

PLYMOUTH CITY COUNCIL

Subject: Parking Penalty Charge Notice Processing and IT Contract Award

Committee: Cabinet

Date: 21 October 2014

Cabinet Member: Councillor Coker

CMT Member: Anthony Payne (Strategic Director for Place)

Author: Mike Artherton (Parking and Marine Manger)

Contact details Tel: 01752 305582
Email: mike.artherton@plymouth.gov.uk

Ref: PMSI30814

Key Decision: Yes

Part: I

Purpose of the report:

The current contract for Penalty Charge Notice processing and associated IT support expires on 31st October 2014. This report seeks Cabinet approval to award a new contract to the preferred supplier following a competitive procurement process for these services.

A separate private briefing paper is also submitted on the tender submission.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

Pioneering Plymouth

“We will be responsible for designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources”.

The recommendations contained with this report support the delivery of better services for residents of Plymouth.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

Awarding this contract is expected to deliver the Council savings of £100k per annum compared to the current service costs and on the current levels of parking and bus lane fines issued. There are no implications to human, IT or land resources.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

None

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

It is recommended that Cabinet approves the award of the contract to the tenderer, for a period of five years with an option to extend for a further two years, to provide all services associated with –

- (a) Penalty Charge Notice processing, informal representations and IT Support
- (b) formal representations of Penalty Charge Notices

Reason

to deliver further efficiencies within the Services

Alternative options considered and rejected:

Not to award the contract for the processing of Parking Charge Notices (PCN's), informal appeals and associated IT support has been considered and rejected as the Council cannot provide these services as efficiently as achieved through an outsourced contract and that the new contract will deliver savings compared to the outgoing contract.

Not to award the contract for the processing of formal representations has been considered and rejected as this would not deliver further savings and make the service more efficient.

Published work / information:

None

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Equality Impact Assessment	√									

Sign off:

Fin	ABPlac eFESC 14150 07.11. 09.14	Leg	RSN/ 2105 3	Mon Off	21391/ DVS	HR	n/a	Assets	n/a	IT	n/a	Strat Proc	MC/S PU/3 68/C P/09 14
Originating SMT Member: Simon Dale													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

I. INTRODUCTION

1.1. This report seeks Cabinet approval to award a contract for the services associated with the processing of Parking Charge Notices (PCN's), informal representations and associated IT support, upon expiry of the current contract on 31st October 2014.

2. BACKGROUND

2.1. Plymouth City Council, as with many Local Authorities, outsourced the administration and IT support associated with the processing of Penalty Charge Notices (PCN's) back in 2001. The decision to outsource these services was an economic decision, where these services can be provided more efficiently under an outsourced contract. These services have continued to be outsourced since 2001.

2.2. A summary of the services which are provided under the current contract for the processing of PCN's, informal representations and associated IT support: -

- (i) the provision of a team and the appropriate infrastructure to manage all the functions involved with administration of informal representations
- (ii) provision of a call centre staffed Monday to Friday 09:00 – 17:00
- (iii) provision of a full debt recovery cycle
- (iv) reconciliation and banking service
- (v) processing incoming correspondence
- (vi) processing post notice to owner representations
- (vii) processing on-line representations
- (viii) provision of mail despatch
- (ix) provision of management reports

2.3. In 2013/14 Plymouth City Council issued a total of 73,346 penalty charge notices for parking and bus lane contraventions, resulting in a net income of £1.741M from parking and bus lane fines to the Council.

2.4. Under the current contract, which is consistent with such contracts in the market, the Council incurs a fee per PCN issued, whether the PCN is later cancelled or paid. There are also costs associated with software support, licencing and maintenance. The fee applicable to PCN's is dependent on the type of PCN (bus lane, by camera car or issued by an enforcement officer) and the volume of PCN's the Council issues. The unit cost per PCN reduces as the number of PCN's issued increases.

2.5. Plymouth City Council is currently under contract with Imperial Civil Enforcement Solutions (ICES) for the provision of all services associated with PCN processing, informal representations and IT support. This contract is due to expire on 31st October 2014.

