

# Royal Borough of Kensington and Chelsea

## EXECUTIVE DECISION

### CONTRACT AWARD

#### Report Title: Award Report for Statutory Documentation Printing Services and Parking Remittance Processing and Document Scanning Service (Parking Services)

Date: 29 January 2025

<b>Decision Maker:</b>	Executive Director for Environment and Neighbourhoods
<b>Reporting Officer:</b>	Andrew Burton - Director of Transport and Regulatory Services
<b>Reference numbers:</b>	ED5011063
<b>Access to information:</b>	Public
<b>Wards:</b>	All

#### 1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek a waiver and an approval for two direct awards to the existing service providers covering the contract for Statutory Documentation Printing Services and Parking Remittance Processing and Document Scanning Service to facilitate the re-tender of both contracts.
- 1.2 Both services were previously jointly procured with Hammersmith and Fulham under a bi-borough arrangement. The overarching bi-borough arrangements between the authorities has ceased and both authorities are seeking to award separate contracts to each maintain sole sovereignty.
- 1.3 Both previous contracts expired on 31<sup>st</sup> December 2024 and short-term arrangements are required to ensure continuity of service whilst compliant procurements are carried out.
- 1.4 The previous provider for Statutory Documentation Printing Services was Capita Business Services Ltd (2299747). The contract commenced on 1<sup>st</sup> January 2017 for a term of eight years. The total value of this contract was £580,000 excl. VAT (£696,000 incl. VAT).
- 1.5 The previous provider for Parking Remittance Processing and Document Scanning Service was Paragon Customer Communications (London) Limited

(02788181). The contract commenced on 1<sup>st</sup> January 2017 for a term of eight years. The total value of this contract was £367,000 excl. VAT (£440,400 incl. VAT).

1.6 Approval is needed for a waiver from the Council's Contract Regulations to approve two direct awards for the provision of:

- a) the Statutory Documentation Printing Services for a period of 12 months at a total cost of £175,000.00 excl. VAT (£210,000.00 including VAT). The services started from 1<sup>st</sup> January 2025 and are recommended to continue until 31<sup>st</sup> December 2025
- b) Parking Remittance Processing and Document Scanning Service for a period of 12 months at a total cost of £49,166.67 excl. VAT (£59,000.00 including VAT). The services started from 1 January 2025 and are recommended to continue until 31 December 2025.

## **2. RECOMMENDATIONS**

2.1 The Executive Director is recommended, following endorsement by Director of Audit, Risk, Fraud and Insurance in consultation with Head of Procurement to:

- (i) Approve a waiver from the Council's Contract Regulations from the requirement to undertake a competitive tendering exercise, to permit directly awarding the below contracts.
- (ii) Approve the award of the contract for the provision of Statutory Documentation Printing Services to Capita Business Services Ltd (company number 2299747) for a period of 12 months at a total estimated contract value of £175,000.00 excl. VAT (£210,000.00 incl. VAT).
- (iii) Approve the award of the contract for the provision of Parking Remittance Processing and Document Scanning Services to Paragon Customer Communications (London) Limited (02788181) for a period of 12 months at a total estimated contract value of £49,166.67 excl. VAT (£59,000.00 inc. VAT).
- (iv) Acknowledge that both services commenced on 1<sup>st</sup> January 2025 and that the contracts will continue until 31<sup>st</sup> December 2025.
- (v) Acknowledge that fees of £210,000.00 (inc VAT) for the period 1<sup>st</sup> January 2025 to 31<sup>st</sup> December 2025 have already been budgeted for under the contract for provision of the Statutory Documentation Printing Services.
- (vi) Acknowledge that fees of £59,000.00 (inc VAT) for the period 1 January 2025 to 31<sup>st</sup> December 2025 have already been budgeted

for under the contract for provision of the Parking Remittance Processing and Document Scanning Service.

