

CABINET PROCUREMENT & INSOURCING COMMITTEE

CONTRACT AWARD REPORT

Contract Award Report	
Title of Report	Cycle Hangars - Supply, installation and maintenance
Key Decision No.	CHE S220
CPIC Meeting Date	5 June 2023
Classification	Open
Ward(s) Affected	All Wards
Cabinet Member	Councillor Mete Coban
Key Decision	Yes Affects two or more wards and spending level
Group Director	Rickardo Hyatt Group Director, Climate, Homes and Economy
Contract value, <u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)	It is projected that the contract will cost around £4 million in total, but because the spend is flexible, the requirements must stay within the financing ceiling. The initial upfront capital needed is £2.8m which has been approved as part of the Capital spend and budget approval process, and it is funded from Directorate reserves. An estimated 675 cycle hangars will be delivered in the first 3 years.
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	The tender will be for a 15 year contract (5+2+2+2+2+2)

1. Cabinet Member's Introduction

- 1.1. Hackney Council has over the last 8 years installed over 650 cycle hangars across the borough, providing secure cycle parking for 3,900 cyclists.
- 1.2. However, despite this work - which has seen the number of hangars increase by a third in the last three years - demand for the spaces has continued to far outstrip supply, and consequently the waiting list for a space stands at over 5,000 residents.
- 1.3. The calculated waiting time for those on the waiting list today now stands at over 11 years, with many cycle hangars having a waiting list of over 40 residents, and space turnover averaging between one and two spaces per hangar per year.
- 1.4. The Labour 2022 Manifesto recognised the need to address this capacity gap.
- 1.5. “We already have the highest number of secure bike hangers in London and we will commit to more than doubling the number of annual installations with another 200 hangers by 2026 - helping another 4,000 households who may lack the storage space at home to keep a bike.”
- 1.6. Following this commitment, officers have been working hard to procure a supplier capable of partnering with us to deliver on this ambition, and I'm delighted to introduce this CPIC Award of Contract report, which recommends awarding a long term contract to Supplier B.
- 1.7. This contract, which creates a long term partnership between Supplier B and Hackney Council, will enable us to deliver our ambitious manifesto commitment, which will double the number of cycle hangars in Hackney by the time of the next election.
- 1.8. Doing so will remove a major obstacle to cycling for thousands of Hackney residents, and again demonstrates this administration's firm commitment to making it easier for Hackney's residents to cycle in the borough.

2. Group Director's Introduction

- 2.1. This report seeks approval for the award of a 15 year contract (5+2+2+2+2+2) for a supplier to provide cycle hangars, together with the ongoing supply of parts, following a comprehensive tendering exercise jointly carried out by Parking Services and Streetscene, with support from Procurement.

- 2.2. This award of contract will enable Hackney Council to deliver one of its key transport manifesto commitments, and will ensure that for years to come, additional hangars can be installed swiftly where funding is available. In addition, the contract sets out clear requirements for the successful supplier to maintain a stock of parts, and to deliver them to Hackney Council swiftly as and when required, so that we can continue to respond quickly to maintenance issues, and deliver a high standard of service to our customers.
- 2.3. The funding to deliver this manifesto commitment, through the installation of a further 675 hangars, was secured via a successful CPRP bid for capital investment of £2,835k over a 3 year period (2023/24 - 2025/26), which was approved in July 2022.
- 2.4. Delivery of this expansion will:
 - 2.4.1. help 4,000 residents currently awaiting a space on street and on estates obtain a space in a secure cycle storage;
 - 2.4.2. Reduce the resident waiting lists from 11 years to less than 2 years;
 - 2.4.3. Unlock significant cycling potential by removing a major obstacle to cycling more (the lack of storage for a bike in many people's homes); and
 - 2.4.4. Enable significant income growth that will ensure that future investment in new cycle hangars can be self-funded.
- 2.5. The full details of the tendering exercise are contained within the main body of the report with the appendix showing the outcome of the various submissions.

3. Recommendations

- 3.1. **Cabinet Procurement and Insourcing Committee is recommended to:**

Approve the award of contract for the Supply, Installation and Maintenance of Cycle Hangars to Supplier B.

