

Report of: Parking Manager

Report to Director of Environments & Housing

Date: 2 October 2015

Subject: Procurement of contract for parking machine maintenance

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| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Summary of main issues

1. The current contract for Parking Machine maintenance has expired. The service is currently being delivered under the terms of the expired contract.
2. The service is essential because without it the Council would be unable to operate parking machines and therefore could not collect the associated revenue.
3. A review of the market shows that there is an existing ESPO (Eastern shires Purchasing Organisation) framework contract. ESPO is a public sector procurement organisation that has established a number of framework contracts for use by public bodies. ESPO framework contracts are already OJEU compliant so any companies listed can be used without repeating the OJEU process which is a considerable saving in time and resources. All companies likely to bid for the Leeds contract are included on the current ESPO arrangement. The use of ESPO is supported by procurement unit.
4. Therefore it is proposed to procure a new contract using the ESPO framework.

Recommendations

5. The Director of Environment and Housing is requested to authorise the procurement of parking machine maintenance through the ESPO framework.

1 Purpose of this report

- 1.1 This report is to gain authorisation for the procurement of parking machine maintenance via the ESPO framework.

2 Background information

- 2.1 The Council provides parking on a pay and display basis in about 8000 parking spaces across the City both on street and in car parks. There are currently 221 machines in operation. The vast majority are in central Leeds although there are also 6 machines in Otley and 3 in Pudsey. In order to keep the machines running there is a need for a maintenance service to carry out servicing and to mend the machines in cases where there is a problem. The number of faults reported is significant with about 15 – 20 per day. In most of the Council's spaces it is the only method of payment so if the machines are not working the money cannot be collected.
- 2.2 The Council does not have the capacity to carry out the work in house. Although most of the jobs are fairly simple (eg jammed tickets or coins) some are more complicated especially when replacing parts. The machines themselves are highly specialised and therefore maintaining them is also a specialist function. For this reason there is no resource within the service or the wider Council who can carry out the work. It has been provided on contract since the Council started using pay and display machines over 40 years ago.
- 2.4 Due to the number of machines in the City the contract requires that an operative is based in Leeds City Centre on a full time basis. As a result TUPE definitely applies to this position.

3 Main issues

- 3.1 The tender specification includes reactive work to mend faulty machines as well as regular preventative maintenance visits plus subsidiary activities such as parts. The ESPO framework covers all these aspects. There are approved suppliers on the ESPO framework which should be sufficient to provide meaningful competition.
- 3.2 It is intended that the new contract will be structured on a per machine basis so that the amount due changes as machines are added or taken away due to opening and closing of car parks or the introduction of new payment methods such as telephone payment.
- 3.3 The ESPO contract does not commit the Council to a particular contract structure or place any restrictions on how it will operate. Effectively it provides a list of pre-approved suppliers that we can negotiate with. If the ESPO is not used we will need to undertake a full OJEU exercise due to the size of the contract.

4 Consequences if the proposed action is not approved

- 4.1 If a new arrangement is not made the Council will not be able to maintain parking machines and as a result parking revenue could not be collected.

5 Corporate Considerations

5.1 Consultation and Engagement

5.1.1 The project is being carried out with the assistance of Procurement Unit.

5.2 Equality and Diversity / Cohesion and Integration

An equality impact assessment has been carried out and is attached. No issues have been identified.

5.3 Council Policies and City Priorities

5.3.1 This contract is required to protect revenue and therefore supports the key Best Council outcome of “becoming a more efficient and enterprising Council”.

5.3.1 No further issues have been identified.

5.4 Resources and Value for Money

5.4.1 The estimated cost of the contract is £60,000 per year.

5.5 Legal Implications, Access to Information and Call In

5.5.1 There are various legal requirements and responsibilities contained in the Contracts Procedure rules which will be managed through the involvement of procurement unit on the project team. The most complicated area is likely to be TUPE and pensions obligations as there are individuals with TUPE rights associated with this contract.

5.6 Risk Management

5.6.1 A risk register has been prepared.

6 Conclusions

6.1 The procurement of this contract represents best value for the Council and allows the service to continue to offer pay and display parking.

7 Recommendation

7.1 The Director of Environment and Housing is requested to authorise the procurement of parking machine maintenance through the ESPO framework.