

Report to: **Executive**  
Date: **19 March 2020**  
Title: **RE-PROCUREMENT FOR CASHLESS PARKING PAYMENT SYSTEM**  
Portfolio Area: **Environment - Cllr Keith Baldry**

Wards Affected: **All**

Urgent Decision: **Y** Approval and clearance obtained: **Y**

Date next steps can be taken: Following the expiry of the Call-in period

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## **RECOMMENDATION**

**That the Executive agrees:**

- 1. The commencement of a collaborative procurement tender process with nine other Devon authorities as set out in paragraph 2.3 below for the re-procurement of the cashless parking payment system be approved; and**
- 2. To enter into a contract for 4 years with the appointed supplier.**

### **1. Executive summary**

- 1.1 This report is seeking approval to commence the tender process to re-procure the cashless parking payment system contract for a period of 4 years, with the ability to extend for 2 years in accordance with the Council's Procurement Rules.
- 1.2 This tender is for the procurement of the cashless parking payment system in all of the Council owned off street car parks.
- 1.3 The cashless parking payment contract allows motorist's to pay for their parking by mobile phone, internet/web page or smart phone application.

## 2. Background

- 2.1 The Council currently provide a cashless parking payment option to pay for parking when visiting our off-street car parks. This is a popular option for customers who do not have the required change for the pay & display machines or wish to extend their parking time without the need to return to the car park.
- 2.2 This procurement exercise is being carried out as the current cashless parking payment contract has expired although, the service continues to be provided under an agreement on the same terms. The agreement requires 90 days notice to terminate.
- 2.3 This tender exercise is being carried out as a collaborative procurement alongside nine other Authorities in Devon to implement and operate a cashless parking payment service across the majority of the county to ensure customers are not required to register with several different providers as they travel between Authorities throughout Devon.
- 2.4 Cashless parking is a popular option amongst many motorists. Users include a large number of commuters travelling to work, day visitors and holiday makers who stay in Devon for short breaks and holidays.
- 2.5 In 2018/19, there were 139105 cashless parking sessions in our car parks, which accounted for £401581 income collected through this method.
- 2.6 The Authorities recognise the benefits of the use of cashless parking solutions and wish to look to the advancement of technology to further improve the services to our customers.
- 2.7 The procurement process will look to deliver:
  - System must have the capacity to support an estimated transaction volume in excess of 2,500,000 transactions per year for all the Devon Authorities.
  - The service provider will deliver a fully functional service that is accessible twenty four hours per day, seven days per week
  - Have a current and valid Cyber Essentials certificate and provide a current Payment Card Industry Data Security Standard certificate
  - Integrate the system with the Authorities current enforcement system, notice processing provider and subsequent hand held enforcement devices.
  - Deliver the service to the Authorities at no initial or on-going cost unless otherwise instructed by an individual Authority.
- 2.8 The duration of the contract will be for a period of four years, with an option to extend for a further two years at the discretion of the Council and subject to satisfactory performance.
- 2.9 Tenders will be evaluated on the basis of the most economically advantageous tender' (MEAT) principles, against the criteria of quality: 40% and Price 60%

### **3. Outcomes/outputs**

- 3.1 As a result of the tendering exercise, we will deliver a contract in place offering best value in terms of delivering the cashless parking payment solution to the customer and the Council. The contract is due to commence in June 2020.
- 3.2 Tenders will be invited to provide the cashless parking payment solution which includes the marketing of the service.
- 3.3 It is recognised that being part of the joint procurement will ensure that there is consistency in the provision of cashless parking payments across Devon which will improve the customer experience.
- 3.4 There will be a potential reduction in costs of providing service through the collaborative procurement for both the customer in terms of convenience fees paid for using the service (currently 20p) and the Council for handling fees of the parking revenue.

### **4. Options available and consideration of risk**

- 4.1 There could be reputational risk to the Council for not awarding another contract in accordance with the procurement rules. This is a popular service and as we strive to go cashless this service supports the Council's objectives.
- 4.2 We are currently out of contract (and operating under an agreed extension) therefore, we need to ensure the service is protected moving forward in a formal contract
- 4.3 If we do not award a new contract the Council will continue to pay the handling fee which the under new contract we will hope to reduce this cost to the Council.

### **5. Proposed Way Forward**

- 5.1 It is proposed that the cashless parking payment system be tendered so this system can continue to function and provide an improved customer experience in all of the Council's pay & display car parks.

### **6. Implications**

Implications	Relevant to proposals Y/N	
Legal/Governance	y	Tenders will be invited in accordance to Torbay Council Contract Procedure Rules which have been reviewed by the Councils Procurement officer who has confirmed it is compliant with our own procurements requirements.

Financial implications to include reference to value for money	y	<p>Currently approximately 11583 parking transactions per month are paid using the cashless parking service, which is approximately 11% of the total number of parking payments. This shows a gross revenue of approximately £33465 per month being collected using this channel. The cost to the Council of this service is currently approximately £4320 per month.</p> <p>It is hoped a new contract will provide a saving per transaction and reduce the convenience fee paid by the customer against the current contract and it is anticipated that with increased promotion, the number of transactions via this payment channel will increase.</p>
Risk	y	<p>The option to do nothing i.e. cease to provide a cashless parking alternative – this is not an acceptable option. This is a popular service and the Council would be severely criticised for withdrawing it.</p> <p>There could be a failure in contract changeover if incumbent supplier unsuccessful however, this would be mitigated through a well-managed hand over.</p> <p>By not entering the joint procurement exercise the Council may not achieve best value</p>
Supporting Corporate Strategy	y	Council Environment Wellbeing
Climate Change - Carbon / Biodiversity Impact	y	Parking charges can have a positive effect on sustainability and carbon and energy management in reducing car usage.
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity	y	Opposition to cashless parking solution due to potential social exclusion claims as users must have access to a phone and a credit/debit card however mitigating this is there is still opportunity to pay by cash at the pay & display machine.
Safeguarding	n	none
Community Safety, Crime and Disorder	y	Vandalism and theft have an impact on the Councils parking operation. By reducing the amount of cash in the machines may deter thefts.

		The cashless payment system also reduces the need for customers to handle cash in the car parks so the associated risk of theft may be reduced.
Health, Safety and Wellbeing	n	None
Other implications	n	none

### **Supporting Information**

#### **Appendices:**

None

#### **Background Papers:**

None