4. Related Decisions

- 4.1. A report seeking approval for a competitive tender to be conducted for the procurement of a new Cycle Hangar supply and installation contract was approved by Hackney Procurement Board (HPB) in December 2022. The

report can be viewed by the following link: [HPB Report Business Case - Cycle Hangar Supply Contract \(Medium Risk\)](#)

- 4.2. In order to fund the Manifesto Commitment to deliver a further 4,000 secure cycle parking spaces by 2026, a CPRP bid for £2,835k over a 3 year period (2023/24 - 2025/26), which would enable the purchase of 675 hangars, was submitted. Details of the bid for capital investment, which was approved in July 2022, can be viewed via the following link: [Mayoral Manifesto Commitment - Cycle Hangar expansion - CPRP Bid](#)

5. Reason(s) For Decision / Options Appraisal

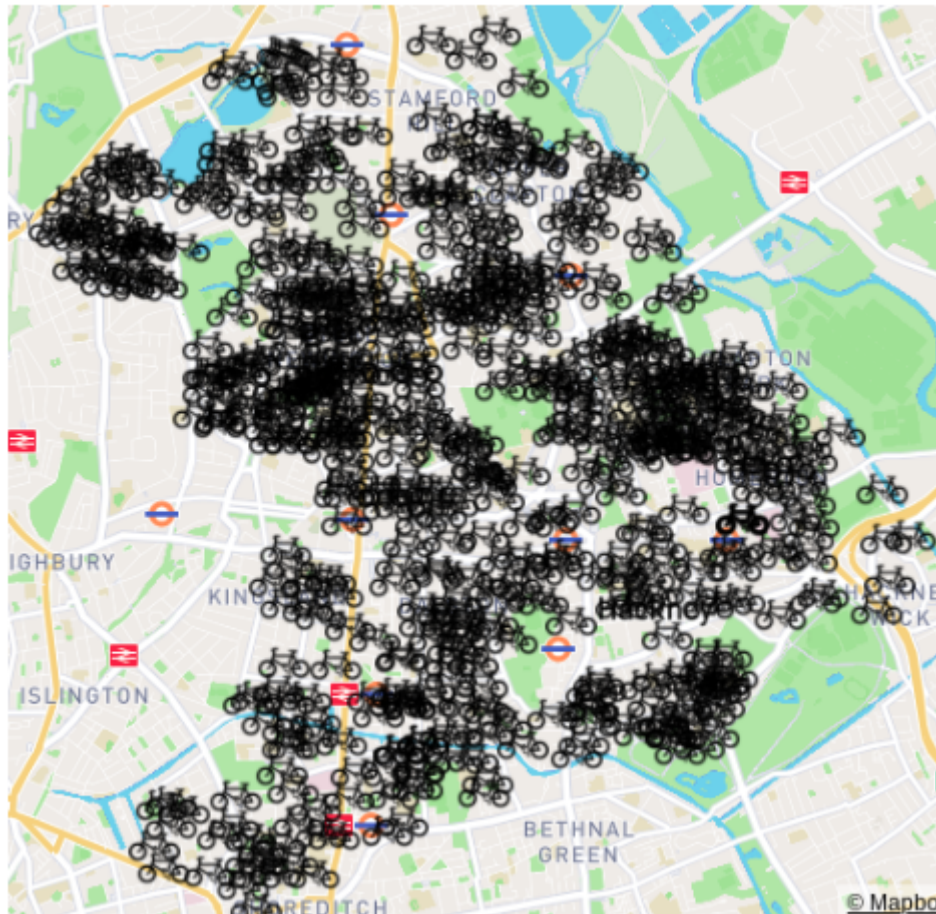
- 5.1. Over the last decade Hackney Council has incrementally expanded its cycle hangar scheme, with the speed and scale of expansion driven by the availability of external funding pots (primarily LIP funding from TFL). As a result of this funding setup, procurement of new hangars has historically been reactive, with small-scale tenders for the provision and installation of hangars being carried out on an ad hoc basis. While this arrangement has met the primary objective of ensuring that the funding available was spent within the necessary spend window, the approach has not been as successful in enabling Hackney to meet the enormous demand for hangars from residents, nor has it provided the necessary contract framework to ensure a high standard of after sales support.
- 5.2. Furthermore, the in-house management of cycle hangars has enabled a strong understanding of the design requirements necessary to minimise the risk of theft, reduce the level of routine maintenance required, and limit vehicle collisions, all of which have been fed into the updated requirement specification.
- 5.3. Strategic Context:**
- 5.4. The lack of secure cycle parking has been identified as a barrier to cycling in both Hackney's transport strategy and within the Mayor of London's transport strategy. The reason for this is simple - more than half of Londoners said that one of the main factors that deters them from cycling is a lack of cycle parking¹. Furthermore, the proportion of people who do not have access to a bicycle is highest amongst people living in flats, where space is limited, and lowest amongst people living in detached houses.²
- 5.5. The provision of cycle hangars allow our residents to access a mode of transport that can save them significant amounts of their weekly budgets by lowering their transport expenses and help improve their health.

