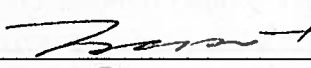




Haringey Council

Report for:	Cabinet – 18 March 2014	Item number	
Title:	The Novation and Extension of the Nuisance Vehicle Contract		
Report Authorised by:	Tracie Evans, Interim Chief Operating Officer 		
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Ward(s) affected: Non	Key		

1. Describe the issue under consideration

1.1 This report seeks Cabinet approval to novate the Nuisance Vehicle contract from Ontime Parking Solutions Limited to D.H Mansfield Limited, and to extend the contract by six months until 30 November 2014.

2. Cabinet Member introduction

2.1 The Council has a statutory duty to manage its road network, reduce congestion, and improve road safety. The enforcement activity carried out under the Nuisance Vehicle Contract is an integral part of achieving these key objectives. The extension of contract will allow the opportunity to consider if this service can be delivered in a more economical manner.

2.2 The merger of Ontime Parking Solutions Limited and the Mansfield Group has not impacted on the delivery of the nuisance vehicle removal service.

3. Recommendations

3.1 That Cabinet agrees:

- a) by virtue of CSOs 9.07.1 and 10.03, to the novation of the Nuisance Vehicle Contract from Ontime Parking Solutions Limited to D.H Mansfield Limited; and
- b) pursuant to CSO 10.02.2, to the variation of the expiry date of the Nuisance Vehicle Contract by way of a six month contract extension until 30 November 2014, given the need to re-tender and to allow sufficient time to further evaluate the option of providing a Council owned vehicle pound, thus potentially attracting more bidders in the subsequent tender exercise.

4. Other options considered

- 4.1 A suitable Haringey owned (vehicle pound) site could not be identified within timelines that allowed the completion of a re-tendering exercise, prior to the expiry of the existing removal contract. Tender documents were therefore prepared on the basis of the contractor providing the pound site and the intention was to proceed to tender on that basis.
- 4.2 However, prior to the OJEU notice being published, the service was notified of the potential suitability of an undeveloped council owned site in Marsh Lane. If suitable, this will reduce the annual contract costs and potentially increase competition from providers. It was felt appropriate to explore this option further prior to any tendering exercise.

5. Background information

- 5.1 The Council has operated a parking removal operation since 2004. This has operated on the basis of the contractor providing the pound site and passing those costs on to the Council.
- 5.2 There has been a desire to secure a suitable council owned site as a vehicle pound, which could then be managed on behalf of the Council by the successful contractor. This was an issue of significant concern to Members when agreeing the award of the existing Nuisance Vehicle Contract. The absence of a suitable site is considered a deterrent to some providers, who may otherwise express an interest in this contract. As well as encouraging more competition from providers, the provision of a site by the Council could reduce the annual cost of the contract by approximately £100k.
- 5.3 Following an open tendering exercise the Council awarded a five year Nuisance Vehicle removal contract to Ontime Parking Solutions Limited in 2009. This included the provision of the vehicle pound, pound management and cashiering service.
- 5.4 Ontime Parking Solutions Limited is part of the Bidvest Group. The Bidvest Group recently acquired a majority shareholding in the Mansfield Group. The Mansfield

Group also specialise in vehicle rescue and recovery, and provide a parking removal service to Birmingham City Council.

- 5.5 This has resulted in a merger of rescue and recovery, and parking divisions, with all assets and business transferring to the Mansfield Group.
- 5.6 This requires a novation of the contract from Ontime Parking Solutions Limited to D.H Mansfield Limited (trading as the Mansfield Group). D.H Mansfield Limited intends to re-brand the operation, subject to agreement of the novation.
- 5.7 This contract will expire at the end of May 2014. There is no provision within the original decision to extend the contract beyond this date.
- 5.8 The Traffic Management Service has been advised of a council owned site that would be suitable for a vehicle pound. This site is likely to be available for a period of 3 to 4 years, while longer term plans for the site are agreed and implemented. Further consideration is required to ensure that this proposed use will not conflict with the Council's longer terms plans, as once committed early vacation of the site will be difficult.
- 5.9 As a consequence the existing Nuisance Vehicle Removal contract will need to be extended for a period of six months to ensure continuity of service, while the interim use of the proposed site is agreed, and a tendering exercise subsequently undertaken to secure a service provider. The value of the six month extension is in the region of £490k.

6. Comments of the Chief Finance Officer and financial implications

- 6.1 The costs associated with this contract extension can be met from within existing approved budgets

7 Assistant Director of Corporate Governance Comments and legal implications

- 7.1 This report is recommending the approval of a 6-month extension of the Council's existing nuisance vehicle contract and of the novation of the contract from the incumbent provider, Ontime Parking Solutions Ltd, to a newly affiliated company of the incumbent, D.H. Mansfield Ltd, pursuant to a group reorganisation. The contract is subject to the EU public procurement regime.
- 7.2 Under the Council's Contract Standing Orders (CSO), Cabinet has power to approve the extension of a contract valued over £250K, providing that to do so is consistent with the PCR 2006 and the Council's Financial Regulations (see CSO 9.07.1(d)), and Cabinet must also approve the novation of a contract of that value (see10.02.2).

7.3 Further considerations on the exercise of the discretion whether to extend and novate this contract are set out in the Exempt Information.

7.4 Subject to the further considerations referred to in para. 7.3, there are no significant legal reasons preventing the approval of the recommendations in paragraph 3.1 of this report.

8 Equalities and Community Cohesion Comments

8.1 There are no equalities issues arising from this report.

9 Head of Procurement Comments

9.1 The lack of a Council owned vehicle pound unduly restricts competition; and naturally favours any potential bidders that have such facilities at their disposal.

9.2 By varying the current contract to extend the expiry date to allow time to evaluate the March Lane site is in the Council's overall best interest and is supported.

9.3 In the meantime, the re-procurement exercise is at an advance stage and Corporate Procurement is working closely with Frontline Services to finalise the tender documentation and specifications.

10 Policy Implication

10.1 There are no policy implications arising from this report.

11 Reason for Decision

11.1 The novation and extension of this contract requires Cabinet approval.

12 Use of Appendices

12.1 None

13 Local Government (Access to Information) Act 1985

13.1 List of background documents:

- Reports to Procurement Committee 25th November 2008 and 19 February 2009.

13.2 This report contains exempt and non-exempt information. Exempt information is contained in Part B and is not for publication. The information is classified as exempt under the following category (identified in Part 1 of Schedule 12A of the Local Government Act 1972):

5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

