

Finance and Resources Committee

10.00am, Tuesday, 30 April 2024

Procurement of the Decriminalised Parking Enforcement Contract

Executive/routine
Wards

Routine
All

1. Recommendations

- 1.1 It is recommended that Committee approves an extension to the current contract for DPE services for a period of up to 12 months to allow for the most effective and efficient service to be procured.

Paul Lawrence

Executive Director of Place

Contact: Gavin Brown, Head of Network Management and Enforcement

E-mail: gavin.brown@edinburgh.gov.uk | Tel: 0131 469 3823

Procurement of the Decriminalised Parking Enforcement Contract

2. Executive Summary

- 2.1 The Council's current contract for the provision of Decriminalised Parking Enforcement (DPE) services is due to end on 30 September 2024.
- 2.2 On 7 March 2024, Transport and Environment Committee considered a [report](#) on potential alternative delivery models for DPE services and agreed a preferred contract model. The timescale for progressing the procurement for this means that an extension of the current contract by up to 12 months may be required as a new contract cannot be procured before the current contract ends.

3. Background

- 3.1 The Council has outsourced most of its parking services since it started operating DPE in 1998.
- 3.2 The main aim of DPE is to ensure compliance with the parking regulations. Delivering efficient parking enforcement services influences driver behaviour, maintains road safety and ensures that Council transport policies are implemented.
- 3.3 Whilst, at an operational level, the responsibility to employ, train and manage Parking Attendants and provide IT software (such as notice processing and permit systems) has always been outsourced, the Council is responsible for the development and implementation of all transport and parking related policies.
- 3.4 The Council is also responsible for the associated contract management functions, traffic orders, Electric Vehicle charging infrastructure, the introduction of new parking controls and decision-making on all penalty charge challenges and appeals in-house.
- 3.5 The contract governance arrangements include targeted Key Performance Indicators (KPIs) and associated performance related payments enabling the Council to ensure that the contract is being administered and operated appropriately.

- 3.6 The value of DPE services in Edinburgh is significant ([parking income](#)) and all of the annual revenue surplus from DPE operations is ringfenced by legislation for use on transport projects and improvements across the city, providing a significant portion of the Council's annual transport revenue budget each year.

4. Main report

- 4.1 The Council's current contract for the provision of DPE services is due to expire on 30 September 2024.
- 4.2 In advance of this contract end, Council officers have been considering how the Council's DPE services can continue to be delivered in the most cost-effective manner.
- 4.3 Officers have reviewed case studies, benchmarked with other Councils, and undertaken significant market research in order to consider the Council's options for the future delivery of DPE services. In addition, a review of similar procurement specifications from other Councils, market testing activities with other Councils and suppliers, and formal Commercial and Procurement Service (CPS) led supplier engagement sessions have all been undertaken.
- 4.4 The outcome of this was reported to Transport and Environment Committee on 7 March 2024. Transport and Environment Committee agreed progressing with a contract arrangement based on the British Parking Association (BPA) Model Contract. They also requested officers investigate the potential for establishing a Local Authority Trading Company or similar entity which could tender at the next tendering opportunity and that liaison with the three other local authorities which the Council currently collaborates with (and potentially other local authorities) to explore their interest in this. A report regarding this is due to be presented to Transport and Environment Committee in 2025.

Contract Extension

- 4.5 The development of the tender specification for the new contract is now underway. The indicative timeline for tendering and evaluation is outlined in Section 5 below.
- 4.6 This highlights that a new contract cannot be procured before the existing contract ends, therefore Committee is asked to agree to a contract extension of up to 12 months to allow the procurement process to be concluded.
- 4.7 This will ensure that the Council can develop an appropriate output based specification (working with other Local Authorities) and to ensure that the market can be fully engaged, and that the most effective and efficient service can be procured.

Tender Evaluation

- 4.8 Following submission of tenders for the new contract, a robust Tender Evaluation Process will be put in place which is intended to evaluate the quality and pricing elements of the contract separately.

- 4.9 The quality element of the contract will involve a full evaluation of each tenderers' Contract Plans and their responses to specific quality evaluation questions, all of which have been developed in collaboration with CPS and other relevant stakeholders. This element of the tender will be evaluated by officers responsible for the delivery of these services.
- 4.10 The pricing element of the contract will be evaluated by officers from CPS and Finance, to ensure that the quality and pricing elements are considered separately.
- 4.11 The scoring for the quality and pricing elements of each tender submission will then be combined to select the winning tender bid, which will be reported to the Finance and Resources Committee for approval, as per the Council's Contract Standing Orders.

5. Next Steps

- 5.1 As noted above, the current DPE contract is due to expire on 30 September 2024 and authority is now being sought to extend the current contract, for a period of up to 12 months, to allow for a new contract to be procured.
- 5.2 A new proposed timetable for the DPE contract tender process is outlined in the table below:

Action	Proposed
Publish Tender	May 2024
Tender Evaluation	August - September 2024
Finance and Resources Committee	September 2024
Contract Award	November 2024
Implementation	January – March 2025
Contract Start and Service Commences	1 April 2025

6. Financial impact

- 6.1 The potential value of a 12 month extension to the current DPE Contract, based on existing rates, would be approximately £7.8m. Based on the procurement timeline it is anticipated that the cost of a six month contract extension would be

approximately £3.9m. This will be funded by the Transport revenue budget which is, as described above, supported by the annual revenue surplus from DPE operations, ringfenced by legislation for use on transport projects and improvements across the city.

- 6.2 The procurement route is expected to deliver efficiencies and be economically advantageous for the Council, residents and collaborative partner authorities.
- 6.3 All costs associated with the contact tender will continue to be met from existing transport revenue budget.
- 6.4 Future reports will be submitted to the Finance and Resources Committee in relation to the contact award and all associated financial implications, once this information is known.

7. Equality and Poverty Impact

- 7.1 All of the Integrated Impact Assessments relating to the Council's Parking Action Plan and associated projects, all supported by the DPE Contract, can be found on the Council's [website](#).

8. Climate and Nature Emergency Implications

- 8.1 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”

(Nature Conservation (Scotland) Act 2004)

- 8.2 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.

Environmental Impacts

- 8.3 The extension of the current DPE Contract will continue to have a positive impact on the climate and will be fully supportive of the Council's City Mobility Plan objectives and Net Zero ambitions.

9. Risk, policy, compliance, governance and community impact

- 9.1 The proposed extension of the DPE contract will enable the Council to continue to meet its transport and parking policy aims.
- 9.2 Should an extension not be granted then there is a possibility that enforcement of all parking restrictions in Edinburgh (and partner authorities), including Bus Lane Camera Enforcement, will cease on 1 October 2024. This would have a significant impact on management of the city's road network, particularly impacting on permit holders and the city's residents and businesses. This would result in political and reputational damage as well as loss of revenue.

10. Background reading/external references

- 10.1 None

11. Appendices

None