

Contracts & Commissioning Board (CCB)

Contract Award Report PART A FOR PUBLICATION

Date of meeting	04/11/2021
By	Chaz Blackwood Performance Officer
Title	Parking services ICT Case management system contract award
Project Sponsor	Steve Iles Director of Sustainable Communities
Executive Director	Sarah Hayward Corporate Director Sustainable Communities, Regeneration & Economic Recovery
Lead Member	Cabinet Member for Sustainable Croydon Cllr Muhammad Ali
Key Decision	1821RFG This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

1. Recommendations

The Leader of the Council has delegated to the Cabinet Member for Sustainable Croydon the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

1.1 The Cabinet member for Sustainable Croydon Cllr Muhammad Ali in consultation with the Cabinet Member for Resources and Financial Governance is recommended by the Contracts and Commissioning Board to approve the award in accordance with Regulation 28.4(c) of the Council's Tenders and Contracts Regulations for the Parking ICT Case Management system for a contract term of 10 years (with break provision in years 3,6 and 8) to the contractor and for the value stated in Part B of this report

Note the contractor name and contract value will be published following contract award.

2. Background & strategic context

1. The report recommends the award of a contract to the preferred bidder (Bidder C) following a competitive tender in compliance with the Council Tenders and Contracts Regulations and Public Contract Regulations. The award of a contract for a parking management IT system brings a social value offer which will benefit local residents. The solution will assist the council in the administration and enforcement, and license administration, for parking and facilitate income collection.

1.1 Core functionality is dictated by statutory requirements contained within parking and traffic legislation, such as the Traffic Management Act 2004, London Local Authorities Acts 1996 – 2007 & Road Traffic Act 1984

2. The system will enable the processing and issue of Parking Dispensations, Suspensions and the collection of payments, which is currently a manual process that takes place outside of the back office system. By incorporating this into the back office system, the need for the Council to chase overdue invoices will be greatly reduced, as payments will be in real-time, before a suspension or dispensation is approved and processed. This will enable staff to be redirected onto the growing workload being produced from the redevelopment building activities.

2.1 Parking revenue is a key income source which supports the Council priorities 2021-24 for Renewing Croydon: "We will live within our means, balance the books and provide value for money for our residents."

2.2 Healthy Streets:

A drive to manage the environmental impact of vehicular traffic in the borough, means that the introduction of emissions based permits and diesel surcharging occurred in 2019 / 2020. This look up is being carried out manually and it is necessary to have an efficient processing system that can deal with and automate the added complexities that this has brought to the process.

2.3 The cloud hosted solution will comply with the Council digital strategy of cloud first.

2.4 Financial impact

Contract award will commit the Council to contract costs (set out in Part B) for the contract term. Budget is available from existing operational budgets. Revenue from parking charges is a key source of income for the Council.

Innovation with the offer will further assist the council in the administration and enforcement, and license administration, for parking and facilitate additional increased income collection.

2.5 A strategy was approved by CCB on 6.4.20 (CCB1564/19-20) and as part of the Investing in our Borough report 11 May 2020 that strategy was approved by Cabinet (Notice date 19/5/2020). The procurement has followed the approved strategy.

3 Financial implications

3.1 Essential Spend Criteria

The requirement is considered to meet the essential spend criteria and has been approved by the Corporate Director Sustainable Communities, Regeneration & Economic Recovery

- expenditure required to deliver the council's provision of essential statutory services at a minimum possible level

The award will ensure the council is able to meet its statutory obligations in respect of parking enforcement.

- expenditure to better the financial situation

This is expenditure necessary to achieve value for money Parking services is a traffic management function that generates £18m of income per annum and over £7.5m of that is from enforcement and permits which would not be processed successfully without a parking management system in place.

Financial and risk considerations are set out below. Revenue and Capital consequences of report recommendations are set out in Part B

3.2 The effect of the decision

The council will commit to contract costs for the 10 year term (unless contract breaks are enacted in years 3, 6 or 8). Budgetary provision exists for this from existing revenue and capital budgets.

