

# PART D - GENERAL SPECIFICATION

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## 1. CONTRACT SUMMARY

### Summary of the Contractor's General Responsibilities.

- 1.1. The successful Tenderer for this Contract(s) will become, jointly with other appointed contractors, responsible for the London Borough of Lambeth's on-street parking services. In particular, the Lot 1 - Enforcement Contractor will be responsible for the enforcement of the regulations covering Public Highway and Housing Estate parking and loading/unloading and other associated duties.

### Other Contractors and the Clients Retained Responsibilities

- 1.2. The Council has operated parking services within a Special Parking Area (SPA) under existing and previous Contracts for a period of approximately twelve years. The Council already have in place separate contracts/in-house operations for services which are not part of this Contract(s)

Service	Provider	Description
IT Systems	Traffic Support Mouchel Parkman – ICPS Software, version 6	<ul style="list-style-type: none"> <li>• Main system software and maintenance thereof</li> <li>• HHCs, software and maintenance</li> <li>• Lambeth IT host the system</li> <li>• Lambeth Parking provide data control and management</li> </ul>
Permit Issue and Suspension applications.	Lambeth Joint Service Centres and Parking Shop	<ul style="list-style-type: none"> <li>• Personal permit/suspension applications and payments,</li> <li>• Postal permit applications and payments</li> </ul>
Representations and Appeals	Lambeth Parking Services	<ul style="list-style-type: none"> <li>• Representations (ie NtO related correspondence)</li> <li>• Appeals from the Adjudicator.</li> <li>• Debt Management</li> </ul>
Cash Collection	Coin Co International	<ul style="list-style-type: none"> <li>• Collection, counting and banking of coin from parking meters and Pay &amp; Display machines</li> <li>• Collection and processing of packages from the Parking Shop and JSC.</li> <li>• Collection and change re-filling of payment kiosks at the JSCs</li> </ul>
Parking Meter and Pay and Display Maintenance	Lambeth Parking Services	<ul style="list-style-type: none"> <li>• checking, repairing, replacing parking meters and pay &amp; display machines</li> </ul>
Lines and Signs Maintenance	Lambeth Transport	<ul style="list-style-type: none"> <li>• checking, repairing, replacing all road markings and signs</li> </ul>
Bailiff Services	Whyte and Co Equita Jacobs	<ul style="list-style-type: none"> <li>• collection of payments against warrants under the RTA91</li> <li>• Gone Away No Trace checks</li> </ul>

- 1.3. Whilst each appointed contractor will have their own clearly defined responsibilities, it is essential that all appointed contractors work together with the Client in a spirit of mutual co-operation to enable each to fulfil its respective obligations as efficiently as possible. It is intended that all contracts will be administered as a partnership between the respective contractors and the Client. All the above contracts have been recently reviewed or re-let apart from the IT system which is currently being considered. Whatever decision is made now it is likely to be re-tendered at some point during this Contract(s)

**This Contract(s) Responsibilities**

- 1.4. This Contract covers the following:

Lot No.	Lot Title	Responsibilities
1	Enforcement Services	<ul style="list-style-type: none"> <li>• The provision, supervision and management of Parking Attendants and Senior Parking Attendants who will patrol and enforce the regulations, by means of the issue of Penalty Charge Notices (PCNs)</li> <li>• The planning and management of the on-street and off-street patrolling regime.</li> <li>• Equipping the Parking Attendants and Senior Parking Attendants with a communication system, an appropriate means of transport, uniforms, handbooks, other sundry equipment and consumables.</li> <li>• The provision and maintenance of accommodation (Operating Centre) for the operation and management of the Parking Enforcement service.</li> <li>• Authorising and effecting clamping and/or removal of vehicles to include also the provision of On-Board Parking Attendants on the Public Highway and on Housing Estates.</li> <li>• The establishment, staffing and management of a local secure vehicle pound with suitable on-site premises for a vehicle pound office (service point) accessible to the public. The pound office is to have secure cash handling facilities and the site is also to include a separate office for Council monitoring staff. The Contractor must also provide the means (on or off site) to destroy/recycle vehicles which are not collected or saleable.</li> <li>• The provision of Smart Cars (or other suitable vehicles) equipped with CCTV monitoring and recording equipment to enforce parking and motoring contraventions (bus lanes if possible?).</li> <li>• The provision of staff to man the 'Smart Cars' and the Council's Parking CCTV control room, covering absent staff or replacing staff who have left.</li> <li>• The implementation and maintenance of temporary suspensions of parking regulations and parking bays.</li> <li>• The monitoring and reporting of missing, damaged or</li> </ul>

