

**Report for:** Cabinet 8<sup>th</sup> October 2019

**Title:** Contract Award - Nuisance Vehicles Contract

**Report**

**Authorised by:** Stephen McDonnell, Director of Environment & Neighbourhoods

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**Ward(s) affected:** All

**Report for:** Key Decision

**1. Describe the issue under consideration**

1.1 This report seeks approval, pursuant to Contract Standing Order (CSO) 9.07.1(d), for the award to Supplier A (identified in the exempt report) of a nuisance vehicle contract for a period of four (4) years with optional extensions for a total contract value of £8.73m over a maximum contract term of 8 years including all extensions.

**2. Cabinet Member Introduction**

2.1 Local Authorities have a statutory duty to remove Abandoned Vehicles from the public highway and any other land in the open air, such as car parks. These vehicles are sometimes in a burnt out or in a dangerous condition posing risks to other drivers and the public alike. Notwithstanding this statutory duty, the Council considers it essential to utilise its removal powers to help manage parking and traffic across the borough, particularly as vehicles are often parked in hazardous places e.g. parked on zig zag lines. Additionally, some parked cars may also be causing a nuisance and hindrance to residents e.g. occupying a disabled parking bay without having a blue badge themselves. The proposed contract will allow the Council the means to carry out the removal of abandoned and other nuisance vehicles the Council has powers to remove.

2.2 I fully support the award of this contract.

**3. Recommendations**

3.1 It is recommended that Cabinet approves:

Pursuant to CSO 9.07.1(d) the award to Supplier A of a nuisance vehicle contract for four (4) years with options to extend for an additional period of two (2) years plus two further periods of one (1) year, exercisable at the sole discretion of the Council, at a cost of £1.1m per annum or a total cost of £8.73m if all extension options are taken up. Details of Supplier A is outlined in Part B (exempt information) of the report.

#### **4. Reasons for decision**

4.1 The existing nuisance vehicle contract was awarded by Cabinet to NSL on 25th September 2014 for an initial period of three years with an option to extend for a further two years.

4.2 The existing contract was extended in November 2017 and will expire at the end of November 2019.

4.3 A new contract is required in order to support the wider transformation of the Parking service, which includes the roll out of further Controlled Parking Zones. The proposed contract includes a re-written specification and a requirement for the successful provider to deploy more removal vehicles and operate the vehicle pound for longer hours. The significant changes to the specification can be summarised as follows:

- An extra removal truck deployed throughout the day.
- Longer opening hours at the pound: 7am to 10pm Mon-Sat (but to midnight including on Sundays for event day operations) and Sundays 8am to 8pm.
- Additional vehicle storage capacity at the pound (150 vehicles) to cater for the increased expected volumes of removals.
- Quicker response times achieved through the new parking IT system.
- Provision for a 4<sup>th</sup> truck to be dedicated to events taking place at the Tottenham Hotspur Stadium.

## 5. Alternative options considered

5.1 **Stop the Nuisance Vehicle Removal Service altogether.** If the Council does not have a nuisance vehicle service in place upon expiry of the existing contract, the Council:

1. Could not meet its statutory duties in relation to abandoned vehicles and to keep traffic moving safely.
2. Could not remove the very high number of unregistered vehicles that are identified as part of its normal on-street parking enforcement. These vehicles often have high numbers of outstanding PCNs attributable to them.
3. Could not effectively deal with persistent evader vehicles and would lose the opportunity to recover the associated outstanding debt (more information is provided in section 6 of this report).
4. Could not meet its commitments under the Local Area Management Plan (LAMP), to provide a removals service on Tottenham Hotspur event days.

This was not deemed an acceptable option.

5.2 **Operate an in-house removals service.** This option was and will always be entirely contingent on the Council finding a suitable pound site. After an extensive search and with the co-operation of other services e.g. Homes for Haringey it was not possible to find a suitable site either in the borough or close to the borough boundary with Enfield. The only suitable site is already being used by the Council's incumbent provider NSL, as a shared pound with Islington and Waltham Forest.

