

## **WIRRAL COUNCIL**

### **CABINET – 2 SEPTEMBER 2010**

#### **REPORT OF THE DIRECTOR OF TECHNICAL SERVICES**

##### **AWARD OF TENDER FOR PARKING ENFORCEMENT SERVICES**

### **1.0 EXECUTIVE SUMMARY**

- 1.1 This report details the results of the financial and quality evaluation of tenders received for the Parking Enforcement Services contract following a competitive tendering exercise.
- 1.2 The report will outline the impact of the new contract on service delivery and budgets and will recommend that the contract is awarded to NSL Services being the most financially advantageous tender received.

### **2.0 BACKGROUND**

- 2.1 The existing parking enforcement contract with NSL Services (formerly trading as NCP Limited) expires on 16<sup>th</sup> November 2010. This contract was initially for five years commencing in November 2003 and was extended for a further two years under an option in the contract. The contract provides the enforcement services used by the Council to help deliver its parking policies and fulfil its Network Management duties under the Traffic Management Act 2004.
- 2.2 The contract provides parking civil enforcement officers who patrol streets and car parks across the borough and issue Penalty Charge Notices (PCNs) to vehicles found parking in contravention of parking regulations. The parking policy determining parking priorities and procedures was considered and adopted by Cabinet on 13 March 2008 (Minute 534 refers) when Part 6 of the Traffic Management Act 2004 was enacted. The contract also provides the CCTV Smart car which is used to undertake enforcement of school entrance keep clear markings, pedestrian crossing zig zag markings and other locations which have proved difficult to enforce by more conventional means.
- 2.3 Since the introduction of decriminalised parking enforcement within Wirral in 2003 the number of penalty notices issued initially rose significantly but has since fallen steadily for a number of years. This is in line with experiences across other parts of the country as greater public awareness over time has resulted in higher levels of compliance, at least within the more frequently patrolled areas. The more recent impact of the current economic climate, with less traffic and parking taking place within the town centres has also had a marked effect. The number of PCNs issued in 2009/10 was 35,358 compared with a peak issue of 50,131 in 2005/06.

### **3.0 PROCUREMENT PROCESS**

- 3.1 The procurement process was overseen by the Corporate Procurement Unit. Due to the value of the contract the EU Procurement Directive procedures applied and the Accelerated Restricted procedure was followed.
- 3.2 Expressions of interest were received from 24 companies and 9 companies completed and returned the Pre Qualification Questionnaire (PQQ). These submissions were evaluated including a financial analysis of the companies, and from this 5 companies were selected to proceed to the Invitation to Tender (ITT) stage.
- 3.3 The ITT required companies to complete separate cost and quality submissions. The cost element comprised a schedule of rates for all items required to deliver the service and the quality element comprised 37 'method statements' which had to be completed detailing how the tender submission and contract would be

delivered. The tenders were evaluated on the basis of 60% quality and 40% price using a pre agreed evaluation model for both elements.

- 3.4 The contract has been written such that the scale of the operation and hence costs to the authority can be varied to accommodate changes in circumstances or priorities to ensure the delivery of the service remains cost effective. An efficiency clause has also been included to take effect on the annual anniversary of the contract to help reduce the impact of any future inflation rises. This clause requires the contract rates to be reduced by 1.5% before any inflation adjustment is applied.
- 3.5 In addition to the parking enforcement duties, the contract includes a number of Streetscene and other duties including:-
- the reporting of some defects and other potentially unlawful activities on the public highway,
  - other enforcement activities such as litter enforcement that would be undertaken separately and in partnership with the Council's Environmental Enforcement team,
  - occasional relief school crossing patrol duties.
- 3.6 The contract period is 5 years with an option to extend for a further 2 years subject to mutual agreement.