3.3 Risks

Financial checks were undertaken to confirm the financial viability of the selected supplier, in relation to the contract value, risk, appropriate financial standing and capability to meet the financial obligations under the contract.

The contract will make use of Financial Distress triggers

Key operational risks are set out in Part B.

3.4 Options

Re-procurement of the back office system was the approved strategy. Variant bids were not allowed. No other options resulted from the procurement.

3.5 Future savings/efficiencies

The system will enable the processing and issue of Parking Dispensations, Suspensions and the collection of payments, which is currently a manual process that takes place outside of the back office system. By incorporating this into the back office system, the need for the Council to chase overdue invoices will be greatly reduced, as payments will be in real-time, before a suspension or dispensation is approved and processed. This will enable staff to be redirected onto the growing workload being produced from the redevelopment building activities

Approved by: Darrell Jones Head of Finance on behalf of Michael Jarrett, Head of Finance

4 Supporting information

4.1 Tender process

An Open EU tender was conducted using the Council e-tendering portal in accordance with the approved strategy. The requirements included Exclusion Grounds such as suitability thresholds, economic and financial standing, technical and professional ability, Modern Slavery Act compliance, equality and diversity, Covid-19 business continuity, London Living wage, Insurance and (subject to financial health checks) requiring either bonds or guarantees..

4.2 A 60% quality with a 40% price ratio was used for evaluation.

A combination of pass/fail requirements was used along with method statements to evidence how requirements can be met. Quality criteria evaluated comprised:

Technical merit/functionality

Aesthetic and functional characteristics ease of use

Implementation/Mobilisation

Technical assistance/ Support and After sales service

Added Value/innovation

PSP early payment programme.

Social Value

4.3 The council standard evaluation and scoring methodology was used. Scoring against method statements and functional / non-functional requirements was on the following basis: A weighting was applied to each Method Statement/requirement. Each Method Statement/requirement which is not pass/fail was scored by the evaluation panel and awarded marks in a range of 0 to 5. A score of 3 or more is fully compliant. Total weighted quality scores for each bidder were assigned a percentage against the 60% available for Quality.

5	Excellent	Exceeds the requirement. Exceptional demonstration by the Tenderer of their relevant understanding, skills, resource and quality measures provided in the method statement. Response identifies factors that demonstrate added value, with evidence to support the response.
4	Good	Satisfies the requirement with minor additional benefits. Above average demonstration by the Tenderer of the relevant understanding, skills, resource and quality measures provided in the method statement. Response identifies factors that demonstrate added value, with evidence to support the response.
3	Acceptable	Satisfies the requirement. Demonstration by the Tenderer of the relevant understanding, skills, resource and quality measures provided in the method statement, with evidence to support the response.
2	Minor Reservations	Satisfies the requirement with minor reservations. Some minor reservations of the Tenderer's relevant understanding, skills, resource and quality measures provided in the method statement, with limited evidence to support the response.
1	Serious Reservations	Satisfies the requirement with serious reservations. Serious reservations of the Tenderer's relevant understanding, skills, resource and quality measures provided in the method statement, with little or no evidence to support the response.
0	Unacceptable	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the Tenderer has the understanding, skills, resource and quality measure, with little or no evidence to support the response.

4.4 An evaluation panel comprised officers from the parking service, supported by Finance, legal and procurement evaluated tenders.

- Customer Service, Policy & Performance Manager, subject matter expert for Parking

- Service Delivery Officer, subject matter expert for Parking
- Category Manager for ICT procurement and commercial
- CCTV Operations Manager, CCTV subject matter expert for Parking
- Customer Services Team Leader, Back Office subject matter expert for Parking
- Customer Services Team Leader, Debt Registration & Back Office subject matter expert for Parking
- Infrastructure Manager, subject matter expert for parking
- Service Delivery Officer, Permits subject matter expert for parking
- Enforcement Manager, subject matter expert for parking
- CDS for IT technical knowledge
- A subject matter expert for Information management
- Finance lead for financial evaluation

4.5 Pricing was evaluated as follows:

The Tenderer which submitted the lowest bona fide Total Contract Value Tender price received the maximum price score of 40(%). Scores for other Tenderers were calculated on the following basis: The lowest submitted total price divided by a bidders' submitted total price multiplied by 40%. For evaluation purposes price totals include the tendered price plus any risk values provided by bidders, any third party costs which bidders include and a standard calculated figure based on each bidders tendered day rates and/or transaction charges. This was set out to bidders in the tender documentation ensures it is possible to compare where one bidder provides an all-inclusive price compared to others where day rates or transaction charges are applied.

