

Agenda Item No. 8(e)

DERBYSHIRE COUNTY COUNCIL

CABINET

13 December 2016

Report of the Strategic Director – Economy, Transport and Communities

**SUPPLY OF PAY AND DISPLAY MACHINES – FRAMEWORK  
(HIGHWAYS, TRANSPORT AND INFRASTRUCTURE)**

(1) **Purpose of Report** To seek approval under Protocol 2 of the Council's Financial Regulations to utilise the Eastern Shires Purchasing Organisation (ESPO) Framework 509 Parking Management Solutions for the provision of pay and display parking machines.

(2) **Information and Analysis** The Economy, Transport and Communities Department currently operates four on-street pay and display schemes located in Buxton, Chesterfield, Castleton and Bakewell. It also operates pay and display schemes at eight of its Countryside sites.

Approval has been given to introduce a new on-street pay and display scheme in Matlock Bath at a cost of £45,000, and two new schemes in Castleton and Buxton are currently being consulted upon. In addition to this, a further Countryside site is due to come into use in Willington and additional Countryside sites are also being considered.

Currently, the income generated in the last financial year was £340,000 and it is estimated that the Matlock Bath pay and display scheme will generate around £70,000 per year. The turnover of parking spaces and the ease of enforcement that pay and display enables are essential in boosting the economy for local businesses. The revenue raised pays for the costs of operation, with any surplus being reinvested in highway maintenance.

The on-street pay and display machines are managed by a number of district/borough councils with their costs being met from the revenue raised from the scheme which includes cash box emptying, daily checking, first line maintenance and ticket restocking. Derbyshire County Council staff currently manage the Countryside car parks, although cash collection is undertaken by a private contractor.

The existing pay and display machines were purchased from a company called Metric. These are linked to a back office system that allows the

machines to be monitored in real time and also provides essential financial information for audit requirements. Other manufacturers offer similar back office support. The Authority currently has a maintenance contract with Metric for the pay and display machines in Chesterfield and this will continue until such time as those machines are replaced. Any new pay and display machines purchased through the framework will include a maintenance package.

The existing pay and display machines in Castleton and the Countryside sites have been subject to attacks to steal the cash held. As a result, many of the machines are unrepairable, raising concerns about their robustness. Due to the time required to procure and install new machines, there have been occasions where machines have been unavailable for over six months resulting in a significant loss of income which often exceeds the loss of takings and the cost of replacement of the machine.

If the Council was to undertake an Official Journal of European Union (OJEU) procurement exercise, it would take approximately four months to complete. This would mean that there would be a delay on the Matlock Bath scheme and a continued loss of income from sites which require replacement machines.

In order to reduce this procurement time and establish a compliant procurement process, officers have concluded that the most appropriate route is to use the ESPO Framework 509 Parking Management Solutions for the provision of pay and display parking machines.

The relative merits of using the ESPO Framework are:

- Suppliers included in the framework have been 'pre-qualified' as to their general suitability; this means that in buying from them, customers may be assured that suppliers possess sound policies in regards to health and safety, sustainability, are financially secure, and have demonstrated a solid track record of supply to the sector, and an understanding of its needs.
- Customers can choose to either conduct a further competition between the framework suppliers or to undertake a direct 'call-off';

The proposal to use the ESPO Framework has been supported by a business case, including options appraisal which has been approved by the Director of Finance, the Director of Legal Services and the Strategic Director – Economy, Transport and Communities.

A supplier will be appointed from the framework via a mini-competition, based on the tender submissions of the pay and display parking machine suppliers. The mini-competition will be based on the Council's specification requirements and ability to deliver the machines and will be evaluated on the most

economically advantageous tender (MEAT) based on a ratio of cost and quality.

(3) **Financial Considerations** The value of the proposed contract via the ESPO Framework is approximately £45,000 per annum for the Traffic and Safety Team and approximately £16,000 per annum for the Countryside Service over a maximum contract term of four year, giving an estimated total contract value of approximately £244,000. The costs will be met from existing and future Highways Capital budgets and Countryside Revenue budgets and earmarked reserves as appropriate.

The utilisation of this contract on future schemes is contingent on those schemes receiving the appropriate Committee approval(s).

(4) **Legal Considerations** The use of a non-Derbyshire County Council framework, under Protocol 2 of the Council's Financial Regulations, where the value of the goods in question is above the OJEU threshold of £164,176, is a two stage process; approval is required initially from Cabinet to use the framework and secondly to make an award of contract under the framework.

The approval of the Director of Legal Services is required to the terms and conditions of the framework.

(5) **Social Value Considerations** Under the mini-competition, suppliers will be asked specific social value questions. This contract will aim to create social value through a Derbyshire that works, Outcome 1 – A Strong Local Economy.

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(6) **Key Decision** No.

(7) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held on file within the Economy, Transport and Communities Department. Officer contact details – Bridget Gould, extension 38579

(9) **OFFICER'S RECOMMENDATIONS** That Cabinet:

9.1 Approves the use of Protocol 2 to use the Eastern Shires Purchasing Organisation Framework 509 Parking Management Solutions to procure

a supplier for the provision of pay and display parking machines for four years.

- 9.2 Notes that a further report will be submitted to Cabinet to seek approval to award a contract following the mini-competition amongst suppliers on the framework.
- 9.3 Notes that quarterly reports will be submitted to the Cabinet Member – Highways, Transport and Infrastructure.

**Mike Ashworth**  
**Strategic Director - Economy, Transport and Communities**