



PAIN RELIEF FOR AN OUTSOURCED HEADACHE

10 things to consider when appointing parking contractors

Often, authorities see outsourcing the enforcement, notice processing, car park management and bailiff contracts as a cost-effective way to manage these specialised services. However, the process of achieving the best results from outsourcing is not a simple process. There have been cases where mistakes during the procurement process have resulted in legal action or an ineffective contract that does not actually meet the needs of the council involved. So, what can be done to achieve a focused and cost effective procurement process which provides a comprehensive, flexible and value for money contract able to meet a council's expectations?

1. Knowledge

The first step to take is to establish whether you can manage the process in-house or require the help and expertise of a consultant. There are many advantages to carrying out the process in house, one of which is cost. However, writing and defining a parking specification document requires extensive knowledge of all parking legislation and advances in technology, as well as time; all of which may not be readily available within the council's current set up.

If you do go down the route of employing a consultant it is important to ensure that they have the relevant experience and expertise to carry out the work. Check references of previous procurement work and ensure their knowledge of parking legislation and processes is current. Communication is key, a strong relationship with your consultant will ensure that the specification meets your needs.

2. Contract Type

Maybe an obvious one but choosing the right contract type for the outsourced service is extremely important. You have two choices, each of which has both benefits and limitations:

(a) The British Parking Association model contract

A standardised approach to parking procurement, you receive a user guide, the model contract, series of schedules and a template invitation to tender. The model contract aims to:



- Reduce the workload of local authorities and contractors in preparing contracts
- Help improve the quality of service of on-street parking enforcement and standardise the way civil parking enforcement is carried out across the country
- Encourage best practice
- Remove any adversarial relationships

The model contract comes at a cost of £500 per contract per year for the term of the contract. Therefore, this could be a cost of £10,000 over the life of a ten year contract to cover both enforcement and notice processing elements.

When it was first introduced the model contract was a commendable move to provide a common approach and foundation for the core parking contracts and a number of authorities have found it very useful. However, in the fast developing and increasingly sophisticated parking industry a standard contract can fail to meet satisfactorily the requirements of individual authorities and the high quality levels now required for effective contract management.

(b) A tailor made contract

An approach built on the requirements for each authority which results in the development of an innovative, flexible and bespoke contract. No parking operation is always the same and, therefore, this contract has the advantage of meeting the specific needs of a council's own operations, on-going management requirements and including responding to lessons learnt from previous experiences.

This approach can be more expensive at the development stage but, in the long run, you are paying only a one off fee rather than an annual fee per contract.

3. Your Needs

A major priority at the start of the process is to ensure that you have defined clearly your strategic and operational objectives for the contract. It is extremely important that you ensure the contract meets your specific needs and that each tender evaluation is based on the potential contractor's approach to working with the authority to meet these objectives.



The specification and method statements must be developed to provide a comprehensive and clear statement of the requirements and the scope of the contract with a set of method statements that allow the potential contractor to demonstrate their ability to meet your requirements.

4. Innovation and Development

Most parking contracts will be for a reasonably long period and it will be necessary to ensure that the contract specification contains incentives for contractors to develop innovative approaches to develop performance and reduce cost. The terms of the contract should meet the needs of the council but ensure as well that the contractor benefits from improving the service year on year so that they do not solely carry out the minimum requirements.

5. Flexibility and Change Management

Recent developments in technology have revolutionised the parking industry. Ensure that the contract is flexible enough to incorporate any changes in technology or industry approach and any changes in legislation and statutory requirements.

6. KPIs, Break Clauses and Extensions

Key Performance Indicators, damages and break clauses need to reflect the objectives and needs of the council and not the contractor. They should facilitate the on-going management of the contract and encourage the contractor to improve service and efficiency throughout the contract life. The definition and reporting methods of damages need to be clear so that all parties involved understand the council's requirements and the possible penalties for not meeting the objectives.

7. Assessment

A key part of the contract management will be to assess the performance of the contractor preferably on a period to period basis so that trends and changes can be highlighted. It is important to consider what review process you will undertake to ensure that the KPIs and quality requirements are being met. There are a number of ways to consider; e.g. specifying the use of independent Mystery shopping and Compliance testing to assess the abilities and customer service of the Civil Enforcement Officers and Notice Processing staff or whether Penalty Charge Notices are being issued to a sufficient quality level.



8. Fairness

It is important that the procurement process is completed both according to procedure and in a robust and suitably transparent manner. There are usually a number of contractors competing for each contract and it is extremely important that the procurement process is rigorous but fair and cannot be accused of being biased.

9. Timing

Timing is key when putting out to tender and then appointing a contractor. Ensure you have allotted enough time to cover all the areas above as well as to assess each tender response. Key timings include:

- Planning and definition of strategic and operational objectives
- Drafting and review of specification and method statements
- Comprehensive and robust evaluation of tenders

10. Appoint the right contractor

Although this may seem obvious, making the wrong decision after the initial effort to produce the tender specification is disastrous. Entering into a contract is easy, getting out of one is much more difficult. You should:

- Ensure that the assessment criteria put in place to judge each tender are stringent
- Not be blinded by the financial benefits of one tender over another – all factors should be considered before making a judgement
- Carry out a due diligence exercise to ensure that the contractor is in a good financial state

Conclusion

The procurement process is often long and has the potential for many problems. However, by following some or all of the above recommendations, the process can result in an outsourced service that is cost-effective, efficient and, most importantly, meets all the needs of the council.

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