

# Nottingham City Council Delegated Decision



Nottingham  
City Council

Reference Number:

1925

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Communities

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Subject:

Replacement of Pay on Foot Equipment in the Broadmarsh, Lace Market and Trinity Square Car Parks

Total Value:

£530,000 (Type: Capital)

Decision Being Taken:

- (a) To commence a procurement process for the purchase of new pay on foot equipment for installation within the Council's multi-storey car parks - Broadmarsh, Lace Market and Trinity Square.
- (b) To delegate authority to the Strategic Director for Commercial and Neighbourhood Services to award a contract to the successful tenderer, noting that the costs will be funded from within the Parking Services expenditure budget.

Reasons for the Decision(s)

Nottingham City Council operates a multi-million pound parking operation which includes the management and control of three multi-storey car parks, fifteen district car parks and over 1400 on-street and off-street pay and display parking bays.

Whilst the City Council is the sole provider of on-street pay and display parking, there are several other privately operated Multi-Storey Car Parks (MSCPs) in the City Centre including those owned by Intu, NCP, Metro Car Parks Ltd and a number of smaller operators.

To remain active in this market, it is necessary to continually monitor the other operators' prices, products and services and we have been proactive in developing special offers such as Early Bird parking at the Broadmarsh and discounted parking for cinema users at the Lace Market and Trinity Square MSCPs to promote customer loyalty.

The City Council currently has two pay on foot equipment suppliers in its three multi-storey car parks, which results in the duplication of maintenance contracts and service provision. The equipment in all three car parks is becoming increasingly unreliable and causes inconvenience for our customers as they face regular delays through machine failures and have to queue for longer to pay for their parking, which is unacceptable and detrimental to their parking experience. If we continue to provide a service that falls below our customers' expectations, then it is unlikely that they will use the City Council's car parks again or recommend them to their friends and family.

The existing equipment also has limited capabilities and is unable to be adapted for new and emerging products including QR (Quick Read) codes, which other car park operators are using to offer temporary discounts. As our equipment reaches the end of its lifespan, it is unable to compete with the new and technologically advanced equipment being successfully introduced in the other operators' car parks and as a result, we are finding it increasingly difficult to provide the same standard of service in this ever evolving market.

The newer equipment in the other operators' car parks enables them to provide wave and pay technology to speed up the payment process and provides them with the functionality to change their tariff structure real time, which allows them to operate a penetration pricing strategy to gain new custom. This leaves the City Council at a disadvantage, as the current equipment does not allow us to change the tariff easily and also requires third party involvement and costs. This means we have to rely on our suppliers to change the tariff remotely, which can take them up to three weeks to process and means we are unable to be reactive.

**Replace Pay on Foot Equipment and Consolidate Under One Supplier**

Parking Services would like to invest in new pay on foot equipment in our MSCPs so we can provide our citizens and customers with the best service possible. Procuring the new equipment will have a payback period of less than four years as we would achieve efficiency savings of approximately £145,000 per annum through consolidating the suppliers and reducing the number of cash collections and specialist repairs required to keep the car parks operational. It will also enable us to ensure that the successful tenderer is responsive, flexible and able to meet our requirements set out in the Service Level Agreement, which will result in the car parks being operated more efficiently to the benefit of our customers.

The new equipment would enable Parking Services to change the tariff structure real time, which would allow us to use special offers to promote customer loyalty and increase dwell times in line with the City Council and Leisure / Retail BID objectives.

It would also enable the City Council to enhance its customer service reputation by meeting customer expectations in terms of pricing, service speed, reliability, ease of use and choice of payment methods.

Consolidating from two parking equipment suppliers to one will offer better value for money by reducing duplicate cost and services. Undertaking this consolidation in the next financial year would mean the Council would not incur any fees from terminating existing maintenance contracts early as the Metric contract is due to expire in October 2015 and the Newpark contract can be terminated with 6 months written notice. The new equipment would be installed in a phased approach to maintain service and ensure a smooth transitional period.

**Other Options Considered:**

Doing nothing was rejected as the equipment within Nottingham City Council's MSCPs is reaching the limit of its lifespan. There is a very limited resource pool who are available to amend tariffs or undertake specialist repairs to the aging products and in some instances, repair work on the equipment has not been possible as the spare parts are no longer manufactured. The cost or ability to carry out repairs on the machines means they no longer demonstrate best value and reliability is already becoming an increasing issue.