		<ul style="list-style-type: none"> <li>faulty parking meters and pay &amp; display machines.</li> <li>The monitoring and reporting of missing, damaged or worn parking regulatory signs and carriageway markings.</li> <li>The research, preparation and despatch of responses to Pre-NtO correspondence using the Council's IT system.</li> <li>The regular liaison and co-operation with all contractors and other parties involved in providing the Council's on street parking services.</li> <li>The monitoring, reporting and the preparation of draft responses to all Parking Enforcement complaints and other customer care matters in accordance with the Lambeth Corporate Complaints procedure which will be provided to the successful tenderer.</li> <li>Keeping up-to-date on all relevant matters and new developments in the parking services industry and offering advice on the running of the service.</li> </ul>
2	Nuisance Vehicles	<ul style="list-style-type: none"> <li>Authorising and effecting removal of vehicles which have been abandoned, are untaxed, have been surrendered vehicles or have been involved in illegal street trading by means of providing Drivers, Assistants and Vehicles as required.</li> <li>Equipping the staff with a communication system, an appropriate means of transport, uniforms, handbooks, other sundry equipment and consumables.</li> <li>The establishment, staffing and management of a preferably local secure vehicle pound with suitable on-site premises for a vehicle pound office (service point) accessible to the public. The pound office is to have secure cash handling facilities. The Contractor must provide the means (preferably on site) to destroy/recycle vehicles which are not collected or saleable.</li> <li>The regular liaison and co-operation with all contractors and other parties involved in providing the Council's on street parking services.</li> </ul>
3	Post Handling	<ul style="list-style-type: none"> <li>Transcription of an address(es) for the vast majority of parking related post, including payments, representations and challenges.</li> <li>Fully process cheque payments and submit direct to a clearing centre</li> <li>Fully process credit card payments via PDQ machine(s) or an alternative method approved by the Council</li> <li>Fully process other payments (cash, PO, foreign) through a local bank branch</li> <li>Provide full details and images of payments directly to the IT system</li> </ul>

		<ul style="list-style-type: none"> <li>Sort correspondence into response types – eg representation, challenge, other</li> <li>Scan all correspondence and attachments</li> <li>Provide full details and images of correspondence directly to the IT system</li> <li>Provide reports for reconciliation and statistical purposes.</li> </ul>
4	Print Services	<ul style="list-style-type: none"> <li>Printing of CCTV Penalty Charge Notices</li> <li>Printing of Permit application forms</li> <li>Printing of secure period style permits</li> <li>Printing of secure scratchcard permits.</li> <li>Printing of other application forms (suspension, dispensation etc)</li> <li>Receipt of data files relating to intended recipients of NtOs, Enforcement Notices (CCTV), Charge Certificates, Notices of Debt Registration</li> <li>Printing and mailing of the documents referred to in 5 above</li> <li>Other forms, documents, pamphlets etc as and when they are required.</li> <li>Artwork, sample document approval and design work for all documents as and when required.</li> </ul>
5	Automated Payments	<ul style="list-style-type: none"> <li>Provision of a telephone number with sufficient lines to take payment of PCNs/clamps/removals that have not been allocated to bailiffs.</li> <li>Provision of a web-site with sufficient access capacity to take payment of PCNs/clamps/removals that have not been allocated to bailiffs.</li> <li>Provide access for users of the IT system to take payment of PCNs/clamps/removals that have not been allocated to bailiffs.</li> <li>Maintain connections to credit card companies for payments to enter the Council's bank account</li> <li>Collect payment requirements from and provide payment details directly from/ to the IT system in real time.</li> </ul>

1.5. This Contract(s) commence operations on 1 August 2008 and are for differing time periods as follows.

Lot No	Lot Title	Initial Period (Years)	Potential (ie maximum) Extensions
1	Enforcement	5	5
2	Nuisance Vehicles	5	5
3	Post Handling	3	2
4	Printing Services	3	2
5	Automated Payments	3	2