Without a pound site, this was not deemed a realistic or feasible option.

- 5.3 **Hybrid model.** Under this option, which is an alternative to a fully outsourced service model, the contractor provides the pound, frontline staff and equipment. The Council provides supervisory staff to control and to run the operation. As part of the tender for this contract, the Council received one bid which included pricing for the hybrid option. Whilst the supplier's costs would remain the same overall under both models, under the hybrid model the Council would have to provide sufficient supervisory and management resources to run the operation. It would not be possible to generate additional revenue to cover the additional costs associated with the hybrid model (the Council cannot set targets or incentivise a supplier to carry out more removals in order to generate revenue). Whilst the Council's invitation to tender documents contained indicative numbers, these cannot be guaranteed and the actual number of removals will always remain variable from day to day.

This was not deemed a feasible option on grounds of cost.

## 6. Background information

- 6.1 The current Nuisance Vehicle contract ends in November 2019. Prior to publishing the tender opportunity, an assessment was carried out to explore the option of running the service in house. As referenced in section of 5.2 of this report, after an extensive search across the borough and close to the borough boundary (Enfield), a suitable pound site could not be identified.
- 6.2 One of the parking service's objectives is to 'keep traffic moving and reduce congestion'. To achieve this, the Council prioritises the removal of the vehicles highlighted in the Cabinet Member Introduction (section 2.1), as well as vehicles that have a large number of outstanding Penalty Charge Notices (PCNs) that can no longer be challenged or appealed. These are often referred to as "Persistent Evaders" and deprive the Council of significant sums of money (the Council currently collects over £0.25m per annum PCN income, from Persistent Evaders removed to the car pound and has plans to increase this further).
- 6.3 Given the high numbers of removals (2315 removals in 2018/19) it is essential that any pound site should be able to accommodate the number of removals envisaged and offer the level of security required. Additionally, it is preferable for the site to be located inside the borough boundary or within a short travelling distance outside the borough boundary. Despite an extensive search for such a site Council Officers were unable to find one suitable.
- 6.4 Although the Council went through an open tender exercise, only one tender response was received. This is reflective of the problems described above i.e.

it would be difficult for any provider to source a suitable pound site, whereas an incumbent provider may wish to make use of their existing site(s).

- 6.5 Vehicles may be removed from any street, car park, housing estate, garage (including underground garage), industrial estate, park, playground, water course, river, stream, lake, pond, brook or other site, open land, or space within the Borough of Haringey upon the instructions of the Authorised Officer to the supplier.
- 6.6 Under the pricing contained in the single bid there is an additional cost of £0.5m per annum compared to the current contract. Whilst additional costs would be expected because of the extra deployment and longer opening hours requiring additional staff resources, the cost of the premises and site alone is over £0.1m higher than present site costs. As stated above no alternative site or proposal is available and despite these increased costs the recommendation set out in 3.1 remains.
- 6.7 Notwithstanding the comments in 6.6 the new Parking Management System includes an improved module to manage removals. This will allow us to substantially shorten and speed up notifications to the removal trucks i.e. along with the extra removal vehicle we will be able to identify and remove those vehicles with high levels of PCN debt (including unregistered vehicles) more frequently and more quickly. This will contribute to improving the Council's on street recovery.
- 6.8 Performance will be monitored under the broad Key Performance Indicator (KPI) headings below, with specific measures against each KPI:
- KPI 1 – Effective Parking enforcement.
  - KPI 2 – Good quality motivated and informed staff.
  - KPI 3 – Gathering of good quality information for each case.
  - KPI 4 – Effective and quality pound management.
  - KPI 5 – Nuisance vehicles
  - KPI 6 – Disposal of vehicles

## **7. Procurement Process**

- 7.1 In July 2019, the Council put out the Nuisance Vehicle Contract to tender.
- 7.2 In order to ensure compliance with EU procurement legislation and to ensure value for money, Strategic Procurement led an Open Tender exercise in accordance with CSO 9.01.1. The Tender was advertised in the Official

Journal of the European Union (OJEU) and Contracts Finder. The Competition was based on:

Price 60%

Quality 40%

- 7.3 The above evaluation weighting was applied to ensure the Council's requirement for a high quality, cost effective and efficient service was met by the winning supplier.

