

EAST RENFREWSHIRE COUNCIL

CABINET

28 January 2016

Report by Director of Environment

DECriminalISED PARKING ENFORCEMENT – PROCUREMENT OF BACK OFFICE
SUPPORT SERVICES

PURPOSE OF REPORT

1. The purpose of this report is to seek exemption, in accordance with Contract Standing Order 6(iv), for the procurement of back office support services in relation to Decriminalised Parking Enforcement (DPE).

RECOMMENDATIONS

2. It is recommended that Cabinet note the circumstances of the request and approve the continuation of the current contract with Glasgow City Council as the preferred supplier of these services to East Renfrewshire Council, subject to an updated Service Level Agreement being agreed by officers of each Council.

BACKGROUND

3. The Cabinet approved a report on 5 April 2012 to appoint Glasgow City Council as the preferred supplier of Back Office Support Services for DPE.

4. The term contract was for three years with an extension of one year, subject to an overall spend not exceeding £150,000. It was recommended that at the end of this agreement that a full procurement exercise would be undertaken.

REPORT

5. The contract with Glasgow City Council has been working efficiently and effectively for nearly 3 years, since 1 April 2013, with very good performance levels, providing a valued service to the Council.

6. The current spend with Glasgow City Council amounts to £106,293, and it is likely that opting for an extension of 1 year will exceed the £150,000 total spend agreed previously by Cabinet, should the full 4 year option be taken up.

7. There are a number of other factors however, which will have a significant bearing on whether to extend the current agreement or open it up to a procurement exercise:

- (a) The payment of Penalty Charge Notices involves the exchange of sensitive financial data which must be securely recorded. The Council's partner must therefore be Payment Card Industry (PCI) compliant or working towards an

audited course of action to achieve this compliance. Glasgow City Council is confident that it will be fully compliant by Summer 2016. We are not confident that many other authorities or external suppliers have achieved full compliance, or are in the process of working towards it. This must be a pre-requisite of any tender submitted, and would therefore severely limit any competition.

- (b) The Council's Roads & Transportation Service is part of the Clyde Valley Roads Alliance, which involves 7 other neighbouring authorities. One of the project areas being investigated by the group, and led by ERC's Head of Environment (Environmental Services & Roads), is collaboration on back office support service provision across all partner councils.
- (c) New Procurement legislation is expected in April 2016 which will allow councils to collaborate, where best value can be demonstrated, without the requirement to tender a contract. Whilst the full extent of the new legislation is not known at this time, it will clearly encourage Councils to have a more collaborative approach to common operational issues.

8. As a result of the above, it is proposed to extend the contract through the uptake of the final year extension until 31 March 2017. The Council will be in a better position to assess both their PCI compliance issues and understand fully new procurement legislation at that point in time.

FINANCE AND EFFICIENCY

9. The Cabinet report dated 5 April 2012 agreed the maximum spend to be £150,000 over the course of the contract, including the 1 year extension. It is now estimated that the value of the 4 year contract will rise by around £35,000 to approximately £185,000.

10. A breakdown of spend is as follows;

- Year 1 - £42,915
- Year 2 - £43,365
- Year 3 (estimate) - £48,000
- Year 4 (estimate) - £50,000

CONSULTATION

11. The report has been prepared following consultation with Procurement staff.

PARTNERSHIP WORKING

12. The Roads Service have worked in partnership with Glasgow City Council over the course of the initial 3 year contract.

IMPLICATIONS OF THE PROPOSAL

13. The Council would continue to pay the current cost for PCN processing for the 1 year extension, subject to written agreement by Glasgow City Council, through the updated Service Level Agreement to be agreed between officers of the respective councils. There are no other staffing, property, legal, IT or equality implications

CONCLUSIONS

14. In summary, this request to extend the Council's current contract with Glasgow City Council, is to ensure that;

- Council financial regulations are adhered to;
- there is a mechanism in place to procure the services;
- PCI compliance continues to be monitored;
- Collaboration with partner authorities is allowed to flourish.

RECOMMENDATIONS

15. It is recommended that Cabinet note the circumstances of the request and approve the continuation of the current contract with Glasgow City Council as the preferred supplier of these services to East Renfrewshire Council, subject to an updated Service Level Agreement being agreed by officers of each Council.

Director of Environment

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BACKGROUND PAPERS

Cabinet Report – 5th April 2012 - Decriminalised Parking Enforcement – Procurement of Back Office Support Services

KEY WORDS

Back Office Support Services, Procurement, Variation, Glasgow City Council, Collaboration