



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for Environment and City Management
Date:	04 April 2022
Classification:	For Publication – with Part B exemption
Title:	Contract Award for the Parking Business Processing & Technology Contract
Wards Affected:	All
Key Decision:	Yes. An entry was included in the Forward Plan for Key Decisions on 11 February 2022, enabling a decision to be made from 12 March 2022.
Financial Summary:	The total cost of the contract will be £5.678m and can be met within the current revenue budgets.
Report of:	Raj Mistry, Executive Director for Environment and City Management

1. Executive Summary

- 1.1. The report gives recommendations for the direct award of the Parking Business Processing & Technology Contract for the period from 1 May 2022 to 31 March 2023 to NSL Limited to allow for continuation of the service provision whilst the service is currently being reprocured.

2. Recommendations

- 2.1 That Part B of this report be confidential pursuant to paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of tenderers for the contract which is the subject of this report.
- 2.2 That the Cabinet Member for Environment and City Management approves the recommendation to award the Parking Business Processing and Technology Contract for the provision of parking technology software, back-office permit issuance, PCN management for the period from 1 May 2022 to 31 March 2023 to NSL Limited. The full contract term is 11 months at an estimated total contract cost of £5.678m (variable transaction volumes affecting final value).
- 2.3 That the Cabinet Member for Environment and City Management approves the Waiver of the Procurement Code to allow a direct award of a contract to NSL Ltd.

3. Reasons for Decision

- 3.1 The COVID 19 crisis has played a major impact on service delivery, with the Council's initial response being to focus on critical and essential services. As a result, staff were diverted to deal with urgent and business critical matters. Furthermore, a number of companies had to make their employees furloughed as they tackled the economic impact of the pandemic upon their businesses. As a result, issuing re-procurements at this time may have limited supplier participation. Uncertainty brought about by the COVID 19 crisis, most notably the changes to the amount of journeys into Westminster also meant that the Council spent additional time assessing the future requirements of parking contracts that the Council would need to have in place and how this would impact on new service models and specifications.
- 3.2 Following on from the strategy to remove the technology services elements from the Business Processing and Technology Services Contract for future services, this direct award will allow time for the implementation of a new parking technology software solution to be delivered under a separate contract. The Council wants to be in a position where it is able to provide details of the software solution that underpins both the Business Processing Parking Services Contract and the People and Resources Services Contract to potential providers for new contracts which will be procured to commence in 2023.

- 3.3 The design of the future operating model for Parking Services has now been finalised and the project team are now at the latter stages of developing relevant procurement strategies. This is pending internal governance approval with the re-procurement to be issued shortly there afterwards once governance approvals have been obtained. Re-procured new service contracts are planned to commence from 1 April 2023, and it is necessary to have the current services provided in the interim until 1 April 2023.

4. Background

- 4.1 Since an OJEU restricted procurement exercise was conducted in May 2013 and following Cabinet approval of the Gate 2 contract award on 21 November 2013 the current contract was awarded to NSL Ltd to provide Business Processing and Technology Services for parking management within the City of Westminster for an initial term of four (4) years with the option to extend for a further two (2) years. The contract was originally awarded at £24,997,432 for the initial term.
- 4.2 The contract commenced on 1 November 2014 and the original term ended on 31 October 2018. The option to extend for a further two (2) years to 31 October 2020 was exercised at a contract value of £9,000,000 bringing the total contract award to £33,997,432 over the six (6) years.
- 4.3 In April 2020, it was agreed that the Council would directly award another contract to NSL Limited for a period of 18 months from 1 November 2020 to 30 April 2022 for a contract cost of £7,885,233 with a provision of a 6-month extension to October 2022. To align all contracts we are seeking to award the contract to NSL Ltd from the 30 April 2022 to the 31 March 2023 to allow all new re-procured contracts to commence from 1 April 2023. However, the 6 months extension provision will not be sought to be approved given the recommendation in this report seeking approval.

5. Award of Contract

5.1 Award Process

- 5.1.1 As this was a direct award, using the same contract conditions as previous, a formal procurement process was not followed.

6. Mobilising the New Contract

- 6.1 Although this is a direct award of a new contract. The provider NSL Limited remains the same as is existing, and the terms of the contract remain the same as existing. There is therefore, little to no mobilisation required.

7. Financial Implications

- 7.1 Parking Services have sufficient revenue budgets in 2022/23 to meet the cost of the proposed award.
- 7.2 There are no savings directly associated with this award. There is however a £0.500m commitment in the Medium Term Financial Plan for a Contract Re-let saving for 2023/24 in the Parking Service. This will be delivered through the service redesign across the Parking contract Re-lets.
- 7.3 There are further financial implications in Part B of this report.

Finance comments supplied by Mark Lampard, Finance Manager, Environment and City Management; mlampard@westminster.gov.uk

8. Legal Implications

- 8.1 The report is seeking authority to directly award a contract to NSL Limited (company reg 06033060 for the period from 1 May 2022 to 31 March 2023 with the option to extend the contract for a period of up to 3 months. The estimated costs of the 11 months period is circa £5,678,000.
- 8.2 There are limited circumstances in which a contracting authority is permitted to award a contract without prior publication of a contract notice as required by regulation 32 of the Public Contracts Regulations 2015 (the PCR)).
- 8.3 There are further legal implications in Part B of this report.

Legal comments supplied by Andrew Ogalo, Senior Solicitor (Interim) and Sharon Cudjoe, Senior Solicitor, Bi Borough Shared Legal Services; aogalo@westminster.gov.uk; sharon.cudjoe@rbkc.gov.uk

9. Risk Management Implications

- 9.1 If a new contract is not awarded there is the risk that the service will not continue, this will leave the Council without the ability to keep the public highway safe and unable to keep traffic flowing. The Council have a statutory duty to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway. Enforcement of the regulations is therefore necessary in order for this to be achieved.
- 9.2 There are further risk management implications in Part B of this report.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Jonathan Rowing, Head of Parking, Parking Services
jrowing@westminster.gov.uk

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Environment and City Management**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor James Spencer** _____

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled Contract Award for the supply, installation and operation of eight new rapid charge points for Westminster City Council.

Signed

Cabinet Member for Environment and City Management

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are staffing implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Other Implications

1. Resources Implications

- There are no resources implications as this contract continues to utilise existing resources.

2. Business Plan Implications

- There are no implications

3. Risk Management Implications

- Refer to sections 9 and part B.

4. Health and Wellbeing Impact Assessment including Health and Safety Implications

- There are no implications.

5. Crime and Disorder Implications

- There are no implications.

6. Impact on the Environment

- There are no implications.

7. Equalities Implications

- There are no implications.

8. Staffing Implications

- There are no implications.

9. Human Rights Implications

- There are no implications

10. Energy Measure Implications

There are no implications