### **3.7 TENDER OUTCOME**

- 3.8 Tenders were returned from 4 of the 5 companies invited to tender. The submission from NSL Services included two compliant options. NSL Services also submitted two alternative non-compliant bids which have not been considered in this tender evaluation.
- 3.9 Tenders were evaluated and scored against the published criteria on the basis of quality 60% and cost 40%. This process was overseen and validated by corporate procurement and finance officers.
- 3.10 The submitted tenders included a requirement to assess the volume of deployment in patrol hours needed to deliver and meet the service requirements in a cost effective manner. The volume of deployment is the single biggest factor in the overall costs of delivery of the contract. The submitted tenders included a range of deployment levels both greater and less than the levels currently undertaken by the existing service provider. Given the higher levels of parking compliance and falling levels of PCN issue a reduction in the required deployment levels had been anticipated. The submission by NSL Services included two options, Bid 1 included for the same level of deployment as existing and Bid 2 included an 'efficient enforcement' level of deployment with reduced volumes.
- 3.11 The outcome of the evaluation of both quality and cost is that the NSL Services Bid 2 submission is considered to offer the Council the most economically advantageous solution. It is useful to note that the NSL Bid 1 option also provided the next most economically advantageous solution.
- 3.12 The result of the tender process along with the detailed financial breakdown of NSL Bid 2 submission for a typical 12 month period of enforcement is shown in the Appendix.

### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The Parking Services budget as a whole has been under recovering income for a number of years, and this is as a result of a number of factors including:
- car parking Pay & Display ticket sales and PCN income continuing to fall,

- operating costs in particular water rates and energy costs have increased significantly,
- income budgets have traditionally been increased in line with inflation,
- expenditure budgets have in the main not grown to take account of inflation.

4.2 The effects of the above, compounded over a number of years has seen a significant divergence between budget and actual income. The impact of the above on the Parking Services budget is to be reported separately but was identified as a shortfall of £275k in 2009/10 and is predicted to be in the region of £320k in 2010/11.

4.3 Considering the most economically advantageous tender above, the estimated first year costs including contingencies are £617,000 and this represents a reduction in service delivery costs of approximately £50,000 compared with the previous twelve month period. This cost is within the current budget allocation for Enforcement Service Provider costs and will contribute towards reducing the Parking Services variation identified above.

## **5.0 STAFFING IMPLICATIONS**

5.1 There are no staffing implications arising from this report.

## **6.0 EQUAL OPPORTUNITIES/EQUALITY IMPACT ASSESSMENT**

6.1 There are no specific equal opportunities, ethnic minority or elderly persons implications arising from this report.

## **7.0 HEALTH IMPLICATIONS/IMPACT ASSESSMENT**

7.1 There are no health implications/impact assessments arising from this report.

## **8.0 COMMUNITY SAFETY IMPLICATIONS**

8.1 There are none specific arising from this report, however the presence of a uniformed officer on street is considered to have a beneficial impact on crime and disorder.

## **9.0 LOCAL AGENDA 21 IMPLICATIONS**

9.1 There are no specific Local Agenda 21 implications associated with this report.

## **10.0 PLANNING IMPLICATIONS**

10.1 There are no planning implications arising out of this report.

## **11.0 ANTI-POVERTY IMPLICATIONS**

11.1 There are no specific anti-poverty implications arising from this report.

## **12.0 HUMAN RIGHTS IMPLICATIONS**

12.1 There are no specific human rights implications arising directly from this report.

## **13.0 SOCIAL INCLUSION IMPLICATIONS**

13.1 There are no specific social inclusion implications arising from this report.

## **14.0 LOCAL MEMBER SUPPORT IMPLICATIONS**

14.1 The enforcement of parking regulations has implications for all wards.

## **15.0 BACKGROUND PAPERS**

15.1 Information contained in returned tender documents has been used in the preparation of this report.

## **16.0 RECOMMENDATIONS**

16.1 Cabinet is requested to:

- (i) Award the Parking Enforcement Services contract to NSL Services based upon the Bid 2 option, for a period of 5 years, with an option to extend for a further 2 years subject to satisfactory performance.
- (ii) Note the reduction in service delivery costs which will help address the historic overall budget shortfall for parking Services.

DAVID GREEN, DIRECTOR  
TECHNICAL SERVICES