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## Procurement of contract for maintenance of parking machines

Date: 2 August 2021

Report of: Parking Manager

Report to: Chief Officer Elections & Regulatory

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

### What is this report about?

#### Including how it contributes to the city's and council's ambitions

- The current contract for Parking Machine maintenance will expire on 31.8.21. The service is currently being delivered under an ESPO (Eastern Shires Purchasing Organisation) framework 509 with Metric Group Ltd. This report is to recommend the direct award of a contract to Metric under the same framework for a further 3 years.
- The service is essential because without it the Council would be unable to operate parking machines and therefore could not collect the associated revenue. We do not have the expertise to carry out this work in house.
- The Council has 120 parking machines and there are about 20 faults reported per day for various issues such as coin jams, mechanism failure and software issues. We also have a persistent problem with theft and attempted theft by people who block the mechanism deliberately.
- As the manufacturer of the machines the company can offer a wider service than other providers, the software is proprietary so if we used an alternative provider we would still need to employ Metric for software updates and price changes.
- The machines collect about £4m per year for the Council, this is essential revenue which contributes to the Best Council ambition of being an efficient, enterprising and healthy organisation.

#### Recommendations

- a) The Chief Officer Elections & Regulatory is requested to authorise the placing of an order for parking machine maintenance with Metric through the ESPO framework.

### Why is the proposal being put forward?

- 1 The current contract runs out on 31.8.21 so a new arrangement is needed.

### What impact will this proposal have?

**Wards Affected: N/A**

Have ward members been consulted?  Yes  No

- 2 We have had a maintenance contract in place since purchasing machines in the 1980s and no impact is anticipated from continuing.

### What consultation and engagement has taken place?

- 3 This is a Significant Operational decision, no consultation has taken place.

### What are the resource implications?

- 4 The contract is charged on a per machine basis and the estimated cost is £70,000 per year, over 3 years £215,000 allowing for a RPI uplift each 12 months. This is higher than last year's sum of £56,000 because 30 machines purchased in 2019 are now chargeable as the 1 year warranty has expired. There is provision for the whole amount in the parking services revenue budget.

### What are the legal implications?

- 5 The use of a contractor for parking machine maintenance is well established and there are no changes to the Council's legal position as a result of a new arrangement.

### What are the key risks and how are they being managed?

- 6 The main risk would be that the contractor fails to maintain the machines efficiently leading to a shortfall in revenue. This is considered extremely unlikely. The contract stipulates a 4 hour response time and the service has been well delivered for many years.

### Does this proposal support the council's 3 Key Pillars?

Inclusive Growth  Health and Wellbeing  Climate Emergency

- 7 The maintenance of the machines allows the Council to offer cash payment for parking as well as card payment which is available through our mobile phone payment service. This contributes towards Inclusive Growth. Cash payment is popular with older customers who are less likely to use mobile phone apps and it is the only payment method available to people without payment cards which helps tackle financial exclusion. There is no impact on Health and Wellbeing or the Climate Emergency.

## **Options, timescales and measuring success**

### **a) What other options were considered?**

- 8 If we are offering machine payment we need to maintain the machines. We could seek a maintenance contract through other methods but this is unlikely to identify a better provider than the manufacturer on either cost or quality.

### **b) How will success be measured?**

- 9 The key measure is the response time between the report of a fault and the fault being remedied. This will be monitored in line with the performance standards in the contract.

### **c) What is the timetable for implementation?**

- 10 The existing contract ends on 31.8.21 so the new arrangement should be made before then.

## **Appendices**

- 11 None

## **Background papers**

- 12 None