

# Chief Officer key decision

**Date: 17 July 2019**

Wards: All

**Subject: Variation of the cashless parking contract to make provision for parking permits**

Lead officer: Ben Stephens, Head of Parking Services x4189

Lead member: Cllr. Martin Whelton (Regeneration, Housing and Transport)

Contact officer: Tom Davis, Parking Infrastructure Manager x3073

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## **Recommendations:**

- A. That the cashless parking contract be varied on the terms as set out in the exempt appendix, to make provision for the issue of parking permits as well as short stay parking sessions.

## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to obtain authorisation to vary the cashless parking contract with Cobalt Telephone Technologies Ltd (RingGo) in accordance with Contract Standing Orders 24.3 (authorisation) and 27 (contract variations).
- 1.2. The contract will be varied to make provision for RingGo to provide a parking permit solution in addition to the core service of cashless payments for short stay parking.
- 1.3. The value of the contract variation will be in the order of £180,000 and the updated total value of the contract (including the variation) will be in the order of £545,000.

## **2 DETAILS**

- 2.1. The council's current contract for the parking permit system is held by Imperial Civil Enforcement Solutions Ltd and expires on 31 October 2019.
- 2.2. Parking Services originally planned to award a new contract for a combined permit and PCN system using an ESPO framework agreement, and that strategy was approved by Procurement Board in December 2018.
- 2.3. A competition between suppliers was started in February but was subsequently abandoned in March due to an ongoing review of the service's requirements.
- 2.4. Parking Services now proposes to buy the two services separately: the PCN system will be purchased through an ESPO framework as originally planned, and the permit service will be awarded to RingGo as a variation on the existing contract for cashless payments of parking charges.
- 2.5. When the cashless parking contract was advertised and awarded in July 2014 there was a reference to virtual parking permits but in order to take up that option now it is necessary to vary the contract to ensure that the costs and

service requirements are included in the contract. The use of technology within parking payment systems has moved on considerably since the original contract was let. Whilst the outcomes remain the same e.g. issuing a permit in a cashless form, technology advances which provide more up to date and better customer outcomes are reflected in the deed of variation.

## 2.6. **Benefits of the RingGo solution**

- 2.6.1 One of the key objectives of the project is for permits to be issued 'virtually', meaning that no physical device will be displayed in permit holders' vehicles. Instead, once the permit has been paid for it will be added to an online database in the same way that payments for short stay parking are processed. Enforcement officers check the online database using their handheld devices.
- 2.6.2 Digital or virtual permits are managed by the customer on an online self-service portal and protected by a unique user name and password. Using RingGo to issue permits means that customers will only need one single account to pay for parking in any space managed by the council. Customers who already have a RingGo account to pay for short stay parking anywhere else in the UK will not need to re-register or sign up for another new account as they would if the council appointed a different company to provide the virtual permit service.
- 2.6.3 Using RingGo for permits also means that the council will receive a single payment every day for on-and off-street short stay parking and parking permits, which will initially be reconciled through the existing E-Return process. No additional resources or new processes will be needed to incorporate the reconciliation of permit income into the service's business as usual procedures and we are in discussions with the Business Systems team to automate the process.
- 2.6.4 The RingGo permit service is sold as a complete package, including payment processing, and so it is not possible to use the corporate Civica payment website. The council will not incur any additional costs for not using Civica and there is the potential that it may result in a small saving on the Civica contract.
- 2.6.5 Engaging RingGo directly to provide the permit service will reduce the time needed for the implementation period.
- 2.6.6 The RingGo permit solution meets all of the council's requirements including the ability to apply different charges depending on the fuel type or CO<sub>2</sub> emissions of a vehicle, and the ability to automatically verify customers' eligibility for parking permits by using Experian records to confirm that the customer resides at an address in a Controlled Parking Zone.
- 2.6.7 In the event that the Experian records cannot automatically verify a customer's address the customer will not be prevented from ordering a permit but will be prompted to upload or email proof of residence alongside their application.

