



City of Westminster

# Cabinet Member Report

<b>Decision Maker:</b>	Cabinet Member for Environment and City Management
<b>Date:</b>	25 April 2022
<b>Classification:</b>	For Publication – with Part B exemptions
<b>Title:</b>	Award of New Parking Technology Contract
<b>Wards Affected:</b>	All
<b>Key Decision:</b>	An entry was included in the Forward Plan for Key Decisions on Monday 31 <sup>st</sup> of January 2022, enabling a decision to be made from 28 <sup>th</sup> of Feb 2022.
<b>Financial Summary:</b>	<p>The total sum in this report for which approval is sought is £7,167,017 for the period 1 April 2022 to 31 March 2028. There is an option to extend for an additional two 5 year periods (costs to be determined during 2027 for any extension option, but based on proposed annual costs for years 1-5 the value of all extensions would be circa £10,176,450, giving a total potential contract value of £17,343,467).</p> <p>The total spend covered by this report is fully contained within the council's approved revenue and capital budgets. The cost of the 12 months Mobilisation phase of £1,963,592 is covered by approved budget within the Council's Capital Programme.</p>
<b>Report of:</b>	Raj Mistry, Executive Director for Environment and City Management

## **1. Executive Summary**

- 1.1. This report summarises the results of a mini competition conducted under the ESPO Parking Management Solutions Framework Agreement reference 509, Lot 4 Civil Enforcement.
- 1.2. The report gives recommendations for the award of a contract on the basis that the recommended bidder best satisfied the Council's requirements for providing Parking Technology Solutions.

## **2. Recommendations**

- 2.1 Part B of this report be confidential pursuant to paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of tenderers for the contract which is the subject of this report.
- 2.2 That the Cabinet Member for Environment and City Management approves the recommendation to award a contract for the provision of Parking Technology Systems to EST Solutions Ltd, trading as E Street, company registration number 07587280 for an initial period of six years with an estimated contract value of £7,167,017. The initial six years contract period includes a period of one year for implementation and mobilisation from 1st April 2022. In addition, the option to extend the contract by way of up to two five year extension periods to continue to deliver the services for up to a further ten years for an estimated additional contract sum of £10,176,450.
- 2.3 That the capital expenditure of £1,963,592 for the 12 month Mobilisation phase of the contract for 2022/23 be approved.

## **3. Reasons for Decision**

- 3.1 The tender submitted by EST Solutions Ltd for providing the Parking Technology Systems was the winning bid. The supporting information provided in the submission gave the Council the necessary assurances that the required attention to detail would go into the setup of each of the solutions. EST Solutions Ltd's bid accordingly achieved the highest quality score.
- 3.2 The current parking contracts are due to expire, and in order for the Council to provide continuation of services it was necessary to reprocure this service. The award of the Parking Technology Systems Contract is the first phase of the wider re-procurement of Parking Services contracts to commence over the next 12 months in order to maintain the high level of services required by the Council.

#### 4. Background & Policy Context

4.1 Parking is currently divided into two main contracts as below: -

**The People & Resources Contract** - The contract provides a flexible pool of skilled resources for deployment to manage the kerbside space. The Council determines the level of Resources required and times of deployment, while the Service Provider manages these resources and the day-to-day operation.

**Business Processing & Technology** - Delivering Parking Services' back-office functions to manage full processing and issuing of all permissions, handling of PCNs and complaints, issuing of camera enforcement PCNs, cashless parking and payment processing.

Both of these contracts are currently held by NSL – Marston Holdings. Both contracts are due to expire in April 2022 and both have provision to extend the term to October 2022. However, due to the unprecedented impact of the Covid pandemic, it is recommended that both contracts be extended additionally to the end of March 2023 to allow time for businesses to return to some level of normality and therefore the new contract structure will commence in April 2023.

4.2 The current Online Parking Suspensions System (OLS) is currently utilised by these contracts but is not supplied via these contracts. The OLS was developed in conjunction with Camden Council who are the lead for the system.

