1. Purpose of report

The aim of this report is for Cabinet to agree:

- The recommendations of the Commercial Report at Appendix 1
- To secure a Managed Information System for Parking services
- To procure this service through a direct call-off under the Crown Commercial Service Local Authority Software Applications Framework agreement
- The call off Contract period of five (5) years with an extension period of up to two (2) years

2. Options Appraisal Report (Annex 1) Recommendation

That a Managed information System for the Parking Enforcement service is procured:

- under Option 5 using the Crown Commercial Service, Government eMarketplace, Local Authority Software Applications (Lasa) Framework agreement (RM1059);
- under a call off by direct award to Imperial Civil Enforcement Services Ltd (ICES) under the terms and conditions of the Lasa framework;
- for a Contract Period of 5 years with the option for an extension of up to 2 years for a potential 7 years in total;
- on the basis that the framework pricing is accepted in principle subject to any minor changes provided always there are no material amendments;

- with the detail of the contract terms and conditions to be agreed with LGSS Law and Procurement teams and the Crown Commercial Service.

3. How this decision contributes to the Council plan

The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county's communities and/or safeguarding the county's communities.

This initiative specifically delivers increased wellbeing by ensuring that:

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| <ul style="list-style-type: none"> • People achieve economic prosperity, in a healthy, low carbon economy which gives access to jobs, training and skills development. • Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure. • Resources are utilised effectively and efficiently, in coordination with partners and providers. |
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4. Background

4.1. The council's Parking Enforcement service relies on the performance of its supporting contract arrangements and especially so on its chosen Back Office IT Solution for a Managed Information System (MIS).

4.2. The MIS is a specialised and integrated IT system providing a flow of data across the parking service operation and maintaining an evidence database to substantiate financial recovery of Parking Charge Notices costs at Magistrates Court and Adjudication challenge stages.

4.3. A fundamental requirement of the MIS is to comply with current parking enforcement legislation and to be recognised as a formally compliant system which meets the requirements of the Driver and Vehicle Licencing Agency (DVLA).

4.4. The MIS integrates data capture, including photographic records, contravention codes, telephone payments, enforcement agencies (bailiffs), Parking Charge Notice processing, address management systems and linkage to government organisations.

4.5. The MIS provides the facility for a customer portal for parking permits, real-time data exchange, management information reporting tools and a cashless parking payment system.

4.6. The MIS contains personal data which falls within scope of the Data Protection Act and other sensitive data held by DVLA.

4.7. The parking service operates under a complex set of linkages and dependencies between organisations and the public. An outline is shown in Appendix 1 Commercial Report - `Parking Enforcement Service – Delivery Network`.

4.8. The current MIS contract has been extended for the permitted 2 year extension period and is due to expire on 23 January 2018.

5. Consultation and Scrutiny

5.1. Consultation has been conducted with LGSS IT Services, Procurement, LGSS Law legal services and the Strategic Finance Manager in the development and implementation of this proposal.

5.2. As the proposed Managed Information Systems Contract is an internal supporting information system, external consultation has not been required.

6. Equality Screening

6.1. The proposal has a direct impact on customers and the service they receive from the Parking Enforcement Service. The MIS underpins the ability of the council to be able to provide a responsive and effective service for parking enforcement. In this respect the proposed MIS offers benefits to our customers. This proposal does not affect council staff.

The wider impacts of the proposal have been assessed under an Equality Impact Assessment which can be found at the link shown below.

In summary the proposal is assessed as having generally neutral impacts.

