

Committee: Cabinet

Date: 16 November 2023

Wards: All

Subject: Cashless Parking Solution

Lead officer: Dan Jones, Executive Director, Civic Pride

Lead member: Cllr Stephen Alambritis MBE, Cabinet Member for Transport

Contact officer: Rachel Dooley, Project Manager, Parking Services

Exempt or confidential report

The following paragraph of Part 4b Section 10 of the constitution applies in respect of information within the appendix and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of the appendix.

Recommendations:

- A. That Cabinet approves the award of a contract for the provision of Cashless Parking Solution to RingGo Ltd (our incumbent supplier of the cashless parking service), by a 'Call-off without Competition' (Direct Award) for a 5 year period with a no fault break clause from year 3.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. The report sets out the basis for this report and recommendations. The Gateway 1 report was signed off by Legal, Finance and Commercial Services and has been approved for commissioning by the Procurement Board on 19th September 2023.

2 DETAILS

2.1. The contract for the current cashless parking solution was for an initial 4+4 years with an optional +24 month extension period. The initial term expired on 4th July 2022, however the contract has been extended via a Gateway 3 report using the optional + 24 months, giving a revised contract end date of 4th July 2024.

Currently Cashless Parking forms part of the contract we have with ParkNow, (who's product is RingGo), to deliver both Cashless and Parking Permit elements. The parking permit element is being procured separately alongside a new PCN system. We therefore need to procure a Cashless Parking system to provide an ongoing service from July 2024, using the ESPO Parking Management Solutions Framework ref: 509_23, Lot 3 Cashless Parking Solutions. The contractor shall provide a

service that enables customers to pay for parking charges using a debit or credit card either by an app, mobile/telephone call, or website. It should also allow for customers to extend their parking session (where maximum length of stay restrictions allow) using their phone without the need to return to their car. The cashless service also allows motorists to access free parking sessions where eligibility exists.

2.2. The Council has provided a cashless parking service for on and off-street parking since 2014. Motorists expect to be able to use cashless parking, which offers an alternative to pay & display (P&D), for parking charges. Since the introduction of RingGo (the current cashless parking system), cashless parking has become an essential service with currently 86% of transactions for parking charges are made through RingGo. The cashless parking service lets customers pay for and extend their parking from anywhere with their phone and online. The cashless parking provider's data is compatible and integrates with the parking enforcement software.

2.3. Realtime data relating to the cashless parking session is transmitted to the Civil Enforcement Officers (CEOs) handheld devices, so that enforcement can be efficiently managed.

2.4. In the last financial year (2022/23), income from the on and off-street cashless parking service was circa £4.8m.

2.5. The ESPO 509_23 framework provides the quickest and simplest route, with the leading established suppliers in the market. Lot 3: Cashless Parking Solutions covers cashless parking solutions and associated products and services, including integration with other parking related software.

2.6. There are eight suppliers under the ESPO framework that could tender for the cashless parking solution. There are two suppliers that can meet two mandatory elements of the specification for Merton. Merton currently offers an alternative cash payment method to pay & display (PayPoint). Consequently, this is a mandatory requirement of the new contract and only two of the suppliers can offer it. Of the two suppliers one would offer the service as part of the contract, the other would offer it as a cost to the Council. The supplier's pricing schedule indicates this would cost £10k to implement and £15k support costs over the 5-year contract term for PayPoint.

The second key issue is there is no identified capital budget to support the replacement of the on/off street signage. Therefore, the current supplier would incur no additional costs for this element. The alternative Supplier's pricing schedule indicates this could cost approximately £500k.

As result of the two issues described above, an alternative to the incumbent would cost in the region of £525k capital costs – please see section 2.8 below for further details.

2.7. A pricing comparison exercise has been carried out between the two main suppliers, to analyse the costs and ensure we will benefit best value for money. **Please see Appendix A.** The pricing comparison can only be based on the information presented on the framework's suppliers pricing schedules.

2.8. Following the analysis of the suppliers on the ESPO framework, it has been identified that we have justifiable reasons to conduct a 'Call-off without competition',

as permitted under the framework. This has been supported by the Framework Manager at ESPO, who has confirmed with Commercial Services that a comparison between the two providers that have our mandatory requirements is acceptable under the framework rules for a direct award, and therefore Merton can conduct a 'Call-off without competition'.

3 ALTERNATIVE OPTIONS

3.1. **Do nothing** – this is not a viable option. We have an obligation to motorists to offer an ongoing cashless parking solution to provide a service to pay for parking sessions. Not having payment facilities would possibly result in significant traffic management issues, inability to use the car parks effectively/efficiently the Council has leased, and significantly increase enforcement activity. This would also result in significant income losses to the Council.