4.3 WCC requires a parking service that is efficient and dynamic, embraces change and modern ways of working, and leads the way in supporting residents and businesses alike, through difficult and challenging times. The strategy is to disband the existing two main Managed Service contracts into smaller contracts in order to provide better direct control and react more quickly to market changes and take advantage of new technologies. The new Parking Services contracts will consist of the following structure:

Contract/ Lot 1	Technology
Contract/ Lot 2	Business Processing Solutions
Contract/ Lot 3	Cashless Parking
Contract/ Lot 4	People and Resources
Contract/ Lot 5	Compliance and Audit
Contract/ Lot 6	Debt Management
Contract/ Lot 7	Abandoned Vehicles and Vehicle Relocations
Contract/ Lot 8	Camera Enforcement

4.4 The Parking Technology Systems contract is the first phase of the wider re-procurement of Parking Services contracts to commence over the next 12/18 months. The Parking Technology Contract Systems will commence earlier than the other contracts, commencing April 2022 to allow for a full year of implementation, mobilisation and testing before “going live” at the same time as the other contracts in April 2023.

- 4.5 The over-arching aim of the Parking Technology Systems Contract is to appoint a sole provider to deliver an integrated technology platform, consisting of handheld technology, a notice processing system a permit management system and a suspension management system. In addition, the contract will provide infrastructure to deliver the required functionality, resilience and security to meet the Council's requirements, introducing improved service levels and to ensure compliance with relevant legislation such as the Traffic Management Act 2004.
- 4.6 The contract term is set at six years with provision for an extension of up to ten years. The extension of up to 10 years is split into 2 five-year extensions. The reason for the ability to extend to a longer length contract is because the initial implementation of parking technology systems is costly and disruptive to the service and the ability and option to reduce the cost of reprocurring and implementing new systems for future years will be of significant benefit. We have structured the Parking Technology Services Contract for its extensions, or timings of re-procurement, if necessary, to be out of sync with the timescales of the other forthcoming contracts so that in future disruption to the service will be substantially reduced. This will not only reduce disruption to the service but will give potential suppliers of the other Parking Services contracts greater certainty about what system they will be using and therefore will be able to consider the Council's Invitation to Tender with more certainty if they wish to participate in a tender exercise and qualify to submit a tender.

## **5. Award of Contract**

### **5.1 Tender Process**

- 5.1.1 This procurement sought to find a single supplier to provide an integrated technology platform for Parking Services, consisting of handheld technology, a notice processing system, a permit management system and a suspension management system along with associated payments and integration with 'MyWestminster'. Several different routes to market were considered. Following review, the preferred option identified was to issue a 'mini competition' using the ESPO Parking Management Solutions Framework Agreement reference 509 under Lot 4 Civil Enforcement.
- 5.1.2 The procurement was managed in accordance with the Council's Procurement Code and with the Public Contracts Regulations 2015, utilising the CapitalEsourcing e-tendering solution.
- 5.1.3 The mini competition was originally issued on 30 July 2021 with a closing date of 24 September 2021. We received three tenders however following receipt; it came to light that a key ICT document (Non-Functional Requirements) was not issued along with the tender specification. In addition, an updated Information Security Questionnaire was needed to be completed by the tenderers. It was judged that these documents played an important part in understanding the Council's requirements and expectations and without

visibility of these documents, bidders may not have responded as effectively as they may have.

5.1.4 As a result, the tender opportunity was re-issued with the additional documents to allow bidders the opportunity to review and re-submit their tender submission based on the new information. This was made available for all suppliers on Lot 4 of the ESPO Framework Agreement 509 to ensure fairness and transparency was adhered to.

5.1.5 The mini competition was then re-issued on the 3rd of November 2021 with a closing date of 22nd November 2021. The three companies that submitted responses were the same that had originally submitted a tender response prior to the Council issuing further contract documents. These were:

- Conduent Parking Enforcement Solutions Ltd
- EST Solutions Ltd
- Sagoss

## **5.2 ESPO Parking Management Solutions Framework Agreement**

5.2.1 The preferred option identified for procuring the Parking Technology System was to issue a 'mini competition' using the ESPO Parking Management Solutions Framework Agreement reference 509 under Lot 4 Civil Enforcement.

