



**DRAFT PORTFOLIO HOLDER DECISION NOTICE**

**PROPOSED INDIVIDUAL DECISION BY THE LEADER**

**TOPIC - PAY BY PHONE CAR PARKING CHARGES SERVICE PROVIDER**

**PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

**If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Friday 29 October 2010.**

**Contact Officers:**

**Case Officer:** Richard Hein, ext 2060, Email: rhein@winchester.gov.uk

**Committee Administrator:** Nancy Graham, ext 2235, Email: ngraham@winchester.gov.uk

**SUMMARY**

Since April 2008, the City Council has offered car park users the option of paying their car park ticket by mobile phone. Users call a published number, register a credit card, and enter their vehicle details and the length of stay they wish to purchase. Their card is then debited with the parking fee plus a small additional fee to cover the costs of the pay by phone service.

The pay by phone car park charges services is currently undertaken by a company known as Pay by Phone UK. This was awarded on a trial basis in April 2008. It is now intended to undertake a market testing exercise and to award a 5 year contract to provide these services.

It is proposed that the evaluation of quotations be undertaken on a 60% quality: 40% cost basis based on the considerations set out below:

## Financial Considerations

The total amount of the additional charge levied by the service provider, based on the estimated number of transactions per year applied to the quoted charge.

Financial standing of the company

Recovery period for revenue

Cost of signage

Cost to WCC of ongoing customer support

Type of enforcement hardware to be supplied

Cost of enforcement hardware (annual)

## Quality aspects

Quality of reports of transactions from contractor

Ability to access the service using any phone network

24 hour customer service

Use of a local number

Reliability of service including black spots

Downtime of service over previous year

Full set of financial reports available for audit purpose

Any controls in place for stopping top up periods over allowed maximum stay periods.

Ease of initial registration

## **PROPOSED DECISION**

1. That a basis of 60% quality: 40% price is approved for the evaluation model for the evaluation of quotations for the pay by phone car park charges services contract.
2. That delegated authority be given to the Head of Access and Infrastructure to determine the detailed evaluation model (based on the information set out in this Decision Notice) and contract terms, and award a contract for five years from 1 April 2011.

## **REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

The company collects the parking fee and the administration charge as set out above, and then pays the parking fee to the Council. The only costs to the Council may be in relation to the provision of signing in car parks and or equipment for Civil Enforcement Officers to use to access the service provider records to check that users have paid. These aspects will however be subject to negotiation with the prospective contractors and may not be incurred in part or full by the Council.

It is important that the service is quick and easy to use, as well as being reasonably priced for the user. The Council will want to ensure that the service provider is sufficiently resourced and experienced to deliver the service reliably and with accurate information to record transactions and has efficient and effective practices. It is considered therefore that quotations should be evaluated on the quality of the service offered, as well as the contract price.

Offering the pay by phone service gives additional convenience to car park users, encouraging them to come to Winchester. It also allows a highly secure method of collecting parking charges.

As the service is primarily funded by users, the quality of quoting companies is more important than the "price" element (i.e. the administration charge which they would levy to users although it would be unwise to accept a quotation which offers a very high-quality service but where a high administration charge is required, as this may discourage users from taking up the service and the benefits to the Council would be reduced. It is therefore proposed that the evaluation of quotations be undertaken on a 60% quality: 40% cost basis, to favour quality-based quotations, whilst at the same time ensuring that the administration charge and other costs to the Council are relatively low.

The Scheme of Delegation to Officers allows contracts for services such as this to be let provided there is adequate budget provision and Contracts Procedure Rules are complied with. The Contracts Procedure Rules permit quotations for contracts for under £100,000 to be evaluated on a combination of price and up to 40% quality. As in this case a 60% quality: 40% cost basis is suggested, the evaluation model needs to be approved under the Portfolio Holder Decision scheme.

### **RESOURCE IMPLICATIONS:**

The estimated contract value has been determined on the basis of the value to the contractor i.e. the additional sum that the contractor adds to the parking fee to cover the cost of their service.

There may be other costs to the Council such as for Civil Enforcement Officer equipment and for signing in car parks. These costs are relatively small, for signing in the order of £3,000 and for equipment a monthly hire charge of around £15 per unit. It is hoped that as part of the negotiation with prospective contractors that some or all of these costs could be borne by the contractor.

Quotations will be required to be submitted on the basis of an additional charge to the user, rather than a payment from the Council, so the full cost of the service apart from possibly signing and equipment hire charges will be met by users without affecting the income to the Council of the car park fee element. The settlement period will also be a consideration.

The assessment of quotations can be undertaken within existing staff resources.

**CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION**

Portfolio Holder for High Quality Environment

**FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

n/a

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

n/a

**DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

n/a

**Approved by: (signature)**

**Date of Decision**

**Councillor Learney – Leader**