Total Quality scores and price scores are then combined for a total score.

4.6 References

References were taken up and bidders were given the opportunity to demonstrate their solutions via online meetings.

4.7 Number of Bids

Three (3) bids were received and evaluated.

Forty seven (47) suppliers did not respond after expressing an interest.

Nine (9) bidders opted out, reasons given included the following:

“Unable to be competitive”

“Insufficient resources at this time”

“Unable to supply”

“Not related to our field of business”

“Opting for lot 2 not lot 1”

“Unable to meet timescales”

4.8 Result of the Tender Evaluation

Bidder C is recommended as the preferred bidder.

Overall evaluation scores are shown in the following table. All three bidders returned solutions which met requirements with only minor reservations against some of the criteria. The preferred bidder (Bidder C) achieved the highest (and compliant) quality score and was particularly considered to have proposed innovative solutions as part of the tender.

The recommended bidder price was also the lowest, therefore attaining the highest score for price.

More details are set out in the Part B report.

Cost Score	Quality Score	Total	Rank	Bidder
40.00	23.91	63.91	1	C
32.66	17.19	49.86	3	B
37.71	20.26	57.98	2	A

4.9 Terms of the award

The contract term is for 10 years (with break points after years 3, 6 and 8). The contract terms and conditions were based on existing Council terms further developed with in-house and external lawyers to reflect the specialist nature of IT related requirements. There are no TUPE or direct staffing implications.

4.10 Social Value:

The recommended Bidder C offered several measurable benefits covering Social Value indicators SV1, SV2 SV3 SV4 SV5.

Details are in Part B.

4.11 London Living Wage:

Compliance with London Living wage formed part of tender requirements and is also contained within the contract terms and conditions. The recommended supplier is compliant.

4.12 Premier Supplier Programme

Bidders were invited to enter into the programme which formed 2% of the quality scoring. The recommended bidder committed to joining the scheme at the highest discount rate of 2%.

4.13 Contract Management

Any new implementation will require detailed agreed project plans and milestones which will be payment related and built into the contract. A contract management plan will be implemented.

The head of Highways and Parking will manage the contract supported by the customer service and policy manager and performance officers. For ongoing support, the contract will incorporate regular performance review meetings with agreed escalation paths. The meetings will review performance against the service level regime established in the contract – covering such areas as:

performance against contracted targets and service levels:

- availability of the system,
- system response and report times,
- incident resolution
- user satisfaction
- service credits.
- Social value deliverables
- service improvements

4.14 Exit arrangements and transition plan

A summary of exit arrangements from any existing contract and the transition plans are set out in the Part B report.

4.15 Consultation

Consultation was initially undertaken with stakeholders from Finance, Legal, Croydon Digital Services, Equalities, Procurement, HR, Parking Head of Service and information Management. Their feedback was used

to inform strategy. Additionally it was ensured that as many stakeholders as possible were actively included in both the drafting of the specification and where possible, as process experts in the evaluation of the bidder responses.

The initial Specification was drafted by Managers from each business area to ensure that the solution reflected our needs was realistic and reflected current best practice.

Following this, the draft specification was sent to Council Officers from ICT (Solutions Architect), Data Management (Information Officer) Procurement (Category Manager) and external legal advice was obtained.

Following publication of the Tender, the responses and method statements were evaluated by a panel consisting of the Enforcement Manager, Two Investigations Managers, a permit specialist, the Head of Legal Business & Compliance, an Information Officer, ICT (Solutions Architect), Parking Performance officer & Customer Services, Policy & Performance Manager (Parking procurement lead).