5.2.2 Lot 4 covers comprehensive civil enforcement software and associated services to assist customers in their enforcement under the Traffic Management Act 2004 (TMA) and other similar legislation. This lot has been specifically designed to include the technology for administration and processing of Penalty Charge Notices (PCNs) and also the issuing and management of permits. The ESPO Framework recommends that users of the Framework should conduct a mini competition to determine actual costs as system specifications can vary.

## **5.3 Evaluation Process**

5.3.1 All tender documentation was produced at the point at which the contract was advertised. This allowed bidders to have sight of the contract specification, the contract conditions and the scoring criteria before submitting their tender.

5.3.2 Three suppliers responded and formally submitted bids. All three suppliers had already met the pre-qualification criteria for the ESPO Framework and although due diligence is pre-carried out upon award of the Lot by ESPO, candidates were assessed to confirm their company information, relevant experience and contract examples, competition of Form of Tender and Bona Fide tendering certificate, details of any information deemed confidential and confirmation of the ESPO terms and conditions. In addition, other minimum standards including the living wage, economic and financial standing and confirmation of Insurance policies held were addressed. All three passed the qualification requirements, and therefore their submissions were assessed in full. The three suppliers were:

- Conduent Parking Enforcement Solutions Ltd
- EST Solutions Ltd
- Sagoss

5.3.3 The remaining twenty suppliers named on the ESPO Framework did not provide a reason why they did not make a submission, but it is known that some of these suppliers focus solely on cashless parking technology solutions and others are currently mobilising contracts for other Councils.

## 5.4 Evaluation Results

5.4.1 Tenders were evaluated using a weighting split of 50% quality and 50% price.

5.4.2 The quality evaluation was out of an overall score of 100% and converted to a score out of 50% and consisted of the following questions. The weightings specified represent the maximum total weighting available per question.

	<b>Question</b>	<b>Weightings</b>
2.2	Specification	(Pass/Fail)
2.3	Design, Build & Set Up	10%
2.4	Service Delivery	60%
2.5	Security Control, Customer Data, Standards & legislative requirements	5%
2.6	Support & Maintenance & Delivery	10%
2.7	Continuous Improvement and Future Technology Considerations	5%
2.8	Social Value	10%
2.9	Third Party Due Diligence Security Questionnaire	(Pass/Fail)

5.4.3 The pricing evaluation was split into the 3 main areas of equipment costs, implementation costs and contract costs over the 5 years with the proposals by suppliers totalled with a maximum score available of 50%.

5.4.3 The quality evaluation of the bids was undertaken by a number of representatives from within Parking Services, ICT and Procurement Services with a moderation meeting held on 9th December 2021. The scoring was based on the principles and descriptions provided in the evaluation criteria that was issued as part of the Council's Invitation to Tender and tenderers were advised that their response to each of the questions must score a minimum of 3 or above otherwise they would fail to meet the Council's minimum criteria.

5.4.4 A summary of EST Solutions Ltd's commercial proposal is included in the further financial information provided in Part B in this report.

As part of the commercial requirements, additional associated items that the Council can potentially purchase throughout the life of the contract have been priced. These include Environmental Enforcement, Removals, IVR payment service and SIM cards. Costs for additional resource have also been provided.

5.4.5 Further evaluation results can be found in Part B.

## **5.5 Recommended Bidder – EST Solutions Ltd**

5.5.1 EST Solutions Ltd is the recommended bidder.

5.5.2 Further recommended bidder information can be found in Part B.

## **6. Mobilising the New Contract**

6.1 A highly detailed mobilisation plan was included as part of the tender from EST Solutions Ltd providing confidence that EST Solutions Ltd understand all of the deliverables and milestones involved in the implementation (see Appendix E in Part B).

6.2 The mobilisation period will extend through the first full year of the contract commencing April 2022 up until the “go-live” date of April 2023.

6.3 There will be resource implications for the Council for mobilising this contract. Please see Appendix A for a detailed breakdown of resources required.

## **7. Financial Implications**

### **7.1 Budget/Funding arrangements**

#### **7.1.1 Revenue**

The procurement strategy sees technology elements separated from Business Processing services activities as part of a wider service redesign to deliver a new operating model aimed at service delivery, improvement, innovation and open and transparent accountability. The Council recognises technology has moved on and is determined to benefit from these advances, including Cloud infrastructure, and ensuring there is an equitable and realistic use of innovation over the life of the contract.

