



PORTFOLIO HOLDER DECISION NOTICE

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.

Contact Officers:

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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

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 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 DECISION

Portfolio Holder for High Quality Environment.

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

Three comments were received from Councillors which are summarised and responded to below:

- Concern that evaluation of the trial had not been undertaken and the decision should have had the opportunity for Member input;
- Concern that the absence of figures on past usage/costs meant a decision on its future could not be made and the view that the Council should not spend any additional money on this service which was of little benefit to customers;
- A request that the Council should investigate jointly procuring the service to reduce costs.

A report was considered by Cabinet (Traffic and Parking) Committee on 10 June 2009 which authorised, in consultation with the Portfolio Holder, to determine an appropriate evaluation model, invite tenders, and award a contract for the provision of pay by mobile phone services (Report [CAB1851\(TP\)](#) refers). This report included an assessment of the scheme and its take up since introduction in 2008. The purpose of this Decision Notice is to allow an evaluation based on a 60% quality and 40% financial basis.

The Report also included usage figures and a user survey has shown that people do find the system to be of benefit particularly in relation to ease and quickness of use and not having to find change to put into payment machines. The large number of daily transactions around 200 (6000 in total for October 2010) does back this up.

A joint procurement exercise to achieve economies of scale would not really be appropriate considering that the costs of providing this service are very small to the City Council. These relate to signing in car parks and equipment for the Civil Enforcement Officers which may even be negotiated in part or full as part of the contract.

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: 10.11.10

Councillor Learney – Leader