### **3. REASONS FOR DECISION**

- 3.1 A waiver is required in this instance as there are exceptional circumstances that have led to a need to depart from the Contract Regulations and evidence has been provided which demonstrates the waiver is necessary to achieve the Council's objectives.
- 3.2 In line with the Council's Constitution, and specifically paragraph 15 Waivers from Contract Regulations, sub-paragraph 15.1, a waiver is required in this instance as:
  - (i) there are exceptional circumstances that have led to a need to depart from the Contract Regulations and evidence has been provided which demonstrates the waiver is necessary to achieve the Council's objectives.
  - (ii) and the contract is for services that are required in circumstances of an emergency and as such could not reasonably have been foreseen.
- 3.3 The Documentation Printing Service is a statutory service, which the Council is obligated to provide under the Traffic Management Act 2004. The Printing Service includes printing, collation, enveloping and dispatch of statutory documents with enclosures.
- 3.4 The Parking Remittance Processing and Document Scanning Service is a statutory service, which the Council is obligated to provide under the Traffic Management Act 2004. The scanning service enables motorists to make written challenges, and cheque payments against PCNs as an alternative option to making online challenges or payment via the online PCN portal.
- 3.5 The current contracts expired on 31<sup>st</sup> December 2024 and the services are operating under non-compliant contracts which poses a risk to the Council.
- 3.6 Additionally, there has been an unforeseen circumstance following the bereavement of the initial service lead for both contracts, that had an impact on the re-procurement timelines. Additionally, the lack of resources has contributed to the delay in the re-procurement of both contracts.
- 3.7 The re-procurement of both contracts is underway, and new contracts are expected to be awarded in the next 6-8 months.
- 3.8 Having considered the operational and financial impacts of not pursuing debt notifications for the Council, and the fact that the requested contract waiver is for a short period of time which is needed for service continuity until the re-

procurement process concludes, this exemption should be granted due to reason of exceptional circumstances.

#### **4. BACKGROUND**

- 4.1 Parking had originally intended to go out to procurement using framework agreements for both contracts. However, due to exceptional bereavement circumstances we were not able to adequately carry out the process and so have opted to request a waiver to ensure the continuation of the existing service whilst the re-procurement process is carried out.
- 4.2 The leading service providers in the market have not changed significantly over the last five years, and the field remains fairly small. As part of our soft market testing a request was made to the Council's internal printing service seeking their feedback, however, they have shown no appetite for providing Parking's printing service and as such we need to perform an external procurement for these services.
- 4.3 Two frameworks have been identified for the re-procurement of both contracts. The Kent County Council (KCS) Y20023 Managed Services for Business Solutions Framework has been identified as best suited to procure the Statutory Documentation Printing Services. The Parking Remittance Processing and Document Scanning Service using the Crown Commercial Service Postal Services and Solutions RM6280 framework, Lot 7 Inbound Delivery, Mail Opening and Digital Scanning Services.
- 4.4 Taking into account officer experience since the contracts were previously tendered, feedback received through the soft market testing exercise and recent examples from other boroughs, it is proposed that the focus of the specification is based upon customer experience, service delivery with minimal complaints and added value services.
- 4.5 Since the end of overarching bi-borough arrangements between RBKC and LBHF both Councils have sought to bring both services and contracts back to sole sovereignty. There is therefore no appetite on either side to continue with a Bi-Borough contract and each Council has a desire to opt for sovereign contracts going forward.

#### **5. OPTIONS, ANALYSIS AND PROPOSALS**

- 5.1 **Option 1: Do nothing.** This is not a recommended option as potentially, if motorists became aware that the Council did not pursue debt through the full course of options then there may be less inclination by some to pay Penalty Charge Notices (PCNs) and motorists parking their vehicles in contravention in the borough could greatly increase.
- 5.2 **Option 2: Use In-house resource.** This is not a recommended option as whilst an in-house option would retain greater control of the services the department has shown no appetite to take on this service.

5.3 **Option 3: Continue the service outside of written contract-** The Council could continue with the service but without having a written contract in place. This is not in compliance with Council's Contract Regulations and puts the Council and service providers at risk. This option is not recommended.

5.4 **Option 4: Waiver and direct award-** Seek a waiver and approval for two direct awards to the previous service providers in the short term and commence a re-procurement for each contract. This is the recommended option to ensure continuity of service whilst compliant procurements are carried out.

## 6. PROCUREMENT

6.1 Strategic Procurement has been consulted and taking into consideration the total value of each contract and potential risks, and the impact of service suspension Strategic Procurement supports the request to grant the waiver for the reasons outlined in this report.

6.2 The Service Lead is working closely with Strategic Procurement and will undertake procurement process in the couple of months to ensure that the new contracts are procured compliantly and within the timescales available.

6.3 A contract award notice must be published on Contracts Finder for both awards if the waiver is granted. The Service Lead should contact Strategic Procurement if assistance with publishing the award notices is required.

