

EAST HERTS COUNCIL

EXECUTIVE – 2 DECEMBER 2014

REPORT BY EXECUTIVE MEMBER FOR ECONOMIC
DEVELOPMENT

NSL CONTRACT EXTENSION

WARD(S) AFFECTED ALL

Purpose/Summary of Report

- To obtain agreement to a two year extension to the contract between East Herts Council and NSL Ltd for the provision of parking enforcement and related services.

<u>RECOMMENDATION FOR EXECUTIVE:</u> That:	
(A)	the two year extension to the NSL parking enforcement contract as detailed in this report, be approved.

1.0 Background

1.1 A contract for the provision of parking enforcement and related services was awarded to NSL Ltd on 12 December 2011 and began on 17 January 2012. The contract is for five years with the option of an extension for a maximum of two years. Should the contract be terminated at the end of five years the process of retendering would need to begin as early as 2015/16 and would need to be reflected in that year's service plan and the MTFP.

1.2 Clause 21.1 of the Council's Procurement Regulations stipulates that requests for a contract extension of longer than one year must be made to the East Herts Executive. Officers seek the maximum two year extension allowed in the contract.

2.0 Report

2.1 NSL's bid was the lowest of the five submitted. In its first full year of operation, 2012/13, the contract cost was over £200,000 lower than the final year cost of the outgoing contractor, APCOA. The cost of the enforcement contract before and after its award to NSL in 2012 is shown below.

2009/10 £986,785

2010/11 £1,018,275

2011/12 £1,002,647

2012/13 £786,473

2013/14 £751,156

2.2 By virtue of agency agreements Stevenage Borough Council and Welwyn Hatfield Borough Council receive parking enforcement services through the NSL contract and 'back office' notice processing services from East Herts Council. Neither council is a signatory to the contract between NSL Ltd and East Herts Council; therefore technically the Council is not obliged to obtain their agreement to its extension.

2.3 The district council agency agreements will expire on 16 January 2017. It has been necessary for the councils to agree a two year extension to these agreements, to run in parallel with the two year NSL contract extension. Welwyn Hatfield Council made this commitment at a meeting of its Cabinet on 4 November 2014. Stevenage Borough Council has confirmed its intention to extend and formal confirmation is expected.

2.4 East Herts Council's agency agreement with the Highway Authority, Hertfordshire County Council for the provision of on-street parking enforcement services was varied in 2012 when the NSL contract was awarded and is valid until 16 January 2019.

2.5 Some early teething troubles aside, the contractor has performed competently. The 'open book' nature of the contract allied with effective contract monitoring means the Council can be confident it is receiving value for money. The contract's emphasis on a

partnership approach to service delivery and development is bearing fruit. It has not proved necessary to default the contractor since the contract started.

- 2.6 Parking Services has a number of projects scheduled for 2015/16/17, the most significant of which are:
- Implementation of an eight hundred household resident permit parking scheme in the Southmill Road area of Bishop's Stortford (subject to consultation).
 - An options analysis leading to the replacement of the Council's car park 'pay and display' machines.
 - A study of options for footway and grassed verge parking enforcement in East Herts.
 - Re-tendering and expansion of the Council's car park 'pay by phone' service to support 'virtual' resident parking permits, visitor parking and other forms of parking permit.
- 2.7 Each project is a considerable undertaking in its own right. To also begin a retendering exercise in respect of the enforcement contract might deplete resources to the extent where successful delivery of these other projects would be jeopardised.
- 2.8 For technical/procurement reasons, the two year extension would be granted as two one year extensions, resulting in an eventual contract end date of 16 January 2019. Contract retendering would begin in 2017/18, by which time most if not all of the projects identified in 2.6 will have concluded.
- 3.0 Implications/Consultations
- 3.1 Information on any corporate issues and consultation associated with this report can be found within **ERP 'A'**.

Background Papers

None

Contact Member: Councillor Paul Phillips – Executive Member for Economic Development.
paul.phillips@eastherts.gov.uk

Contact Officer: Neil Sloper – Head of Information, Customer and
Parking Services
Contact Tel No – 01992 531661
neil.sloper@eastherts.gov.uk

Report Author: Andrew Pulham – Parking Manager
andrew.pulham@eastherts.gov.uk