Environment, Planning and Transport Equality Impact Assessments (EqIAs):

[http://www3.northamptonshire.gov.uk/councilservices/council-and-democracy/equalities/equality-impact-assessments-eqias/Pages/environment,-planning-and-transport-equality-impact-assessments-\(eqias\).aspx](http://www3.northamptonshire.gov.uk/councilservices/council-and-democracy/equalities/equality-impact-assessments-eqias/Pages/environment,-planning-and-transport-equality-impact-assessments-(eqias).aspx)

7. Alternative Options Considered

The Council's Contract Procedure Rules identify options that must be considered when procuring goods, services or works. These include but are not limited to:

1. Do Nothing - Not buying the goods or services or not having the works done at all;
2. In House - Providing the goods, services or works ourselves;
3. Corporate Contract - Whether a Corporate Contract exists within the Council;
- 4(1). Collaboration - By commissioning jointly with another Council;
- 4(2). Partnering - Providing the goods, services or works in partnership with a third party;
5. Frameworks - By utilising a buying consortium (e.g. ESPO, CBC, Crown Commercial Service (formerly Government Procurement Services)) to procure on behalf of the Council;
6. Third Party Provision - Get a third party to provide the ongoing goods, services or works on behalf of the Council through a bespoke procurement process

For reasons of good practice additional options have been included:

7. Extension of the current contract under a Procurement Exemption;

8&9. Open Market Tender – a procurement process independent of other public bodies, which dependant on contract value may be subject to OJEU contract advertising procedures under the Public Contracts Regulations 2015.

The above options have been considered and are described below:

Option 1 – Do Nothing

The MIS contract would cease with no service continuity in place.

The immediate impact would be that the council's parking enforcement contract and parking team would not be able to function.

This option is seen as not viable and has not been considered further.

Option 2 – In House provision

The MIS is a highly developed, specialised and commercial IT system which cannot be easily replicated or replaced with standard office systems.

This option is seen as not viable and has not been considered further.

Option 3 – Corporate Contract

There are no corporate contracts that can deliver this specialised service.

Option 4(1&2) – Collaborative procurement & Partnering

Market research was carried out in December 2016 in preparation for renewal of the MIS contract. This identified 15 local authorities in the surrounding area of which 4 had MIS contracts that were due for renewal in a similar time period. While there was some interest in discussing the ways each authority delivers its service, only Milton Keynes Council continued with discussions leading to its initial soft market testing event in January 2017. This event was attended by both council officers and LGSS Procurement to gauge the market interest and response for both parking enforcement operation services and supporting MIS IT solutions.

The conclusion was that while there was a need amongst local authorities for MIS solutions, there was no consensus on requirements which would lead to a collaborative or partnering approach to procurement. This option has not been considered further.

Option 5 - Frameworks

Three frameworks have been identified which offer a selection of software applications which contribute wholly or in part to civil parking enforcement services. These comprise:

- ESPO – Eastern Shires Purchasing Organisation - Framework 509 Lot 3;
- Crown Commercial Service, Digital Marketplace G-Cloud 9 framework; and
- Crown Commercial Service, Government eMarketplace, Local Authority Software Applications Framework agreement (RM1059)

All the above frameworks provide a fully compliant procurement route to market.

The appraisal of the framework options is given Appendix 1 Commercial Report.

Option 6 – Third Party Provision

The interaction between the council's parking team and the MIS supplier would be through a third party. This adds cost due to third party management costs, overheads and profit; increases the time to resolve day to day issues; and creates another contract management layer for risk transfer between parties. The council

would not have direct control of the MIS service delivery and would effectively be a second line player.

Third Party Provision is currently not considered to provide an economic or best service option and has not been considered further.

Option 7 – Procurement Exemption

On advice from LGSS Law and Procurement we have concluded that a further extension of the current contract with ICES is not a preferred option for legal and procurement compliance reasons and therefore has not been considered further.

Option 8 – Open Market Tender - OJEU Procurement

An OJEU Open Market tender is an accepted route for procurement.

The relative merits of this option are assessed in the Commercial Report at Appendix 1

Option 9 – Open Market Tender – via LGSS ITS

The required MIS is a fully hosted web based system which can be accessed under the council’s nCloud infrastructure and remote working arrangements.

A hosted solution would not require support by LGSS IT so falls outside the scope of IT procurement or delivery under a Service Level Agreement with LGSS.

This option has not been considered further.

