

ITEM No ...8.....

REPORT TO: FAIR WORK, ECONOMIC GROWTH AND INFRASTRUCTURE COMMITTEE – 22 APRIL 2024

REPORT ON: PARKING METER PROCUREMENT SOURCING STRATEGY

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 100-2024

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present a sourcing strategy for the procurement process for the provision of parking meter maintenance and upgrade services. The proposed contract term is 5 years.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee approves the commencement of a procurement exercise in respect of the commission described, based on the sourcing strategy, summarised in this report.

3 FINANCIAL IMPLICATIONS

- 3.1 The costs of maintaining parking meters is met from the City Development revenue budget. The financial implications associated with this report are the estimated cost of the contract to be awarded. The total cost of the contract is anticipated to be in the region of £550,000 for the 5 year contract.
- 3.2 Once the formal tender has been received, this will be brought to committee for approval.

4 SOURCING STRATEGY SUMMARY

- 4.1 Dundee City Council own and operate approximately 95 on-street parking meters, and 30 parking meters in off-street car parks. The existing parking meters were mostly installed in 2013. Approximately half of the parking meters have cash and bank card payment option and the remaining meters offer coin payment only. Parking meters are complemented by pay by phone/app options at all locations. The number of parking meters will be assessed as part of this procurement process to ensure the Council has the optimum number of meters for the city's changing requirements.
- 4.2 The proposed contract will specify that all existing parking meters are refitted with new hardware and meter control panels at the start of the contract period. As part of the refurbishment programme all parking meters will be fitted with functionality to enable payment by both card and cash with receipt options.
- 4.3 Following the refurbishment and upgrade of the parking meters, the supplier will be required to undertake scheduled and unscheduled maintenance of the parking meters during the remainder of the contract term. The contract will also cover supply of sim cards, back-office software, and all technology upgrades that may arise during the lifetime of the contract. Dundee City Council will continue to provide first line maintenance during the contract period for routine faults like coin jams.
- 4.4 Bidders will be invited to submit tenders on a fixed annual recurring contract value basis. The consistent annual revenue cost over the term of the contract will provide the Council with cost certainty in respect of unscheduled maintenance and spread the investment cost of upgrading parking meters evenly throughout the contract period. A 5-year contract term is proposed to

enable commercial investment recovery certainty associated with the year 1 cost of refurbishment of assets contained within the procurement.

- 4.5 This Sourcing Strategy seeks approval to progress with an appropriate compliant tender process via Public Contracts Scotland. This is a specialist market and as such it is anticipated there may be a limited number of bids, therefore pre-qualification is not required. Bidders will, however, go through a selection process to assess capability to the needs and requirement of the contract.

5 RISK ANALYSIS

- 5.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contracts regulations and leaving the Council open to a legal challenge.

Description of Risk	Actions to Be Taken to Manage Risk
Commercial Risk – that either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Low Risk - the contract will be tendered and awarded through a compliant framework, through which all costs have been considered.
Technical Risk – this concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification.	Low Risk - the contract will be tendered and awarded through a compliant procedure. Bidders will be required to demonstrate technical competence as part of the tender evaluation process.
Performance Risk – this concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.	Low Risk – a contract management process will be put in place with the use of KPIs.
Contractual Risk – being able to remedy the shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	Low Risk - DCC are contractually protected via the contract terms and conditions. The contractor shall be proactively managed during the term of the contract.
Procurement Risk – where a procurement is found unsound in law, through the public procurement rules.	Low Risk – this is a regulated contract.

6 SUMMARY

It is recommended that the Committee approve this Sourcing Strategy as outlined.

7 POLICY IMPLICATIONS

- 7.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate Senior Manager has reviewed and agreed with this assessment.

8 CONSULTATIONS

- 8.1 The Council Leadership Team have been consulted in the preparation of this report and are in agreement with its content.

9 BACKGROUND PAPERS

- 9.1 None.

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