All of the new contracts will need to be delivered within the existing budget, taking account of the committed Medium Term Financial Plan saving.

#### **7.1.2 Capital**

There is budget provision of £3.250m in the approved Environment and City Management Capital Programme for 2022/23 to fund the capital costs associated with the re-let of all the Parking Services contracts. The majority of capital expenditure will be incurred in the Technology contract, the £1,963,592 cost for the Mobilisation phase. The remainder of the budget provision will be required for similar aspects of the other contracts.

## 7.2 Current and future Costs

### 7.2.1 Revenue

The proposed revenue costs can be met within the existing allocation for these services; however this relies on estimates for transaction charges and change controls during the life of the contract which are based on experience in the current BP&T contract.

Please see section B for more current and future revenue costs.

### 7.2.2 Capital

A capital budget of £3.250m has been approved in the Capital Strategy for Parking Service – Business Processing and Technology.

In line with financial regulations for individual expenditure commitments over £1.500m, this report requests approval to spend £1.964m on the implementation and mobilisation of this contract.

Further capital requirement is anticipated for implementation of the other new Parking contracts, however these are expected to be smaller and all achievable within the overall £3.250m approved.

## 7.3 Anticipated savings

7.3.1 There is a £0.500m commitment in the Medium Term Financial Plan for a Contract Re-let saving for 2023/24 in the Parking Service. This will be delivered through the service redesign across the Parking contract Re-lets.

Please see section B for more finance comments.

**Finance comments supplied by Mark Lampard, Finance Manager, Environment and City Management; [mlampard@westminster.gov.uk](mailto:mlampard@westminster.gov.uk)**

## 8. Legal Implications

8.1 The recommendation in this report is seeking endorsement for the approval of a call-off contract award to EST Solutions Ltd – trading as E Street (Co Reg No: 07587280) for the provision of Technology Systems Software Solutions Services (“the Services”).

8.2 The Services has been procured via the ESPO Framework 509 (“Framework”) which has been set up in accordance with regulation 33 of the Public Contracts Regulations 2015 (“the PCR”) and permits the Council access to procure required services.

8.3 The Call-Off Contract term will be from 1 April 2022 to 31 March 2028 for a contract value of £7,16,017, with the option for the Council to extend the term by two consecutive 5 year periods for an additional estimated contract value of



£10,176,450 (subject to change in or around 2027 and further endorsement and approval). An estimated total contract value of £17,343,467.

- 8.4 The length of the call-off contract must be appropriate for the services and demonstrate value for money as required by section 1.2.2 of the Council's Procurement Code to ensure budgets are optimised as much as possible in relation to securing the desired outcome. The Council has a statutory duty under the Local Government Act 1999 to obtain and achieve best value when procuring services which is in the interest of public spending. The call-off contract term was endorsed and approved as part of the procurement strategy for the Services in June 2021 to achieve best value for money.
- 8.5 The Call-Off Contract must be executed with the EST Solutions Ltd under the terms of the Framework and Legal Services support and assistance should be sought to ensure no material amendments to the call-contract terms and conditions are made so the requirements of the Framework are met.
- 8.6 Approval of the Call-Off Contract award must be authorised by the appropriate Cabinet Member following endorsement to approve from the appropriate Executive Leadership Team and the Commercial Governance Review Board.

**Legal comments supplied by Sharon Cudjoe, Senior Solicitor, Bi Borough Shared Legal Services; [sharon.cudjoe@rbkc.gov.uk](mailto:sharon.cudjoe@rbkc.gov.uk)**

## **9. Risk Management Implications**

- 9.1 A potential risk has been identified in EST's staffing of the contract: They will need to recruit at least three roles, two of which are senior, and all of which are shown as required throughout implementation. Mitigation for this risk has been identified at clarification stage, as EST have stated that they are actively recruiting those key roles already (using appointees to expand their business if they do not win the WCC award).
- 9.2 Further risk management implications can be found in Part B.