¹ Attitudes to Cycling, TfL, autumn 2017

² London Travel Demand Survey, 2015/16-2016/17

- 5.6. Hackney's cycle hangar scheme has been phenomenally successful since its launch, growing primarily through TfL LIP funding to its current scale, which sees 647 hangars located in a combination of on-street locations and on Hackney's estates.
- 5.7. The hangars are sited in the carriageway and do not form an obstruction to the use of the footway. Each hangar typically replaces a pre-existing car parking bay. Locations are chosen to respond to demand and with an even spread across the borough to ensure equitable access to the scheme.

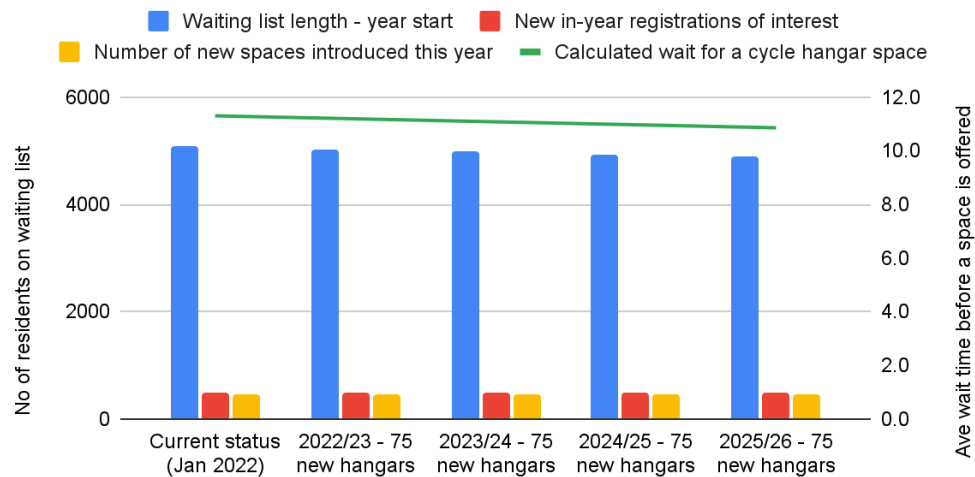
Locations of cycle hangars in Hackney, Jan 2022



- 5.8. Demand continues to far outstrip supply of spaces
- 5.9. Whilst Hackney's cycle hangar scheme is the largest in London, the levels of demand from residents for a space in a cycle hangar has continuously out-stripped our capacity to provide it.
- 5.10. At the time of writing the waiting list for a space in a Hackney Cycle Hangar stood at 5,034 residents. Not only is there huge demand for spaces, but it is continuing to grow at a rate of over 500 people per year.

5.11. The TfL LIP funding, which has typically facilitated the growth of the scheme until now, has enabled an average of 75 hangars a year to be installed. However, the levels of interest in a space are now so high that our modelling shows that the average wait time for a space now sits at 11 years, which is an unacceptably long time for residents to be able to secure a space in one of the borough's flagship sustainable transport initiatives. In many areas, hangars have over 40 residents waiting for a space in each one, with an average of 1-2 spaces per hangar per year being vacated.

Waiting list modelling - current expansion plan (75 hangars per year)



5.12. These points are made to highlight quite how far short of meeting demand the current scale of the service is, and the pressing need to significantly scale up the offer to better meet the needs of residents who want to be able to cycle. The true demand is greater, but is masked somewhat by a restriction of one registration of interest per customer, meaning that very often families can't apply for a space for all their bikes.