This has ensured that any bids that meet the specifications at a minimum meet business needs, ICT and Data protection requirements.

4.16 Human resources impact

Not applicable

4.17 Equalities impact

All bidders were required to provide evidence of equality policies and equalities training for their employees.

A detailed Equality Analysis has concluded that the effect of the re-procurement will be neutral as far as equalities is concerned, there will be no major change - the Equality Analysis demonstrates that the policy is robust and that the evidence shows no potential for discrimination and that all opportunities to advance equality have been taken. The analysis has been signed off by both the Equalities Manager and the Director of Sustainable Communities.

4.18 Environmental impact Healthy Streets:

A drive to manage the environmental impact of vehicular traffic in the borough, means that the introduction of emissions based permits and diesel surcharging is being planned and it is necessary to have an efficient processing system that can deal with and automate the added complexities that this will bring to the process. The planned solution will assist with the desire to improve air quality for a cleaner environment in line with the Council "Carbon Management Energy Efficiency Programme" (approved by Cabinet October 2010) set a target to reduce carbon emissions from the council's own operations by 25% over the next 5 years (compared to 2009/10 baseline).

The contract awarded to the successful bidder will include a schedule for exit management which will include requirements for decommissioning including requirements to meet Waste Electrical and Electronic Equipment recycling (WEEE) Directives. A cloud hosted solution also contributes to aspirations around energy use and associated carbon dioxide emissions of IT equipment.

4.19 Crime and disorder reduction impact

The system will facilitate parking violation enforcement to help reduce antisocial parking and associated disruption.

4.20 Data protection implications

A Data Protection Impact Assessment has been completed and points raised by the Data Protection Officer and Information Management (IM) have been addressed. Bidders for the tender were required to meet any and all data protection legislation requirements. IM was included in requirements.

The council publishes a Privacy Notice on the council website, Data subjects are informed on the PCN how their information will be used, why, where they can view the Privacy Notice. Personal data is already collected and is used in order to carry out our obligations under the Traffic Management Act 2004 to enforce parking restrictions.

Data sharing agreement with the new suppliers is part of the contract. The requirement to comply with General Data Protection Regulation (GDPR) is in the specification.

The council only use the data for the purposes of enforcing parking restrictions. The system will enable us to deal with Data Subject Requests and retrieve the information held on our database. A comprehensive search and reporting suite, will enable the cross referencing of multiple PCNs over a period of up to 6 years (retention period) if required”

An initial DPIA has been carried out and sent to IM, and will be reviewed now the solutions has been chosen. The bulk of the DPIA was completed before going out to tender (and that way we ensured that any stricter requirements for processing were accounted for in the tender documents & contract);

The DPIA can now be amended to name the provider and set out their specific measures for data security. It is a mandatory requirement that the eventual successful bidder complies with all data protection requirements.

The successful supplier of the Back Office ICT system demonstrated that they are able to comply with the DVLA’s requirements for the handling of Keeper details that are supplied.

The Director of Sustainable Communities confirms that a DPIA has been completed and will be kept under review.

(Approved by: Chaz Blackwood on behalf of the Director of Sustainable Communities”

4.21 Risks

A number of risks have been identified which are and will be managed by the service and programme leads and contract managers who will be responsible for ensuring mitigations are undertaken. A programme board oversees the progress and status. A risk log will be maintained throughout the contract.