- 1.6. The Contract includes an additional Pre-Service Commencement Period of approximately fourteen weeks which will include full scale trials of the systems and procedures which will operate in conjunction with the other appointed contractors.
- 1.7. The Council considers that it is important that continuity of the provision of the Services should not be broken in the event of the termination, for any reason, of the Contract before the Contract Period has drawn to a close. Accordingly, in addition to inviting Tenders to provide the Services, the Council also invites Tenders for Reserve Contractors who may be required to carry out the Services as required by the Contract Documents for the remainder of the Contract Period in the event of the termination of all or part of the Contract(s) or suspension of the Contract(s) at any time during the Contract Period. Reserve Contractors may also be used where the Main Contractor has failed to provide the Services to the outputs or standards required in accordance with the Method Statement, Performance Standard or as required by the Instructing Officer/Authorised Officer.
- 1.8. The SPA covers public highways within the whole of the geographical area of the London Borough of Lambeth excluding estate roads, private roads and designated roads. Within the SPA there currently exists 13 no. defined Controlled Parking Zones (CPZs). There is an on-going program of parking studies which, subject to satisfactory completion of statutory procedures, may result in new CPZs being introduced during the currency of the Contract. Plans showing the SPA and the CPZs are included as Appendix A.
- 1.9. The Contractor should note that at present the enforcement of parking regulations within the Council's housing estate areas and designated roads, is excluded from the SPA but separate arrangements for clamping and removal are included in Lot 1 - Enforcement. Consideration may be given to some form of parking ticket on Housing Estates which may impact on this Contract
- 1.10. Full details of the requirements for the service are contained in the relevant clauses of the Specification.

#### **Contract Monitoring**

- 1.11. The Council provides a specific monitoring team to ensure that the Lot 1 and Lot 2 Contractors provides the required service in the best possible manner and meets all performance indicator criteria on as many occasions as possible. Specific officers are responsible for monitoring the other Lots as part of their operational roles.
- 1.12. The monitoring team consists of a Manager and 5 Full Time Equivalent (FTE) Council Officers (ie 35 hours per week each) and their role is to:-
  - 1.12.1. Measure the performance of various performance indicators, including as an absolute minimum the indicators that affect the Contractors payment.
  - 1.12.2. Agree and jointly certify the payment related indicators at the end of each month/quarter/year for presentation to the Authorised Officer and the Contract Manager

1.12.3. Observing the practical operation of the contract in terms of:-

- a. PA timekeeping, appearance and working practices
- b. PA briefing observation/contribution
- c. Clamp and Removal vehicle timekeeping, appearance and working practices
- d. Pound and Payment Centre appearance and working practices
- e. Signs and Lines fault reporting
- f. Payment equipment fault reporting
- g. Customer Interaction
- h. Studying and re-directing resources in light of compliance reports

1.13. The monitoring team shall work with the Contractor in ensuring the correct level of service and providing improvements to the benefit of one or both parties.

## 2. DOCUMENTS

### Supply of Documents

2.1. Upon acceptance of the Tender the Authorised Officer will supply the Contractor(s) with a copy of the relevant documents listed below. Copyright of the documents shall remain with the Client but the Contractor(s) may obtain or make any further copies required at its own expense. At the completion or termination of the Contract the Contractor shall return to the Client all documents provided by the Client and any additional copies subsequently made or obtained.

- a. The Contract Documents.
- b. The Council's current Parking Policy.
- c. The Register of Electors.
- d. Copies of all Traffic Management Orders relating to the service being provided.
- e. Plans, at 1:1250 scale, of existing parking infrastructure within the Borough.
- f. The Borough's Health and Safety Policy.

## 3. CONTRACT ADMINISTRATION

### Service Objectives

- 3.1. The Council has, through its parking policy, identified a route hierarchy for which various objectives in respect of the flow of traffic and the nature of parking controls have been set.
- 3.2. The legislation and regulations covering the decriminalisation of offences regarding on-street parking regulations requires that car parking enforcement produces, as a minimum, sufficient income to cover the expenditure on management and enforcement. The existing contract has been operated so as to produce a significant surplus of income over expenditure whilst maintaining due regard for the traffic flow and parking control objectives.
- 3.3. The Client intends that, the Contractor(s), in consultation with the Authorised Officer, will manage resources and develop enforcement regimes which aim to meet these objectives whilst maintaining performance within the Council's policies objectives and budgets. In this respect the Contractor is to bring to the attention of the Client any

information gathered or view formed that might affect the efficiency or efficacy of the Service.