3.2. **Use an in-house solution** – this is not a viable option. There are no suitable systems currently in use at the Council, so it would need to be developed from scratch. This would be resource intensive and expensive to implement and upgrade. This would not be achievable by the time the existing contract expires.

3.3. **Procure using an open tender approach** – this is a potential option; however, this is a lengthier process and would be open to a larger group that may not meet our mandatory needs. Research has already shown that only two out of eight suppliers can meet our mandatory requirements (maintaining current services for residents and motorists). Using an open tender approach is a lengthy, time-consuming process, which may not offer a new supplier, that can meet all our mandatory needs without significant additional costs to the Council.

3.4. **Call-off without Competition (Direct award), using the ESPO 509_23 framework** – this is an option which has been approved by the Procurement Board which is the quickest, simplest, most cost effective and compliant route. The framework has access to the market leading suppliers and the latest products. The Council has experience using the framework and is time and resource saving. This is an opportunity to continue an established relationship and the system is already configured and tested, and with the signage already in place there would be no capital costs involved to purchase new signage. There is no limit on the contract length so there is an opportunity to renegotiate the contract in the short-term, whilst awaiting the National Parking Platform to be established. Research has demonstrated that this is best value for money between the two suppliers that can meet our mandatory requirements for PayPoint.

3.5. **Further Competition using the ESPO 509_23 Framework** – this is an option, and offers similar benefits pointed out in 3.4. However, the suppliers pricing schedules highlights that only two of the eight suppliers under the framework can meet our mandatory requirements (PayPoint or equivalent). In addition, there would be significant capital costs of up to approximately £525k (for configuration, implementation, signage, and PayPoint setup).

It should be noted that if Merton were to exercise this option this would result in addition capital costs that is not currently budgeted for. The only option therefore would be to secure capital funding from the capital budget for the PCN and Permit system. This could result in the need to secure more capital funding for the PCN

and Permit system, or the funding not being available thereby impacting negatively on a separate procurement exercise.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. None required.

5 TIMETABLE

5.1. The timetable is as follow:

Cashless Parking Timetable	
Procurement Board GW1 recommendation for direct award	Tuesday 19 September
Finalise award criteria: Specification, SLA, KPIs, T&C's, communicate and finalise details with supplier.	Wednesday 20 September – Tuesday 27 November
Procurement Board GW2 Award authorisation	Wednesday 25 October
Submit to Leader Strategy Group	Wednesday 25 October
Leader Strategy Group	Monday 30 October
Submit to Cabinet	Wednesday 8 November
Cabinet	Thursday 16 November
Call-in period completion	Friday 24 November
Confirmation of award letter sent to successful	Monday 27 November
FTS Contract Award Notice/Contracts Finder Notice/Add to Contracts Register	Tuesday 28 November
Mobilisation period	Tuesday 28 November – Wednesday 3 July 24

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. A credit check was carried out and the recommended contract value is £2,400,000. The recommended total value of contracts for this supplier is £6,000,000.

6.2. We recognise that the contract value is higher than the 'recommended' contract value, however risk mitigation is that payments will be made to the supplier in arrears, on a monthly basis over the 5 year contract term.

6.3.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. The ESPO framework 509_23 is live and national framework that provides a compliant route to market for the Council for an above threshold procurement compliant with the Public Contracts Regulations. The framework includes RingGo Limited and provides for direct award. The Council must retain evidence of its compliance with the award procedures laid down in the framework.

7.2. As described in this report the use of the framework will provide for a lawful award in accordance with the Council's contract standing orders CSO12.4 and CSO18.2.1 as well as the Public Contracts Regulations 2015 (PCR).

- 7.3. Once the contract is awarded the contract should be noted on the Council's Contract Register and the usual contract award notice needs to be published on Contracts Finder (in compliance with CSO 20.3 and 20.4 and regulation 108 of the PCR).

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. None

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. None

11 ENVIRONMENTAL AND CLIMATE IMPLICATIONS

11.1. Cashless parking is a more environmentally friendly way to pay for parking. There is no requirement for a physical P&D ticket to be obtained and displayed in the vehicle, thus removing the requirement for paper ticket rolls, meaning less opportunity for litter and the need for the Parking Technicians to drive to each P&D location to replenish ticket roll stock.

11.2. The cashless service contributes to improve air quality by reducing the need for Parking Technicians to drive around the Borough to visit pay & display machines (P&D) to carry out maintenance work and has reduced the need and frequency of cash collections rounds. In addition, this will also reduce motorists driving around looking for a parking space to the nearest P&D machine, as they can make payment remotely from any location.

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

- Appendix 1 (Exempt) – Supplier Costs
- Appendix 2 (Exempt) – Gateway 1 Report

13 BACKGROUND PAPERS

None

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