6.4 Financial checks have been carried out on both providers to ensure their financial stability.

6.5 Table 1 below includes the indicative timeline for the re-procurement of both contracts

Title	Completed by
Strategy Report Approval	
CAP Endorsement	23/01/2025
Executive Director's Approval	(five clear working days after the approved report is published)
Project Process	
Finalising Tender Documentation	3-28/02/2025

Publish Tenders	03/03/2025
Tender Clarifications Deadline	25/03/2025
Tender Submission Deadline	01/04/2025
Tender Evaluation	02-30/04/2025
Award Report Approval	
CAP Endorsement	15/05/2025
Executive Approval	30/05/2025
Contract Signing	01/06- 31/08 2025
Go Live	1 <sup>st</sup> January 2026

## 7. CONSULTATION AND COMMUNITY ENGAGEMENT

- 7.1 There has not been any external consultation and community engagement due to both of these contracts being statutory services and does not directly affect any groups in their entirety as only those issued with a PCN are affected.
- 7.2 Both contracts are managed through service level agreements which dictate quality of service, print quality, scan quality and processing timescales. Any minor issues that are raised are flagged with the contractors at monthly meetings who provide Management Information on the SLAs.

## 8. LEGAL IMPLICATIONS

### Application of Public Contract Regulations 2015

- 8.1 The recommendation in this report is to directly award 2 contracts (i) for Statutory Documentation Printing Services and (ii) for Parking Remittance Processing and Document Scanning Services each for a period of 12 months. The value of both the proposed contracts falls below the threshold for services under the Public Contracts Regulations 2015 (PCR) and therefore the full regime of the PCR does not apply to the award of these contracts.
- 8.2 However, the Council must publish a Contract Award notice within a reasonable time.

## **Council's Contract Regulations**

- 8.3 The Council's Contract Regulations apply to the proposed direct awards under this report.
- 8.4 Under the Council's Contract Regulations there is a requirement for contracts over £25,000 to be competitively tendered. A waiver of the Contract Regulations is therefore required to directly award these contracts.
- 8.5 Under Paragraph 15.01 of the Council's Contract Regulations a waiver may be granted when (i) there are exceptional circumstances that have led to a need to depart from the Contract Regulations and evidence has been provided which demonstrates the waiver is necessary to achieve the Council's objectives; and (ii) the contract is for works, services or supplies that are required in circumstances of an emergency and as such could not reasonably have been foreseen.
- 8.6 A waiver for contracts between £25k and £100k, and over £100k (but below £500k) may be granted by the relevant Executive Director, subject to endorsement by the Tri-Borough Director of Audit, Fraud, Risk and Insurance, or Head of Strategic Procurement.

## **9. FINANCIAL, PROPERTY AND ANY OTHER RESOURCES IMPLICATIONS**

- 9.1 The cost of the provision of Statutory Documentation Printing Service will be £175,000 per annum. The cost of for the provision of Parking Remittance Processing and Document Scanning Service will be £49,166.67. These costs can be met from existing parking budgets.
- 9.2 DD&T have not seen the full set of requirements but as these are essentially outsourced services there is no anticipation of extensive system or data integration work.
- 9.3 Since the service is outsourced, DD&T recommend that; (i) the supplier's business continuity and disaster recovery plans are reviewed so that we understand them and update records held in the corporate business continuity plan, (ii) information security and information governance checks are carried to provide an updated understanding / record of compliance, (iii) A DPIA is carried out.

## **10. ENVIRONMENTAL IMPLICATIONS**

- 10.1 Capita's environmental commitments relate to creating a safe and environmentally sustainable workplace through adopting the right safety, health and environmental practices which ensure they comply with relevant legislation, prevent pollution, reduce risks and deliver continual improvement in all areas of the business.

10.2 The Paragon Sustainability Ambition 2023 focuses on the well-being of Planet, People and Partners and sets out a path to drive sustainability performance, meet Carbon Net Zero targets and help to create a fairer, more equitable society.

10.3 The environmental commitments of both Capita and Paragon support the delivery against the Council Plan commitments, improving the environmental quality of the borough.

## **11. HUMAN RESOURCES IMPLICATIONS**

11.1 None.

## **12. EQUALITIES IMPACT ASSESSMENT AND IMPLICATIONS**

12.1 The Equality Impact Assessment for the Statutory Documentation Printing Services found there to be no areas of concern. Please refer to Appendix A.

12.2 The Equality Impact Assessment for the Parking Remittance Processing and Document Scanning Service found there to be no areas of concern. Please refer to Appendix B.

## **13. OTHER CONSIDERATIONS**

13.1 None

## **14. APPENDICES**

14.1 Appendix A – Equalities Impact Assessment – Printing Contract

14.2 Appendix B – Equalities Impact Assessment – Scanning Contract

14.3 Appendix C – Data Protection Impact Assessment

## **15. SUPPORTING AND BACKGROUND DOCUMENTS**

15.1 None

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**Director of Transport and Regulatory Services**

### **Contact officer(s)**

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Mandatory clearance process

Endorsed by the Commercial Assurance Panel (23/01/2025)

Cleared by Corporate Finance (LV)

Cleared by Legal Services (CR)

Cleared by Communications (LH)