No.	Risk	Potential impact	Controls / Commentary
1	Resources – unable to provide staff for project or provide the time. (eg Covid or essential spend criteria related)	Project stalls – delivery of procurement programme fails and existing contract expires.	Resource plan has been developed and agreed. Funding is in place for resource to be dedicated to this project. A short extension of up to 12 months has been agreed under delegated authority for the existing systems contract to ensure continuity of service
2.	Council CDS (ICT) Resource requirements.	If requirements across the Council and external providers resources are not aligned then delays in implementation will ensue.	Regular dialogue already established with CDS and regular meetings established to ensure co-ordination. Mitigation such as a short extension of up to 12 months has been agreed under delegated authority for the existing systems contract to ensure continuity of service

3.	Data migration requires significant resource and skills expertise	Information does not migrate over in a timely manner. Critical path timescales slip.	Ensure detailed mapping and migration plan completed. Ensure migration is fully resourced to avoid slippage.
4.	The procurement exercise does not bring forward a suitable supplier.	Existing contract due to expire.	Market engagement is good, making sure a suitable and attractive business opportunity is tendered to attract suppliers
5.	Procurement is challenged by unsuccessful bidders	Delays implementation past the contract expiry date or prevents the award of the new contract	Ensure robust tender and evaluation takes place Involvement of Corporate legal Agreement with current supplier has been put in place to continue to provide the service under the current terms until successful implementation if needed
6.	Successful bidder has resourcing issues	Implementation delayed past the contract expiry date	Council to satisfy itself in the tendering process that bidders are able to cope with the volume of work required and have the relevant experience
7.	Data protection risks	This will conduct the way data is transferred the controls that need to be put in place.	Data processing issues should be kept under review during the project and into commissioning. This should include conducting and keeping the DPIA under review to ensure that there is a method of recording and assessing such risks. Contract performance and management should include compliance with the requirements of the DPIA and general requirements of GDPR. Enforcement responsibilities will be processed by new methods and so privacy statements and ticketing will be revised to take this into account.

			A DPIA will be carried out prior to contract award
8.	Essential spend Financial Risks	Impact of essential spend criteria and publicity around Section 114 on supplier confidence, availability of in house resources, ability of Council to meet contractual obligations	Spend Control Panel to approve considered essential spend, and generates income for Council. New functionality will bring working efficiencies.
9.	Future resourcing risks	Availability of resources to manage increased PCN or case volumes	To be assessed. Note the solutions also allow for maintaining volumes with less resources.

5 Conclusion and reasons for recommendations

5.1 The report recommends the award of a contact to the preferred bidder (Bidder C) following a competitive tender in compliance with the Council Tenders and Contracts Regulations and Public Contract Regulations.

The preferred bidder meets all mandatory requirements and financial checks and adds value with a social value offer which will benefit local residents. Innovation with their offer will assist the council in the administration and enforcement, and license administration, for parking and facilitate income collection. Further detail is set out in Part B.

5.2 Options considered and rejected

In respect of the options for the outcome of the tender no other options were presented for consideration. Alternate bids were not allowed. The tender followed the procurement route recommended in the approved strategy report.

6 Outcome and approvals

Outcome	Date agreed	
<i>Insert outcome of CCB discussion</i>	Service Director Steve Iles Director of Sustainable Communities <i>(to confirm Executive Director has approved the report)</i>	23/5/21
	Cabinet Member for Resources & Financial Governance	11/11/21
	Legal Services Sonia Likhari	4.11.21
	Director of Finance & deputy Section 151 Officer	4/11/21
	Human Resources (if applicable)	<i>Insert date reviewed report (sent 6/5)</i>
	C&P Head of Service Scott Funnell	27/5/21
	Lead Member <i>Cllr Ali</i>	16/5/21
	CCB	CCB1708/21-22 – 12/11/21

7 Legal Considerations

7.1 The Council is under a general Duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007)

The Cabinet Member is empowered to make the decision in accordance with the recommendations pursuant to the Tenders and Contracts Regulations, which form part of the Council's Constitution.

Approved by Sonia Likhari, on behalf of the Interim Director of Law and Governance & Deputy Monitoring Officer

8 Chief Finance Officer comments on the financial implications

8.1 The award of this contract can be funded through existing Revenue and Capital budgets and will be crucial in supporting the legal requirements to enable the Council to enforce Traffic Management Act regulations and keep the boroughs roads free flowing, to penalise customers who do not pay for Pay and display and to discourage poor driving behaviours.

Approved by: Darrell Jones Finance Manager on behalf of Michael Jarrett Head of Finance on behalf of the Chief Finance Officer

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