5.13. The shortfall in secure on-street cycle parking provision is already the source of significant frustration amongst many residents, and this will only grow as waiting lists continue to lengthen, and people realise that it could be more than a decade in some areas before a space becomes available unless greater investment is made.

5.14. Furthermore, there are question marks about the level of LIP funding for future years due to TfL's well publicised financial difficulties.

5.15. **Policy Context:**

5.16. The Hackney Transport Strategy outlines that by 2025, residents will not need to own a private car because of the ease of using alternative modes of transport. The Council is committed to increasing the overall number of journeys made by bicycle to 15% by 2025. As part of achieving these

aims, the Council has committed to reallocate road space away from privately owned vehicles and towards cycle infrastructure.

5.17. One of the Mayor of Hackney's manifesto commitments is to provide cycle parking to make Hackney's streets the most cycle-friendly in London. The provision of safe and secure Cycle Parking - as part of a range of integrated measures - enables more people to cycle more often". Cycle theft is a significant barrier to encouraging cycling uptake in Hackney. Figures released from the Metropolitan Police in 2021, showed that Hackney had an increase in cycle theft, to 2451 stolen cycles between July 2020 and July 2021.

5.18. The Cycle Hangar scheme provides residents with a higher degree of secure cycle storage compared to regular on-street cycle parking, like Sheffield Stands. Hackney has the largest portfolio of Cycle Hangars in London, currently over 575 borough wide, The delivery of this scheme aims to reduce the likelihood of cycles being stolen. It locates cycle parking in the carriageway and signifies the Council's commitment to active and sustainable transport by reallocating car parking spaces to cycle parking spaces.

5.19. Proposed Contract Duration

5.20. The proposed duration of the contract (5+2+2+2+2+2 - max 15 years) is long by the standards of most contracts, but there are sound reasons for this.

5.21. Firstly, the contract will cover not just the procurement of hangars, but also the ongoing provision of parts to ensure that Hackney Council is able to maintain this in the long term. To ensure that the hangars bought under this contract are supported with the necessary after-sales support, it is necessary to ensure that Hackney Council has the option to continue to hold a supplier to account under the terms of the contract for the long term.

5.22. Secondly, it will mean that Hackney is swiftly able to take advantage of any internal or external funding opportunities, by utilising the proposed contract to purchase and install hangars at pace, meeting the needs of users, and saving significant time and resource when compared to regular one off procurements as has previously been the standard approach.

6. Alternative Options (Considered and Rejected)

6.1. **Use of existing frameworks available from other LAs** - There are a number of frameworks available to local authorities that provide a way for councils to tender for suppliers on those frameworks for the provision of

cycle hangars. For the last 4 rounds of procurement for cycle hangars Hackney has used the Waltham Forest framework.

- 6.2. However, for this procurement, this route was not opted for. This was because the way the frameworks are set up do not provide the necessary flexibility on price negotiation, or the right mix of services that match our aspiration for a long term partner. This applies not only for the provision of cycle hangars, but also the long term supply of parts.
- 6.3. Furthermore, due to the scale of the procurement that Hackney is able to commit to as a result of the funding secured, officers believe that an open tender provided a better approach to deliver the best value for money across the lifespan of the contract. Given the Council's experience in procuring cycle hangars over the last 4 years, Option 1 was not considered the best approach.
- 6.4. **Option [2]- Production and installation of hangars in-house**
- 6.5. This option was not considered viable, as Hackney Council does not have the capacity or capability to design, manufacture and install its own cycle hangars.
- 6.6. It should be noted that Hackney Council insourced the management of its cycle hangars in 2019, when responsibility for customer management (including rental fees, key issuance, and customer support), maintenance, and installation project management transferred from Cyclehoop to Parking Services.
- 6.7. Officers do not believe that there are any remaining areas where it is viable, either in the short or long term, to insource further aspects of the cycle hangar service.

7. Project Progress

7.1. Developments since the Business Case approval

None

7.2. Whole Life Costing/Budgets

- 7.3. Funding for meeting the Labour Manifesto Commitment has already been secured, which will see sufficient resources to introduce a further 4,000 spaces for residents to rent.
- 7.4. The installation cost of the winning provider will be £2.7m, based on the per-hangar cost.
- 7.5. Beyond this, the procurement whole life costings provided suppliers the opportunity to provide fixed costs for the provision of parts, that - based on

known attrition rates - Hackney factored into the overall cost assessment over the lifespan of the contract.