- 3.4. The performance objectives which are included within this Contract document are based upon those which, in the opinion of Council officers, are reasonable and readily achievable. The actual income and performance will be continuously monitored and the key performance indicator criteria reviewed from time to time. In addition, it is anticipated that there will be ongoing changes to the parking enforcement regime during the period of the Contract, these may arise from a number of circumstances, for example:
- a. Changes to Council policy.
  - b. Amendments to parking regulations (TMOs) within the Borough.
  - c. New initiatives which may include further CCTV monitoring, actions to deal with persistent evaders or offenders, cashless parking, mobile phone payment or ANPR spotting of offenders.
- 3.5. In each of these circumstances (described in paragraph 3.4) or indeed any others that may arise, the regime may need to be modified and this will be the subject of discussion and consultation between the Client and the Contractor(s) but thereafter the specification of the service will be at the total discretion of the Council. Any revision to the enforcement regime or amended objectives will be confirmed to the Contractor(s) in writing, in the form of a Service Instruction. The resource implications will be assessed and the cost of any change will be calculated by means of the rates in the Bill of Quantities, and other supporting details which may be given by the Contractor(s) subsequently or with the Tender.

#### **Contract Reports and Meetings**

- 3.6. The Contract Manager(s) shall attend meetings when reasonably requested by the Council but at least fortnightly during the initial Pre-Service Commencement Period, and for a period of one month following the Service Commencement Day. These meetings will include managers from the other associated parking contracts and the Client's representatives. Thereafter the Contract Manager(s) and, if appropriate, relevant members of the Contractors team shall attend meetings at least monthly with the Authorised Officer and other Client representatives to formally report on and review progress of the Contract and any other operational issues. The Contractor shall also include for attending occasional meetings (together with the Authorised Officer) with elected Members so as to report performance of the Contract(s). The Contractor should note that meetings with elected Members in particular may occur outside normal working hours. In addition, the Contract Managers may from time to time be called to attend ad hoc meetings involving some or all other associated parking contracts managers and the Client's representatives.
- 3.7. In addition to the formal meetings (Clause 3.6 above) it is anticipated that, with effect from the date of appointment of the various contractors, there will be regular and frequent liaison between representatives of the Client and all contractors involved in the parking service. This is to ensure that all parties work together to develop and maintain mutually acceptable working systems and methods. In particular it will be essential for the Contractor(s) to work very closely with the Council in the early stages so as to arrange for timely installation and testing of processing equipment and communication links.



- 3.8. The Contractor(s) shall submit to the Authorised Officer, at least five working days in advance of the monthly meetings, such progress / monitoring reports and forward plans to a format as may be required by the Authorised Officer. The precise nature of the reports and forward plans shall be subject to consultation between the Authorised Officer and the Contract Manager(s).

#### Accounting Periods

- 3.9. The Contract is to be managed within monthly accounting periods (12 no. per annum) which co-ordinate with the Client's overall financial management system. The Client will advise the Contractor(s) in advance of the accounting periods within the forthcoming financial year.
- 3.10. The financial week is defined as Monday - Sunday inclusive.
- 3.11. All contractual payments, management information provided under the Contract, and invoices from the Contractor are to be co-ordinated to this accountancy calendar.

#### 4. PROGRAMMES

##### Contractors Programme

- 4.1. As required by the Instructions for Tendering, the Contractor is to provide with the tender a programme for the Pre-Service Commencement Period leading to the Service Commencement Day. The programme will be considered during the tender assessment period and minor modifications may be required by the Authorised Officer so as to ensure compatibility with the Council's programmes and the availability of other contractors. The amendments to the programme will be finalised in consultation with the contractors within 7 days following confirmation of their appointment. In order to minimise the potential need for changes to the submitted programme for the Pre-Service Commencement Period, it is suggested that it should (as a minimum) include the following details, activities and constraints:
- a. Staff availability and recruitment.
  - b. Equipment procurement and commissioning
  - c. Accommodation acquisition and fitting out (including communications lines)
  - d. Transport
  - e. Communication Systems
  - f. Testing processes
- 4.2. If at any time during the Pre-Service Commencement Period it should appear to the Authorised Officer that the Contractor's progress does not conform to the programme, the Authorised Officer may require the Contractor(s) to modify the programme so as to bring the process to a conclusion by the Service Commencement Day.

