

DECISION MAKING REPORT

Report for: Director of Environment & Neighbourhoods

Item number: N/A

Title: Novation of the Contract for the supply and maintenance of mobile computers for parking services

Report authorised by: Stephen McDonnell, Director of Environment & Neighbourhoods.

Lead Officer: Ann Cunningham, Head of Highways and Parking

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non key decision

1. Describe the issue under consideration

1.1 This report seeks approval for the implementation of Contract Standing Order (CSO) 10.03, which allows for the Council to agree to contract novations and to CSO 9.07.1c which provides that contracts valued under £500,000 (five hundred thousand pounds) may be awarded, assigned or novated by a Director.

2. Recommendations

2.1 That the Director of Environment and Neighbourhoods approve, under Contract Standing Orders 10.03 and 9.07.1(c), the novation of the contract for the supply and maintenance of mobile computers for parking services from WSP UK Ltd to Taranto Systems Ltd.

2.2 That the Director of Environment and Neighbourhoods note the contract value including the 5-year care package is £176,499.

3. Reasons for decision

3.1 WSP UK Ltd (WSP) sold their traffic support business, which is the part of the business that supports parking management systems and is **known as 'Taranto'**, to Taranto Systems Ltd. Taranto Systems Ltd is a subsidiary of Volaris Group, a well-established provider of software and services to public and private sectors. The sale formally completed on 31 October 2020.

3.2 WSP have assured the Council that the sale of their traffic support business will neither affect the services provided or alter any terms and conditions under the contract awarded to WSP. Volaris already has significant experience in the traffic and parking support sector and will maintain Taranto Systems Ltd as a separate autonomous business. Volaris has also committed to strengthen and build Taranto Systems Ltd and its products and **services to meet the needs of its customers. It is therefore WSP's intention and request** that the contract for the supply and maintenance of mobile computers be novated from WSP to Taranto Systems Ltd alongside the contract for the Parking Management IT System (PMIS) once it's executed. **Cabinet's approval having already been obtained for novation of the latter contract.**

4. Alternative options considered

4.1 Consideration was given to not novating the contract. However, this contract is essential to the delivery of parking services and its delivery was already underway by **the time WSP's request** to novate it came in to the Council. There is no compelling reason to resist the novation when the same favourable contract terms would continue **in place with WSP's proposed successor company, Taranto Systems Ltd, whereas any attempt to move to an alternative supplier would be likely to disrupt the timelines for implementation of the new Parking Management IT System Contract that this contract supports.**

4.2 Background information

5.1 In May 2020, Director approval was obtained for the award of a contract for the supply and maintenance of mobile computers for parking services to WSP UK Ltd. The contract was concluded in September 2020.

5.2 The current handhelds being used by the Civil Enforcement Officers (CEOs) have passed the end of their useful life. Spare parts and units can no longer be purchased and it was imperative that the Council replaced this existing kit. This new equipment is now being rolled out at point of PMIS implementation. Based on present and past experience, the Council felt it prudent to purchase 5-year **"care cover"** (this includes all damage cover, including accidental damage), which will provide a reasonable measure of device maintenance and reduce maintenance costs, while ensuring service continuity. The Council will the explore the possibility of kit replenishment when the 5-year period expires, taking account of new technology and what is available on the open market at that time along with associated costs.

5.3 Following evaluation of all options the Zebra TC77 was the preferred device as it can accommodate the new parking management software and has the potential to deliver wide ranging and ambitious parking initiatives.

5.4 The Council also awarded a contract for a new Parking Management IT System (PMIS) to WSP UK Ltd in September 2019. The Council, through Cabinet, agreed the novation of that contract to Taranto Systems Limited in December 2020 on request by WSP after they completed the sale of their traffic support business to Taranto Systems Limited on 31st October 2020. WSP has requested the novation of the mobile computers contract for the same reason.

6. Contribution to strategic outcomes

6.1 The parking service supports two key Themes within the Borough Plan 2019-2023:

6.2 People Theme: A Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential. Parking enforcement contributes to specific outcomes within this Theme, by improving road safety, encouraging active travel and modal shift to improve air quality.

6.3 Place Theme: A place with strong, resilient & connected communities where people can lead active and healthy lives in an environment that is safe, clean and green. Parking services contributes to specific outcomes within this Theme, by improving accessibility for all road users, in particular disabled motorists.

7. Statutory Officers comments

7.1 Comments of the Chief Financial Officer

7.1.1 This report seeks approval to novate the contract for the supply and maintenance of mobile computers for parking services that was awarded in September 2020 for a 5-year period.

7.1.2 The contract is novating from WSP UK Ltd to Taranto Systems Ltd from December 2020. The total value of the contract is £176,499; with the mobile computers and accessories costing £131,499.41 and care cover at £45,000. The mobile computers and the first year of care cover at £140,499.41 is met from Council Capital funding; with remaining care cover being met from existing revenue resources.

7.2 Strategic Procurement Comments

CSO 10.03 permits that contracts may be novated provided that the circumstances are permitted in Reg.72 of the Public Contract Regulations and this novation of the contract follows Reg.72 (d)(ii). Strategic Procurement support the novation of contract.

7.3 Comments of the Head of Legal Services and Governance

7.3.1 Director approval was obtained in May 2020 for the award of a contract for the supply and maintenance of mobile computers for parking services to WSP with whom the contract has since been concluded.

- 7.3.2 This report is recommending approval of the novation of that contract from WSP to a new company, Taranto Systems Ltd, to which WSP has sold the traffic support division of its company responsible for carrying out the contract.
- 7.3.3 Under CSO 10.03 the Council may agree to the novation of a contract in the circumstances permitted under Reg. 72 of the Public Contracts Regulations 2015 (PCR 2015).
- 7.3.4 Under PCR 2015, reg. 72(1)(d)(ii) a novation is permitted where the company to which a contract was originally awarded is replaced by another company pursuant to a corporate restructuring provided certain other conditions are met. The other conditions are that the company to which the contract is being novated must meet the original qualitative selection criteria set by the Council as the procuring authority, and there must be no other substantial changes to the original contract. The novation must also not be just an attempt to circumvent the requirements of the PCR 2015 (such as the usual requirement for tendering a contract).
- 7.3.5 Legal Services had obtained external **Counsel's advice on compliance with PCR Reg. 72(1)(d)(ii)** in connection with the novation of the Parking Management IT System Contract in similar circumstances to the proposed novation of this contract relating to the mobile computers and are satisfied that the latter novation is similarly covered and permitted under the corporate restructure provisions of Reg. 72 of the PCR 2015.
- 7.3.6 Under CSO 9.07.1(c) the decision to approve the novation may be taken by a Director given that the contract was valued at under £500,000 at the time of the award.
- 7.3.7 The Head of Legal Services is not aware of any legal reasons preventing the Cabinet Member from approving the recommendations in paragraph 3 of the report.

7.4 Equality comments

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty

There are no particular equalities implications arising from the decision proposed in the report.

8 **Use of Appendices**

None

9 **Local Government (Access to Information) Act 1985**

Background papers:

Report on the award of Contract for the supply and maintenance of mobile computers for parking services