In total one bid was received. Table 1.0 is a summary of the supplier's price submission.

Supplier	Annual Contract Cost Outsourced Model	Annual Contract Cost Hybrid model
Supplier A	£1,091,390.21	£1,083,741.20

Table 1.0

- 7.4 Table 1.1 below shows the summary of the outcome of the tender evaluation and clarification process for the bid received.

Supplier	Price Score	Quality Score	Final Score	Ranking
Supplier A	60%	18%	78%	1st

Table 1.1

This is a fixed price contract and does not allow for inflation.

## 8. Contribution to strategic outcomes

- 8.1 The Nuisance Vehicle Contract is part of the wider Haringey Parking Transformation Programme which is a series of parking related projects and work streams, which are designed to revolutionise parking operations in Haringey and create better outcomes for residents and service users.
- 8.2 The removal of nuisance vehicles, contributes directly to Priority 3 in the Borough Plan 2019-23, which aims for Haringey to be “a place with strong, resilient and connected communities where people can lead active healthy lives in an environment that is safe, clean and green.”
- 8.3 In particular we align with outcome 10 of Priority 3, as we endeavour to provide safe and accessible roads, pavements and other public spaces for

everyone, especially vulnerable users. We are committed to contributing to an attractive, safe and well-maintained public realm.

- 8.4 It also supports and aligns with Outcome 4 of the Haringey Transport Strategy, which aims to have a well-maintained road network that is less congested and safer.

## **9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities**

### **9.1 Finance Comments**

This report seeks Cabinet approval to award the Contract for the removal of nuisance vehicles to supplier A for a 4-year term with an option to extend for a further 4 years. The Annual cost of this contract will be £1.1m per annum.

These costs will be contained within the existing budget resources and will be closely monitored by the service whom will report any key variances through the normal governance process.

### **9.2 Strategic Procurement comments**

- 9.2.1 CSO 9.07.1 (d) allows that contracts with a value of £500,00 (five hundred thousand pounds) or more may be awarded by the Cabinet.

- 9.2.2 An Open tender process was undertaken with the opportunity correctly advertised on Tenders Electronic Daily.

- 9.2.3 The bid received was fairly evaluated and clarified to determine that an award of contract would be appropriate.

- 9.2.4 The procurement process was undertaken in a compliant manner and Procurement have no objection to the award of contract.

### **9.3 Comments of the Assistant Director of Corporate Governance**

- 9.3.1 The report is recommending the award of a replacement contract to the preferred supplier selected through a tender process undertaken under EU procurement rules. Legal Services has been advising on this procurement from the outset and has been consulted in the preparation of this report.

- 9.3.2 Given the value of the proposed contract, under CSO 9.07.1(d), the award of the replacement contract must be approved at Cabinet level.

9.3.3 The Assistant Director of Corporate Governance confirms that there are no legal reasons preventing approval of the recommendations in paragraph 3.1 of this report.

## **10. Equality**

10.1 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.

10.2 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.

10.3 The report seeks approval for the award of a contract to operate a nuisance vehicle service in Haringey. Under the terms of this contract vehicles may be removed from certain areas by the supplier within upon the instructions of the Authorised Officer to the supplier.

10.4 While the award of this contract has no direct equalities implications, it is notable that in the operation of this service the supplier will be required to have due regard to the need to achieve the three aims of the Public Sector Equality Duty, noted in para 10.1. Haringey Council will monitor this service for any disproportionate impact on any individuals or groups with protected characteristics and take appropriate mitigating measures if undue negative impact is identified.

## **11. Use of Appendices**

None

## **12. Local Government (Access to Information) Act 1985**

This report contains exempt and non-exempt information. The exempt information is contained in the Exempt Report and is not for publication. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972 (3)):



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