In addition, there have been some reliability issues with the machines in the Broadmarsh MSCP, which are at the midpoint of their lifespan. The Council has worked with the supplier in resolving matters, but there is still an impact for the Council in terms of having to divert limited parking resources or security guards to provide a manual presence to keep the car park functioning whilst maintaining customer service levels.

The equipment also has limited capabilities and there is little scope to adapt them for new products. This includes the ability to operate the equipment remotely, which does not fit with the proposed 'central hub' arrangement whereby the car parks are de-manned and serviced by a mobile team.

By not updating the equipment as proposed, Nottingham City Council faces the potential of increased staffing costs, rising costs from equipment failures, reduced income from lack of functionality as well as falling customer service and retention levels resulting from equipment failures.

Nottingham City Council currently has two pay on foot equipment suppliers in its three multi-storey car parks. Having two suppliers results in two maintenance contracts, which duplicates service provision and results in a lack of consistency for customers across Nottingham City Council owned MSCPs. It also increases costs due to call outs from two different companies, having to stock two types of spares and requires twice the amount of training for staff.

**Background Papers:**

None

**Published Works:**

None

**Affected Wards:**

Bridge, St Ann's

**Colleague / Councillor Interests:**

None

**Exempt Information:**

**Description of what is exempt:**

Appendices A, B & C are exempt as they contain financial information which could prejudice the Council's commercial negotiations if they were disclosed.

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it contains financial information which could prejudice the Council's commercial negotiations if they were disclosed.

Documents exempt from publication:

150306-V0.4-Appendix A B C MSCP-GB-L2.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

Please login to the system to view the EIA document: 150325-V0.2-DDM Pay on Foot-GB-L2.pdf

Social Value Considerations:

Putting our citizens first by providing the best service we can in our MSCP's is one of the key drivers for replacing the pay on foot equipment. The current equipment is becoming increasingly unreliable and this inconveniences our customers as they have to queue for longer to pay for their parking, which is unacceptable. Procuring new equipment will reduce the operating costs of the car parks as we will be less reliant on specialists repairs to keep the car parks operational. It will also enable us to ensure that the successful tenderer is responsive, flexible and able to meet our requirements set out in the Service Level Agreement, which will result in the car parks being operated more efficiently for the benefit of our customers. We do not consider it appropriate to undertake community consultation on this proposal at the process of paying for parking in the City's MSCP's is well established and the purpose of the new pay on foot machines is to enhance this existing service.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

13/04/2015

Advice Sought:

Legal, Finance, Procurement, Equality and Diversity

**Legal Advice:**

**There are no significant legal issues arising from the decisions set out in this report.**

**Legal support will be provided throughout the tendering process with regard to the exit arrangements under the current contracts and ensuring appropriate provisions are in place under the new arrangements.**

**Any new contract must be capable of meeting the Council's requirements, including any future and evolving requirements of its parking services, whilst ensuring compliance with the new Public Contracts Regulations 2015.**

**Advice provided by Naomi Vass (Senior Solicitor) on 06/03/2015.**

**Finance Advice:**

**The total capital cost of the proposal is estimated at £530,000 subject to the outcome of the procurement process. This is proposed to be funded through a combination of use of reserves and prudential borrowing.**

**The parking maintenance reserve will contribute £265,000 towards the cost of the proposal with the balance of £265,000 to be funded from prudential borrowing over a 6 year term.**

**The repayments for the borrowing are estimated at £50,000 per annum over the term of the loan, this will be met from the savings generated by the proposal identified in Appendix A.**

**Any additional savings generated by the proposal will contribute towards the Medium Term Financial Plan target for Parking Services.**

**Advice provided by Gary Robbins (Finance Analyst) on 06/03/2015.**

**Procurement Advice:**

**This equipment will be procured via an open OJEU tendering process.**

**Care will be taken to ensure that quality, reliability, usability and support are optimised in the winning tender selection process.**

**Advice provided by John Watson (Category Manager) on 04/03/2015.**

**Equality and Diversity Advice:**

**The proposal offers an opportunity to ensure that improved equipment will enable full access for some of our most vulnerable users, particularly disabled citizens. It will be important however that any investment/change also has within it SMART review mechanisms both in terms of location and functionality so that there is not only value for money but also full inclusivity.**

**Advice provided by Adisa Djan (Equalities and Diversity Consultant) on 25/03/2015.**

**Signatures**

**Jane Urquhart (Portfolio Holder Planning and Transport)**

**SIGNED and Dated: 02/04/2015**

**Andrew Vaughan (SD for Commercial and Neighbourhood Services)**

**SIGNED and Dated: 27/03/2015**