### **3 ALTERNATIVE OPTIONS**

- 3.1. The council could choose to purchase both PCN and permit solutions from the same supplier using the ESPO framework agreement, as originally planned.
- 3.2. However this would likely lead to higher costs for the permit system and would also likely delay the implementation of the solution and the proposed new permit charges.
- 3.3. Doing nothing would result in the existing contract terminating on 31 October 2019. After that date the council would not be able to issue or manage parking permits and would have to resort to using spreadsheets and e-forms, which is not a viable option.
- 3.4. Doing nothing would also leave the council unable to implement emissions-based charging, should it decide to after the forthcoming review of the diesel surcharge.
- 3.5. The council could also decide to directly award a new contract to the incumbent supplier, Imperial. However, the current permit system is due to go out of support in October 2019, meaning that after this date the supplier would no longer respond to support calls or resolve any faults with the software. The new contract would therefore be for Imperial's new permit solution, which market testing has demonstrated is likely to be more expensive than the RingGo option.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. Colleagues in Commercial Services, Business Systems, IT Service Delivery and the South London Legal Partnership have been consulted.
- 4.2. No consultation work with residents is currently planned but there will be a programme of communications activity to inform residents of the switch to RingGo virtual permits.

## 5 TIMETABLE

- 5.1. This decision was added to the council's Forward Plan on 26 June and the decision can be taken on 25 July. The decision will then be subject to call-in for 2.5 working days, ending at noon on Tuesday 30 July.
- 5.2. If approved, the system can be installed, configured, and tested in August and September before the anticipated go live date in October 2019.

Task	Deadline/timescale
Add decision to Forward Plan	26 June
Publish key decision report	17 July
Decision taken	25 July
Call-in	25 – 30 July
Transparency notice published	30 July
Variation signed by both parties	30 July
Permits implementation	30 July – 30 September
Permits go-live	From 1st October 2019

- 5.3. The tender for the PCN system will be published once this contract variation has been authorised and we expect to award the PCN contract in early autumn with an anticipated go-live date in early December.

## 6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. The financial implications of the contract variation are set out in Appendix 1.
- 6.2. The information is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972, on the grounds that it contains information relating to the financial or business affairs of any particular person.

## 7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The contract will be varied under regulation 72(1) (b) of the Public Contracts Regulations 2015.
- 7.2. A contract can be modified under this regulation for additional works, services or supplies that have become necessary and were not included in the initial procurement, where a change of contractor—
- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and
  - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract.

- 7.3. The estimated original contract value was £480,000. The variation of (up to) £180,075 represents 38% of the original contract value and is therefore below the value of individual modifications and is therefore less than the 50% of the value of the original contract referred to in paragraph 7.2.
- 7.4. It is understood that the justification for this variation includes best value when compared to alternatives and because RingGo is the only potential supplier capable of offering a single customer account for both short stay parking charges and parking permits.
- 7.5. Contracts modified under the regulation 72(1)(b) must justify their reasons for the extension within the guidelines stated at 8.2 above and notice of the modification must be given under regulation 51.
- 7.1. Comment provided by Jonathan Miller, property and commercial lawyer at SLLP.

## **8 PROCUREMENT IMPLICATIONS**

- 8.1. See Appendix 1

## **9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 9.1. Market research has indicated that using RingGo for parking permits will give residents and other customers more options for buying and managing permits compared to other systems. For example, customers will be able to allocate visitor permits using a smartphone app or IVR (Interactive Voice Response) telephone line rather than just using the permit website.
- 9.2. Residents will also be able to nominate other people to be able to purchase permits through their resident account. In other boroughs that use RingGo for parking permits this option is used by elderly or vulnerable residents and allows nominated visitors to pay for their own parking using the resident's account.
- 9.3. These options will help those users who are less confident or willing to use online systems.

## **10 CRIME AND DISORDER IMPLICATIONS**

- 10.1. None

## **11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 11.1. None

## **12 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- Appendix 1 - Exempt

## **13 BACKGROUND PAPERS**

- None