##### Commencement Period

- 4.3. The Contractor is required to submit various details, documents and procedures for the approval of the Authorised Officer, these are referred to in the Instructions for Tendering. The Contractor's programme shall clearly show that he has taken full account of the time required to prepare his submissions and secure the approvals.

#### Approval of Contractor's Submissions

- 4.4. As soon as reasonably possible after the date of acceptance of the Tender the Contractor(s) shall submit to the Authorised Officer for approval a duplicate set of such details, documents and supporting information as may be required by the Contract. The programme for submissions shall take account of the specified approval periods.
- 4.5. The Authorised Officer shall inform the Contractor(s) in writing within 7 working days of receipt of the information:
- a. that the Contractor's submissions are approved by the Client for the purposes of the Contract, or
  - b. in what respect, in the opinion of the Authorised Officer, the details submitted fail to comply with the Client's requirements or those requirements in the Specification.
- 4.6. In the event of the information supplied failing to be approved, the Contractor shall take such steps as may be necessary to meet the Authorised Officer's requirements and to obtain his approval. The Authorised Officer shall not, without the consent of the Contractor, require a change in the submission other than that which is necessary to conform with the requirements of the Contract.
- 4.7. The Contractor(s) shall submit to the Authorised Officer from time to time during the progress of the Contract such further information as may be required to secure such further approvals of the Authorised Officer as are required in the Contract.
- 4.8. The Contractor(s) shall not carry out any aspect of the Service prior to securing the approval of the Authorised Officer to the respective submissions as required by the Contract.
- 4.9. Acceptance or approval by the Authorised Officer of any details or proposals shall not relieve the Contractor(s) of any of its responsibilities under the Contract.

#### Trial Run

- 4.10. In order to test the Contractor's operations the Contractor shall, in conjunction with the Client and other appointed contractors, carry out a full scale trial run for a minimum of three consecutive days during the penultimate week of the Pre-Service Commencement Period.
- 4.11. Throughout the trial run the Contractor(s) will demonstrate the services as it proposes to operate from the Service Commencement Day. The Contractor is to issue test/warning PCNs (rather than enforceable PCNs) accompanied by an information/publicity leaflet provided by the Client. The trial run is to include a testing of all systems and data communication links.
- 4.12. The 'trial run' is to operate from 0700 hrs to 1900 hrs. The Contractor will provide all appropriate support staff and facilities to carry out a full test of all activities and processes.
- 4.13. The explanatory leaflets for the trial run (for issue with the warning PCNs) will be provided by the Authorised Officer.

### Contingency Procedure

- 4.14. The Contractor is to have prepared Contingency Procedures to put into operation as a result of unforeseen events during the Contract Period. Procedures are to be designed to minimise disruption and maintain continuity of service. Details of the Contingency Procedures are to be supplied to the Authorised Officer 4 weeks prior to the Service Commencement Day. Contingency Procedures are to cover all activities in the event of normal activities having to be curtailed due to system failures. Liquidated damages in accordance with Clause 19 of the Conditions of Contract will be applied in the event of the Contractor's failure to implement satisfactory contingency procedures.
- 4.15. The Contingency Procedures are to enable the service to be reinstated within the following timescales:
- a. HHC system failure: within a maximum of 1 day
  - b. IT system failures: within a maximum of 1 day
  - c. Communication Line failure: within a maximum of 1 day
  - d. Loss of Operating Centre accommodation: within a maximum of 3 days.

### 5. CONTRACT COMPLETION

- 5.1. In accordance with Clause 39 of the Conditions of Contract, before a date six months from any possible break point date of the Contract, the Client may decide to invoke the break clause. The decision will be given to the Contractor by means of a Service Instruction.
- 5.2. The Service will be re-tendered for the next period of provision after the Contract, although the form of the contract may vary. The Contractor is to co-operate with and give every assistance to the new contractor during the last six months of the Contract to ensure a smooth transition.
- 5.3. At the completion of the Contract or at such time as earlier requested by the Authorised Officer the Contractor will transfer to the Authorised Officer all contract files and records (either on hard copy or electronic media as appropriate) as may be reasonably required by the Council so as to continue providing the service in a satisfactory manner and effect a seamless transition to the new contractor.