- 7.6. It's important to stress that beyond the initial procurement, the proposed contract, which will provide the option to run up to 15 years, will ensure that Hackney Council can quickly and easily purchase and install additional hangars beyond those initially committed to, as and when additional pots of funding become available in years to come.

Cycle Hangar expansion - modelled costs, income and expenditure				
	2022/23	2023/24	2024/25	2025/26
Capital and Project Costs				
Proposed number of new hangars introduced each year	0	225	225	225
Hangar purchase and installation - per hangar	-£4,000	-£4,000	-£4,000	-£4,000
Hackney Project costs - per hangar	-£400	-£400	-£400	-£400
Total capital expenditure (purchase and installation)	£0	-£900,000	-£900,000	-£900,000
Total hackney project costs (planning, consultation, project management, quality assurance)	-£70,000	-£90,000	-£90,000	-£20,000
PARKING CAPITAL COSTS - SUBTOTAL	-£70,000	-£990,000	-£990,000	-£920,000
Project impact on scheme capacity and waiting list length				
Hangars on-street by year end	551	723	895	1067
Hangars on estates by year end	171	224	277	330
Net change in in-year registrations of interest	250	250	250	250
Number of new spaces introduced this year	0	1350	1350	1350
Available spaces vacated by existing residents	400	400	400	400
Waiting list length - year end	5,434	4,084	2,734	1,384
Number of years until waiting list is cleared	13.6	3.2	2.5	1.7
Project impact on income and costs				
On-street hangar income (95% x 6 spaces @ £43.50 each)	£136,686	£179,282	£221,878	£264,474
Estate hangar income (95% x 6 spaces @ £31 each)	£30,169	£39,571	£48,972	£58,374
Total annual expected revenue	£166,855	£218,853	£270,850	£322,848
Estimated scheme maintenance and customer service costs	-£150,000	-£175,000	-£200,000	-£217,722
Net income from scheme, used to replay loan	£16,855	£43,853	£70,850	£105,126

7.7. Risk Assessment/Management

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
Supplier inability to deliver installations at promised capacity	Medium ▾	High ▾	High ▾	Assurance sought via detailed quality questions during supplier evaluation. Clarification of plan from supplier to have capacity to install by September 2023. KPIs will monitor supplier performance regarding installation capacity. Contract managers from both parties will be assigned to monitor progress regularly. A contract termination clause has been inserted in case of breach of contract.
Security issue for untested product within London or at the same scale as this role out	Low ▾	High ▾	Low ▾	Security of product assessed by an independent party (Sold Secure). As part of site visits an assessment was made by the panel. Supplier response to issues also assessed.
Cycle storage requirements changing particularly in regard to e-bikes, cargo bikes or other emerging technology	Low ▾	Low ▾	Low ▾	Market testing and users surveys were completed before the tender process
Unforeseen operational issues with maintenance of a new product	Low ▾	Medium ▾	Low ▾	Products were thoroughly assessed through bidder response and during the site visits with demonstrations seen of critical elements
Elements of the product not ready for assessment cannot be delivered or delayed	Low ▾	Medium ▾	Medium ▾	Assurances have been sought from suppliers regarding parts that are not yet in production. KPIs will monitor supplier performance regarding installation capacity. Contract managers from both parties will be assigned to

				monitor progress regularly. A contract termination clause has been inserted in case of breach of contract.
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8. Savings

- 8.1. No cashable savings will be made. This is because, while the doubling of the number of cycle hangars is modelled to generate an additional £156k per year from 2026/27 onwards compared to current income levels, this will be offset by increased maintenance costs (£68k). The remainder of the income generated will be required to pay back the loan funding the capital investment.

Cycle Hangar expansion - modelled costs, income and expenditure				
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9. Sustainability Issues and Opportunities, Social Value Benefits

9.1. Procuring Green

The specification ensured that due regard was given to the longevity and recyclability of cycle hangars provided by suppliers, and the ease with which they can be maintained and repaired. It is anticipated that they will have a lifespan of 20-30 years.

