

REPORT TO	DATE OF MEETING
Cabinet	5 November 2014

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Car Parking Enforcement	Streetscene and Neighbourhoods	Mark Gaffney	

SUMMARY AND LINK TO CORPORATE PRIORITIES

The Council has provided its car parking enforcement services for the previous 5 years through a framework agreement offered by Lancashire County Council (LCC). LCC has retendered its framework agreement and this report seeks approval to continue to use these arrangements which again have been offered by LCC. An alternative option has been offered by Preston City Council (PCC) which is also considered in the report.

RECOMMENDATIONS

That Cabinet approves the joint procurement and to continue using the LCC framework agreement.

DETAILS AND REASONING

The Council has provided its car parking enforcement services for the previous 5 years through a framework agreement offered by LCC. During this period, overall the service has operated effectively without any issues. LCC has recently retendered the service and included the option for all Lancashire districts to use the framework agreement if they wish to do so.

As an alternative to the LCC framework agreement, Preston City Council (PCC) also offers a similar framework agreement which has also just been retendered. As with LCC, PCC has also included the option for Lancashire districts to use the framework agreement if they wish. Both the LCC and PCC tender processes are in compliance with EU procurement rules.

Following the conclusion of both tendering processes and the appointment by LCC and PCC of their respective successful tenderers, an evaluation has been carried out of both options. The LCC option is the lowest cost and it is recommended that the Council continues to use the LCC framework agreement. All quality and other procurement criteria are met through the proposed framework agreement.

It is a requirement of the proposed LCC framework to use the LCC back office facility for processing the Penalty Charge Notices (PCNs). However, these costs have been included in the evaluation which established the LCC option as the lowest cost. The other services included in the proposed framework include cash collection from car park pay and display machines and car park enforcement.

Prior to the tendering process it was uncertain whether the tender outcome would reach the higher value procurement threshold of above £75,000 due to the framework period. The annual cost of using the proposed framework, as detailed in the financial implications, only represents an intermediate value procurement (in-between £10,000 and £75,000) which does not need cabinet approval. However, the LCC framework agreement is for a five year period and should the Council continue to use the proposed framework for the full five year period, this will then become a higher value procurement (above £75,000) which does require cabinet approval. It should be noted that the Council would not be contractually committed to the framework and could cease using it at any time during the five year period.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

FINANCIAL	<p>The annual cost of using the proposed LCC framework agreement is £20,661. Should the Council continue to use the framework over the full five year period the cost would be £103,305. The comparable costs of using the PCC framework are annually £22,059 and over five years £110,295, plus additional one-off costs in year 1 of £3,093.</p> <p>The LCC framework option is therefore a lower cost of £1,398 per annum and £10,083 over the full five year period, including one – off costs in year 1.</p>																			
	<table border="1"> <thead> <tr> <th>Options</th> <th>LCC framework</th> <th>PCC framework</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Annual Fee</td> <td>£20,661</td> <td>£22,059</td> <td>£1,398</td> </tr> <tr> <td>One-off costs</td> <td>£ NIL</td> <td>£ 3,093</td> <td>£3,093</td> </tr> <tr> <td>Total Year 1 Cost</td> <td>£20,661</td> <td>£25,152</td> <td>£4,491</td> </tr> </tbody> </table>				Options	LCC framework	PCC framework	Difference	Annual Fee	£20,661	£22,059	£1,398	One-off costs	£ NIL	£ 3,093	£3,093	Total Year 1 Cost	£20,661	£25,152	£4,491
	Options	LCC framework	PCC framework	Difference																
	Annual Fee	£20,661	£22,059	£1,398																
	One-off costs	£ NIL	£ 3,093	£3,093																
Total Year 1 Cost	£20,661	£25,152	£4,491																	
<p>Both options offer a saving against the current budget of £26,200, with the LCC framework achieving the highest saving of £5,539 per annum and £27,695 over the full five year period.</p>																				
<table border="1"> <thead> <tr> <th>Savings</th> <th>LCC framework</th> <th>PCC framework</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Year 1</td> <td>£ 5,539</td> <td>£ 1,048</td> <td>£ 4,491</td> </tr> <tr> <td>Year 2 -5</td> <td>£22,156</td> <td>£16,564</td> <td>£ 5,592</td> </tr> <tr> <td>Total 5 Years</td> <td>£27,695</td> <td>£17,612</td> <td>£10,083</td> </tr> </tbody> </table>				Savings	LCC framework	PCC framework	Difference	Year 1	£ 5,539	£ 1,048	£ 4,491	Year 2 -5	£22,156	£16,564	£ 5,592	Total 5 Years	£27,695	£17,612	£10,083	
Savings	LCC framework	PCC framework	Difference																	
Year 1	£ 5,539	£ 1,048	£ 4,491																	
Year 2 -5	£22,156	£16,564	£ 5,592																	
Total 5 Years	£27,695	£17,612	£10,083																	
<p>Note: the above figures do not include any inflationary increases.</p>																				

LEGAL	<p>The Council's Contract Procedure Rules (para 35) permit the use of framework agreements. The proposed LCC framework agreement places no contractual obligation on to the Council as it does not form a contract with the Council. The Council will be able to use or not use the framework agreement as it wishes.</p>
--------------	---

RISK	<p>Should the Council not use the proposed LCC framework agreement then it will not achieve the savings as outlined in the financial implications.</p>
-------------	--

THE IMPACT ON EQUALITY	<p>There are no impacts on equality as a result of this report.</p>
-------------------------------	---

OTHER (see below)	
--------------------------	--

<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

None