### 6. SCHEDULE OF RATES/BILL OF QUANTITIES

#### General Directions.

- 6.1. The preamble to the Bills of Quantity in each Lot or Part thereof describes the manner in which the Bills of Quantity have been produced. It explains item measurement, coverage and pricing and the principles by which the final tender total is reached.
- 6.2. In terms of the Bills of Quantity it is a requirement that the Contractor shall quote the true actual cost of providing the item of service/equipment/facility. The Contractor will be required to disclose the full background working to arrive at the costs quoted and to also provide documentary evidence to support the figures where it may be necessary to

justify the figures quoted – 'Open book'. These figures shall include no element of profit whatsoever.

- 6.3. The Contractor's profit shall accrue from his bid level of preferred profit as a percentage of the total true costs above. These profits shall be subject to reductions for poor service, quality or overall end result. The reductions will never exceed 150% of total profit and are to a greater or lesser extent within the control of the Contractor.
- 6.4. The philosophy behind this is that the Contractor's return on his investment is dependent on his fulfilment of the contract specification and the client's requirements. It would be unrealistic to guarantee that a Contractor could never make a loss but it is limited to half the level of preferred profit and would only reach this level if significant and numerous failures were occurring.

#### **Format of the Bills of Quantity - General**

- 6.5. The rates and prices entered in the Bills of Quantity will be deemed to be the full inclusive value of the work covered by the items as required or reasonably implied in the Contract Documents. They shall include the following, unless expressly stated otherwise:
  - a. Labour and staffing costs including all costs in connection therewith.
  - b. The supply and administration of materials, goods, storage and costs in connection therewith.
  - c. Equipment and transport and costs in connection therewith.
  - d. Dealing with correspondence and supplying and maintaining records.
  - e. General obligations, liabilities and risks involved in the provision of the service.
  - f. Headquarters and corporate charges.
  - g. Establishment charges, insurance, overheads and profit.
  - h. Complying with Contract standards.

This list is not necessarily exhaustive and it is the Tenderer's responsibility to ensure that all costs are included in his bid as additional items will not be permitted following the submission.

- 6.6. The Bill of Quantity is based on a 3 year contract (Lots 3, 4 and 5) and a 5 year contract (Lots 1 and 2) and is split into separate Bills where appropriate, each with a sub-total. The subtotal for each Bill will be deemed to be the complete costs for that Bill and are carried over to the summary sheet to provide the Tender Total.
- 6.7. Each Bill section consists of individual items against which the Contractor is required to enter a 'rate' and 'amount'. The rate being the cost for one unit of an item and the 'amount' being the multiplication of the rate and quantity. All rates and prices shall be expressed in pounds to two decimal places.
- 6.8. The quantities given are the assessed volumes for one year's provision of the Service only. The quantities are approximate only and will change over time. The Contractor is required to enter a quantity where none has been given, taking note of the unit required for that quantity. In particular the Contractor is to ensure that any such quantity inserted is commensurate with the method statement submitted with the Tender and the requirement for operation on Day 1 of the contract, subject to variations to the service introduced by the Council. The quantities inserted by the Council are for the purposes of

Tender comparison only and reflect the Council's non-binding estimate of the amount of work involved in providing the Service.

- 6.9. The Tender Total is the last page of the Bills of Quantity and is a summation of the sub-totals for each of the Bills.
- 6.10. Finally there is a requirement for a profit level bid.