**If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:**

*Jonathan Rowing, Head of Parking, Parking Services*

[jrowing@westminster.gov.uk](mailto:jrowing@westminster.gov.uk)

*NB: For individual Cabinet Member reports only*

For completion by the **Cabinet Member for Environment and City Management**

**Declaration of Interest**

I have <no interest to declare / to declare an interest> in respect of this report

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

NAME: James Spencer

State nature of interest if any

.....

.....

*(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled Contract Award for the supply, installation and operation of eight new rapid charge points for Westminster City Council.

Signed .....

Cabinet Member for City Management

Date .....

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

.....  
.....  
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are staffing implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the

criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

## Other Implications

### 1. Resources Implications

- There will be resource implications relating this award. There will be a requirement to provide ongoing programme/project management, IT guidance and input from business subject matter experts throughout the implementation phase. The following resources are expected to be required:

Role	Responsibility	Duration
Programme/Project Manager	<ul style="list-style-type: none"> <li>Overall management of programme and liaising with FGL PM</li> </ul>	Implementation period and post go live support
Enterprise and Technical Solution Architect	<ul style="list-style-type: none"> <li>Advice and guidance on WCC ICT standards and Cloud strategy</li> <li>Review and Authorise High Level Designs</li> <li>Provide advice and guidance for Key Interfaces</li> </ul>	2-3 months at the beginning of the project At Key Milestones for Approval
<i>Business Subject Matter Experts/ Business Analysts</i>		
Notice processing	<ul style="list-style-type: none"> <li>Provide expert advice and guidance on WCC NP rules and interfaces.</li> <li>Assist with Data Migration rules and validation.</li> <li>Identify key reporting requirements</li> <li>Develop UAT Scripts for WCC</li> <li>Conduit to NSL/Conduent</li> </ul>	Initial Workshops Regular Meetings Available throughout Implementation of Liberator Notice Processing
Permits	<ul style="list-style-type: none"> <li>Provide expert advice and guidance on WCC Permit rules and interfaces, including MyWestminster.</li> <li>Assist with Data Migration rules and validation</li> <li>Identify key reporting requirements</li> <li>Develop UAT Scripts for WCC</li> <li>Conduit to NSL/RingGo</li> </ul>	Initial Workshops Regular Meetings Available throughout Implementation of Permit module
Suspensions	<ul style="list-style-type: none"> <li>Provide expert advice and guidance on WCC Suspension rules and interfaces, including MyWestminster.</li> <li>Identify gaps in requirements and develop User stories with FGL for new requirements.</li> <li>Assist with Data Migration rules and validation</li> <li>Identify key reporting requirements</li> <li>Develop UAT Scripts for WCC</li> </ul>	Initial Workshops Regular Meetings Available throughout Implementation of Suspensions

	<ul style="list-style-type: none"> <li>• Conduit to Suspension system owner</li> </ul>	
Handheld computer functionality	<ul style="list-style-type: none"> <li>• Provide expert advice and guidance on WCC Handheld solution and requirements</li> <li>• Develop UAT Scripts for WCC</li> </ul>	Initial Workshops Regular Meetings Available throughout Implementation of HHCTs
WCC IT	<ul style="list-style-type: none"> <li>• Provide access and guidance on WCC IT Policies including Security and Incident Management</li> <li>• Arrange WCC Penetration Testing</li> </ul>	Initial Workshops Increased availability 3 months before go live to ensure processes are all complete
Contract Monitoring and Management	<ul style="list-style-type: none"> <li>• Ensure on-going contract management, SLAs and monitoring are agreed and in place for go-live</li> </ul>	Initial Workshops 3 months before go live to ensure all processes are complete and agreed

-

## 2. Business Plan Implications

- There are no implications.

## 3. Risk Management Implications

- See 9 and Part B.

## 4. Health and Wellbeing Impact Assessment including Health and Safety Implications

- There are no implications.

## 5. Crime and Disorder Implications

- There are no implications.

## 6. Impact on the Environment

- There are no implications.

## 7. Equalities Implications

- There are no implications.

## 8. Staffing Implications

- See resources implications.

## 9. Human Rights Implications

- There are no implications

## 10. Energy Measure Implications

- There are no implications