9.2. Procuring For A Better Society

The recommended supplier intends to employ an apprentice from the Hackney area with them offered a part-time college course mixed with on-the-job training. The Managing Director committed to mentor them and monitor their progress.

9.3. Procuring Fair Delivery

The recommended supplier intends to establish a Hackney Depot for the assembly line and is committed to using the local workforce for this and

installations. They will be paying the London Living Wage to people employed within London. They have in place policies covering equality and diversity, prompt payment, fair trade and ethical business practices.

9.4. **Equality Impact Assessment and Equality Issues**

9.5. In developing these proposals due consideration was given to the impact in terms of Equalities. The Council's overall objectives are set out in the EIA for the Hackney LIP and Transport Strategy which stress the Council's desire to see all schemes provide a high quality environment for all residents regardless of their level of mobility.

9.6. As part of this commitment, Cycle Hangars are installed in the carriageway to protect the pedestrian environment. Cycle Hangars will not be located in place of existing disabled car parking bays and have consulted with the Council's Parking Team to ensure that these proposals do not conflict with any existing disabled parking bay requests. If a request for a disabled parking space is approved by the Council's Parking team, Cycle Hangars are able to be relocated to another location on the highway.

9.7. **Social Value Benefits**

The successful bidder proposes to establish a London depot within Hackney to assemble units and manage installations. As part of this they plan to employ a supervisor, operative and find an apprentice, all based locally. They also plan to organise and promote community bike maintenance awareness evenings, with a minimum of 1 session per quarter during the installation phase. They have stated they operate Fair Working Practices and have policies to address equality and diversity, prompt payment, fair trade and ethical business practices.

10. **Tender Evaluation**

10.1. The Open Procedure was used. A clear and comprehensive service specification was established and made available to potential bidders alongside a suitable contract containing Key Performance Indicators. Minimum standards were inserted within the Selection Questionnaire, making the key requirements mandatory. A whole-life and weighted pricing schedule was prepared and tested in order to compare bids on a like for like basis.

10.2. The specification was developed based upon Hackney's experience of running hangars for the last 4 years, and was refined through market engagement via a pre-tender questionnaire, which was sent out in September 2022 to all of the known suppliers using the ProContract Web Portal, which asked a range of questions about their product range. This was used to ensure that Hackney's specification was deliverable by the

market, and incorporated the latest design developments that would maximise customer satisfaction, minimise the risk of theft, and reduce long term maintenance costs.

- 10.3. Bidders completed the Selection Questionnaire (SQ) that assessed their financial standing, professional capability and key essential elements of the proposed product.
- 10.4. Bidders meeting the requirements of the SQ had their tender documents evaluated based on a ratio of 70% quality (incorporating social value), 30% price. This weighting was seen as critically important to ensure that key functional elements, such as hangar security, and ease of maintenance - which are key to minimising the ongoing maintenance costs of looking after these hangars - could be given sufficient weighting.
- 10.5. As part of the quality scoring, site visits were undertaken to the bidders' facilities to assess their proposed products for a range of functions including security, usability and ease of maintenance.
- 10.6. The tender evaluation team consisted of the Street Operations Manager, Senior Field Service Engineer and Senior Transport Planner. Pricing evaluation was completed by the Senior Service Area Manager, Customer Services.
- 10.7. The SQ checks and due diligence were completed by the Procurement Category Manager and Procurement Officer. Financial status checks were undertaken by the procurement team in conjunction with finance.
- 10.8. 33 companies viewed the opportunity via ProContract, with 8 expressing an interest. 4 companies opted out of the Tender citing reasons as being; insufficient resources and their hangar design not being in line with Hackney's requirements. 4 companies submitted Tenders, one of which failed to meet the minimum required standards as set out in the tender documents and their bid was subsequently not assessed beyond the SQ stage.
- 10.9. **Recommendation**
- 10.10. Based on the outcome of the procurement process, it is recommended that the Cabinet Procurement and Insourcing Committee approve the award of contract to Supplier B, who delivered the Most Economically Advantageous Tender (MEAT), as stated within the tender documentation.
- 10.11. The table below sets out the final scores achieved by the suppliers whose bid was compliant with minimum requirements of the SQ.