8. Financial Implications

8.1. Further detail on financial issues is contained in the Commercial Report at Appendix 1.

	Current year	Forecast		
	2017/18	2018/19	2019/20	2020/21 & beyond
	£000	£000	£000	£000
Capital Investment				
Costs	0	0	0	0
Funded by	There is no requirement for capital investment			
On-going costs (revenue)				
Costs - Staffing	0	0	0	0
Other	81	75	77	78
Total on-going costs (revenue)	81	75	77	78
Funding by	Operational surplus generated by the Parking Enforcement Service			

What benefits will the proposal deliver?	<p>The Commercial Report at Appendix 1 considers the following benefits:</p> <ul style="list-style-type: none"> • Value for money • Cost effectiveness • Efficiency savings (cashable and non cashable) • Return on investment • Payback period of investment • Impact on service risk register • Other benefits realised
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	<p>Other factors are considered below:</p> <ul style="list-style-type: none"> • Impact on performance indicators <p>By implementing the proposal there is no adverse impact on performance indicators</p>
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9. Risk and Business Continuity Management

9.1. The Commercial Report at Appendix 1 also considers risks associated with the proposal.

9.2 Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Impact on Customers	None	Green
Financial impacts	None	Green
Service operational impacts	None	Green
Data Protection	None	Green
Regulatory	None	Green
Single provider dependency	Selection of competent provider with disaster recovery capability	Green

9.3 Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Customer Impacts – failure to respond to customer needs for parking permits, and to receive payments	Red
Business Community – failure to manage and enforce parking restrictions	Red
Finance – loss of income against ongoing costs of staff and other contract liabilities	Red
Service Continuity – service failure	Red
Political & Media – adverse political and media response	Red
Single provider dependency – currently mitigated by selection of competent provider with disaster recovery capability	Green
A further Procurement Exemption of the existing contract would be required for service continuity	Amber

10. List of Appendices

Please note that the appendix is not for publication by virtue of paragraph 3 of part 1 of 12a of the Local Government Act 1972.

Appendix 1 – Commercial Report

Author:	Name: Debbie Taylor-Bond Team: Transport and Highways
Contact details:	Tel: 01604 364301 Email: DTaylor-Bond@northamptonshire.gov.uk
Background Papers:	Cabinet Meeting 11 July 2017, Agenda Item 14, Parking Enforcement Services Contract 2018
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES
Will further decisions be required? If so please outline the timetable here	NO
Does the report include delegated decisions? If so, please outline the timetable here	YES Decision date planned for December 2017 to be taken to suit the procurement progress and enable the new contract to commence by 24 th January 2018
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: Rosemary Pallot None
Has the report been cleared by the relevant Director?	YES Commercial Director: Andrew Quincey
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Ian Morris
Has the relevant scrutiny committee been consulted?	NO
Has the report been cleared by Legal Services?	YES Name of lawyer: Nicola Molloy
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Simon Deacon
Have any property Issues been cleared by Property and Asset Management?	YES Name of officer: Ian Boll

<p>Procurement/ Contractual Implications: Have you evidenced compliance with the Council's Contract Procedures Rules?</p> <ul style="list-style-type: none"> • Have you identified where you are seeking Cabinet to approve an exemption from the Contract Procedure Rules and detailed the risks and mitigations? • Have you identified any EU or UK legislative risks associated with the exemption process such as non-compliance with the Public Contract Regulations Act 2015, transparency and open competition? • Have you identified the procurement or contractual risks associated with a contract? • Has the contract/procurement been subjected to the Council's Commercial Board? 	<p>YES</p> <p>Yes</p> <p>There are no identified risks</p> <p>Yes</p> <p>No</p> <p>Name of officer: Andrew Quincey</p>
<p>Are there any community safety implications?</p>	<p>The delivery of an effective parking enforcement service will have a positive impact on:</p> <ul style="list-style-type: none"> • highway safety for the community; • the council's reputation; • the financial viability of the service.
<p><i>Are there any environmental implications:</i></p>	<p>There is no anticipated change in environmental implications.</p>
<p>Are there any Health and Safety Implications:</p>	<p>NO</p>
<p>Are there any Human Resources Implications:</p>	<p>NO</p>
<p>Are there any human rights implications:</p>	<p>No</p> <p>The parking enforcement service and its supporting Management Information System serves all the community.</p>
<p>Constituency Interest:</p>	<p>All</p>