2.6. As part of a review of Street Services by EDGE public solutions, it was recommended the Council consider outsourcing informal and formal representations. Authorities may outsource the processing of formal representations however 'DFT guidance' does not recommend that Authorities do so.

- 2.7. The Traffic Management Act 2004 requires that responses to formal representations come from the Council. A contractor would therefore be required to prepare and submit all formal representations to the Authority to be approved by an 'Authorising Officer' of the Council. No representations would be submitted without the authority of the Council and all formal representations would be submitted by the Council, not a contractor.
- 2.8. Formal representations are currently undertaken by Plymouth City Council, the administration of formal representations includes the following: -
- (i) Notices of Rejection
 - (ii) Charge Certificate Representations
 - (iii) Compilation of Traffic Penalty Tribunal appeal cases
 - (iv) County Court Traffic Enforcement Centre (TEC) Statements
 - (v) TEC Statements of Truth

3. TENDER PROCESS

- 3.1. A competitive procurement was undertaken following the Open process, subject to the Public Contracts Regulations 2006 (as amended) which complied with the EU requirements. This is a one stage process with a tender questionnaire and an invitation to tender (ITT).
- 3.2. The tender included a separate 'technical' element which was for the provision of services associated with processing formal representations.
- 3.3. The contract term is 5 years, with an option to extend by a further 2 upon the supplier satisfying all of the key performance indicators over the initial 5 year term.

4. EVALUATION CRITERIA

- 4.1. The Council set minimum requirements in the Tender Questionnaire that each Tenderer was required to meet before the Tender submissions were evaluated.
- 4.2. These minimum requirements contained mandatory questions, which were either evaluated as pass/fail criteria or scored questions.

5. SUMMARY OF EVALUATION

- 5.1. One submission was received. One provider responded to advise they could not provide the full range of services the Council required; one provider responded they could not complete the tender within the procurement timeframe.
- 5.2. The tender submission provided submissions for both elements of the tender, services associated with "PCN Processing, Informal Representations and IT Support" and for services associated with the processing of "Formal Representations".

6. FINANCIAL IMPLICATIONS

Provision of Services Associated with PCN Processing, Informal Representations and IT Support

- 6.1. A comparison of the existing contract costs to those of the costs received under the tender associated with the services of PCN processing, informal representations and IT support (excluding the processing of formal representations) would realise a saving of £110k based on the numbers of PCN's issued in 2013/14 (see 6.5 for savings based on current PCN rates).
- 6.2. The latest trend analysis is showing the overall number of PCN's issued in 2014/15 to be lower than that of 2013/14. This is largely due to decrease in contraventions detected by the camera car and a greater decrease in bus lane contraventions, both as a result of enforcement achieving compliance.
- 6.3. Factoring in such reductions and applying the revised charging schedule, the rates under the new contract would still deliver savings over those in the current contract. Factoring in the reductions in PCN's being issued it is reasonable to expect the new contract to realise savings of £72k per annum through the services associated with PCN processing, informal representations and IT support.
- 6.4. All alleged contraventions identified by the CCTV camera car have to be individually viewed to confirm whether a contravention has, or has not, taken place; this is known as evidence review.
- 6.5. The fee per PCN for a Regulation 10 CCTV PCN (Camera car) in the submitted tender is greater than that of the current contract as under the new contract the contractor assumes responsibility for the undertaking of evidence reviews.

Provision of All Services Associated with Formal Representations of PCN's

- 6.6. The services associated with the processing of formal representations are currently undertaken by 3 FTE of Parking Processing and Appeals Officers. Including an apportionment of Supervision and Management, this costs the Authority £92k per annum.
- 6.7. The tender received has submitted a cost to provide these services. The Council would however be required to retain 2 FTE 'Authorising Officers' in order to have capacity to authorise the formal representations, and comply with the requirements of the Traffic Management Act 2004, based on the numbers of PCN's and appeals generated in 2013/14.
- 6.8. Awarding both elements of the tender is expected to generate £100k of savings, per annum, to the Council over the rates charged under the current contract and based on the current level of parking and bus lane fines issued.