

Neighbourhood Services and Enforcement Committee



05 January 2023

Title	<i>Cashless Parking Tender award</i>
Purpose of the report	To note
Report Author	<i>Bruno Barbosa – Parking Services Operational Manager</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	<i>N/a</i>
Corporate Priority	Recovery Environment Service delivery
Recommendations	<p>Committee is asked to:</p> <p><i>Note the tender award to the most economically advantageous bidder for the ESPO Framework Agreement No. 509_19 Lot 3 Cashless Parking Solutions, for the provision of Cashless Parking Payment System to Spelthorne Borough Council.</i></p>
Reason for Recommendation	<i>After the evaluation of the 4 bids, a bid was scored as the most economically advantageous. The bid was from Park Now Ltd, more widely known as RingGo.</i>

1. Summary of the report

- 1.1 Under the delegated powers conferred to the Group Head Neighbourhood Services in the Neighbourhood Services Committee meeting dated 13/01/2022 for the tender and award of an additional Cashless Payment service for parking in our pay and display car parks, tender ESPO Framework Agreement No. 509_19 Lot 3 Cashless Parking Solutions, for the provision of Cashless Parking Payment System to Spelthorne Borough Council was advertised, evaluated and award recommended to the highest scorer.
- 1.2 The highest scoring bidder proposed a completely nil cost service to both Spelthorne Borough Council and its customers (with the exception of opt-in convenience fees entirely at the discretion of the end-user, namely the option to pay to get an SMS reminder of their parking session). This bidder was Park Now Ltd, more widely known as RingGo.

2. Key issues

- 2.1 The highest scoring bid provided a comprehensive offer services and added value to Spelthorne and its community.
- 2.2 The pricing structure provided by the bidder provides a service that is of nil cost to Spelthorne Borough Council and its customers, meaning that each transaction would equate to a full deposit of paid funds to Spelthorne accounts, without fees or deductions. By comparison, for card transactions at pay and display terminals Spelthorne pays a flat £0.10 fee per transaction plus a merchant percentage fee of the total transaction amount. For cash transactions, Spelthorne pays collection fees to a collection agent.
- 2.3 The agreed initial contract length of the contract is 3 years, with two optional 1 year extensions beyond those 3 years. The pricing schedule covers the whole potential 5 year term of the contract.

3. Options analysis and proposal

- 3.1 N/a

4. Financial implications

- 4.1 The pricing schedule model from the supplier is a significant saving from current payment methods at our car parks.
- 4.2 In 2019, pre-Covid, we had a total of around 417k card transactions processed, with an average transaction amount of £1.70. The estimated current fees paid for that amount/value of transactions is £63k. The pricing model from the highest bidder thus represents a total potential saving of £63k annually if every card transaction at a Pay and Display terminal becomes a Cashless transaction through RingGo.
- 4.3 The contract allows for increases through the contract of fees based on consumer indexes used by the market, but since the value proposed is nil, the increase may not be applicable.
- 4.4 The pricing model of the supplier is acknowledged as loss leading, hence its subject to early contract termination by the supplier if they deem the costs to provide the service at nil cost are not sustainable. There was no specific indication or intimation made by the supplier, but it's important to acknowledge this possibility. The contract is based on the framework template and there are sufficient continuity clauses to prevent immediate disruption in such an event.

5. Risk considerations

- 6. The award of this tender does not present any relevant additional considerations to those already presented in the approved Report on 13/01/2022 by the Neighbourhood Services Committee.

7. Procurement considerations

- 7.1 The Contracts and Procurement team was an integral part of the tender process and assisted evaluators in selecting the best bid.

8. Legal considerations

8.1 The contract to be signed is a template contract from the Framework that has been reviewed and vetted by the Legal team for compliance and observance of Spelthorne contractual terms requirements.

9. Other considerations

9.1 N/a

10. Equality and Diversity

10.1 The award of this tender does not present any relevant additional considerations to those already presented in the approved Report on 13/01/2022 by the Neighbourhood Services Committee.

11. Sustainability/Climate Change Implications

11.1 The award of this tender does not present any relevant additional considerations to those already presented in the approved Report on 13/01/2022 by the Neighbourhood Services Committee.

12. Timetable for implementation

12.1 The letter confirming the award was sent on 23/11/2022 and there was a 10 day standstill period valid until 03/12/2022 in case unsuccessful bidders posed legal or informal challenges to the bid selection process. A kick-off project meeting occurred on 07/12/2022 between the supplier and SBC representatives.

13. Contact

13.1 Bruno Barbosa, b.barbosa@spelthorne.gov.uk 07919395901

Background papers: There are none.

**Appendices:
There are none.**