#### **Fixed and Variable Cost Items**

- 6.11. The Bills of Quantity have been arranged generally into fixed cost and variable cost items. The Bills of Quantity are to be found at the end of each Lot or part thereof together with a summary at the end of the Invitation to Tender. Both should be completed.
- 6.12. "Fixed cost" items are generally those items with associated costs that are most likely to remain unchanged during the Contract Period, except as allowed for in Clause 21 INDEXATION of the Conditions of Contract. Fixed cost items are to be entered in the Bills as the annual cost ("Item"), which will be paid for monthly in arrears at one twelfth of the annual amount given in the Bills.
- 6.13. "Variable cost" items are those items with quantities that will vary during the Contract Period. Variable cost items will be paid for monthly in arrears according to the level of activity that actually took place during the month for which payment is due. Payments will be calculated by multiplication of the actual quantity measured for that month and the rate given in the Bill for the item to which the quantity refers. Where an annual rate is inserted in the rate column of the Bill the monthly amount will be calculated from 1/12th of the annual rate.
- 6.14. It is extremely important that the Contractor properly assigns his costs to the fixed or variable categories as no transfer of costs between the fixed and variable prices will be allowed as the service/contract expands/reduces until the contract is extended and then only at the Council's sole discretion. The fixed or variable costs may be varied by negotiation at the Council's sole discretion at any time. The Contractor will be required to show that the contract or market place has expanded or changed in some significant manner that could not have been foreseen and that the current prices are insufficient to cover the new costs or properly deliver the requirements of the contract. The entire costs will be subject to 'Open book' disclosure and evaluation as at the tendering stage.
- 6.15. The Contractor shall consider these principles when pricing, and allocate its fixed costs and variable costs accordingly.

#### **Investment Items**

- 6.16. The Contractor shall note that there is facility to allow for Investment items. An "Investment Sum", may be required for the execution of work or the supply of goods or materials or services for the Contract or the Lambeth Parking Service. This applies only to Lot 1 Part A, though it can be used for any legitimate purpose of Lambeth Parking Services regardless of whether it relates directly or indirectly to this part of this lot.

- 6.17. The Authorised Officer will instruct the Contractor as to how, if at all, an Investment Sum is to be expended. The Authorised Officer may instruct the Contractor to provide Investment goods or services in accordance with quotations provided by the Contractor obtained in accordance with instructions issued under the Contract.
- 6.18. The Tenderer is required to provide separate percentage additions to the Investment Sum to cover
- a. its borrowing cost, administration costs, overheads and
  - b. its profit element for providing the Investment Sum. The Contractor is required to insert the percentage rates in the relevant column of the Bill of Quantities.
- 6.19. The Contractor will be paid
- a. the actual Investment Sum divided by the term (in years) of the investment and then divided by twelve each month until the Investment Sum has been repaid in full
  - b. one twelfth of the annual percentage addition of the amount outstanding at the end of the month for which payment is being made.
- 6.20. Payment of the sums due will be made in accordance with these Preambles and Method of Measurement.
- 6.21. The Council may pay an additional amount to reduce the outstanding amount of the Investment Sum at any time.
- 6.22. Following the final day of the contract (for whatever reason) the Council will continue to repay the Investment Sum as in 6.19
- 6.23. The Contractor or the Council may propose an alternative method of funding/repayment in relation to any project but either party may decide to revert to this basic method providing it is done before an alternative written agreement is finalised.

#### **Profit Statements**

- 6.24. The profit statement is the Contractors bid for a profit margin over and above the true costs of providing the service. Graduated deductions from the profit will be made if the pre-defined Key Performance Indicator levels are not met.
- 6.25. The profit statement is to be found at the end of the Bill of Quantities/Schedule of Rate summary at the end of the Invitation to Tender. The applicable KPIs and levels will also be found here.
- 6.26. The payments are structured to provide an incentive to the Contractor to achieve the contract standards. No deductions will be made for work in the first two months of the contract operation.

#### **Arithmetic Errors.**

- 6.27. An arithmetic check will be carried out by the Client on the tenders when received. In the event of an arithmetic error being found, the Contractor will be informed. The Contractor

will then be offered the opportunity, in writing, to revise the arithmetic error as appropriate. The amended figure(s) will then be used to evaluate the tender submission.

## **Parking Management Services Contract**

### Appendix A

Drawings show the area covered by the SPA (ie the whole Borough) and the existing CPZs, Red Routes are currently excluded from the SPA and a separate plan of the Red Routes and the Road Hierarchy is available for inspection at the Council's Blue Star House office during the Tender period by arrangement.

### Appendix B

#### The Parking Inventory Drawings

These are available for inspection at the Council's Blue Star House office during the Tender period by arrangement. They also show the private roads and housing estate roads (excluded from the SPA but not the contract) at larger scale and details of the parking lines and signs.