	Bid Price	Price Score	Quality Score (inc social value)	Total
Supplier A	£3,366,249	25.58%	54.67%	80.25%
Supplier B	£3,282,342	26.23%	55.01%	81.24%
Supplier C	£2,870,100	30.00%	46.13%	76.13%

- 10.12. A summary of all interested organisations, their bid information and status is included as **Appendix 1: List of Interested Organisations (Exempt)** to this report.
- 10.13. Supplier B commits to paying all staff working within London the London Living Wage

11. Contract Management Arrangements

- 11.1. This procurement contains many similar elements to previous, smaller hangar supply contracts, and therefore the risks associated with managing this contract are well understood, and will be carefully mitigated through a suite of KPIs, which have been developed to ensure that the winning supplier's performance meets the council's aims in respect of hangar installations, and other key areas. A list of the KPIs is shown below. These will be included in the council's Contract Management System where feasible.
- 11.2. The contract will be managed by the Street Operations Manager. Analyst support as well as administration staff assistance is available within the wider Operation Team within Parking and Market Services. As a result the contract can be managed within existing resources and will be in compliance with the contract management system.
- 11.3. The Council will be responsible for collating the figures to provide reports on these KPI. These will either be reported on monthly or quarterly and discussed at quarterly review meetings with the Supplier. To add weight and emphasise the importance of meeting the KPIs, a series of services credits have been included. Where the performance falls below the targets expected, these service credits will apply and be added to subsequent invoices.
- 11.4. Dispute resolution is addressed in the council's draft contract, and includes the standard dispute resolution procedure used in our contracts for goods and services.
- 11.5. Implementation of the contract will be undertaken via a series of mobilisation meetings and specific objectives with the successful supplier. Work is already underway to identify sites for new hangars on streets with high levels of demand, which will help ensure that hangars can be installed as soon as possible.
- 11.6. No risks in relation to data collection have been identified, as the supplier will not be in possession of any customer information during the lifespan of this contract. The sharing of information will relate primarily to locations across the borough where hangars will need to be installed.

11.7. There are no TUPE implications associated with this contract.

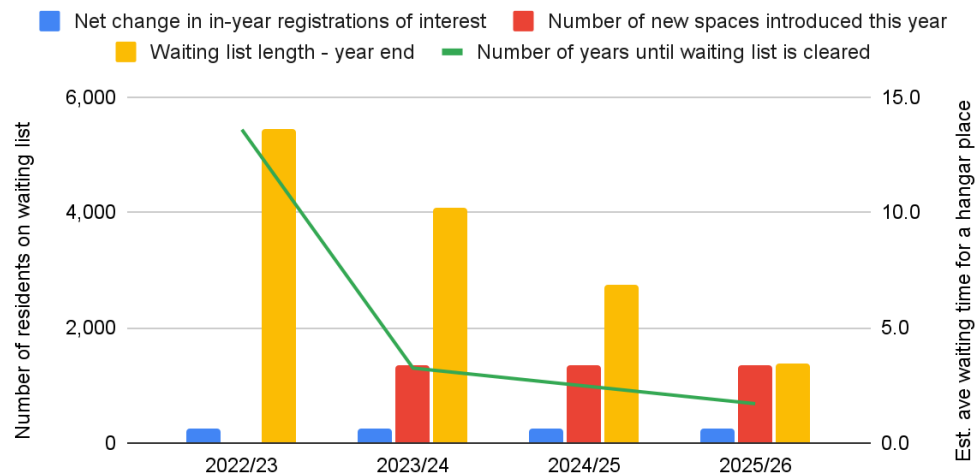
11.8. **Key Performance Indicators**

Main KPI Targets Set	Monitoring
<p>1.Cumulative installation volumes. Specifically to deliver and install a minimum of 75 Hangars per quarter, commencing in Q3, 2023/24. Target 100%</p> <p>To ensure that the Supplier delivers our target of installing 675 hangars by 31 December 2025. This will fulfil the Mayor’s Manifesto Commitment.</p>	<p>To be measured quarterly with data collected by the Council. Reported Quarterly</p>
<p>2.Timely arrangement and confirmation of installations. Pre notice of installation 2 weeks in advance and confirmation of installation within 2 working days Target 100%</p> <p>To ensure that information about future installations is shared in a timely manner and allow the Council to arrange suspensions and resourcing so that quality checking can be undertaken in a structured and efficient way.</p>	<p>To be measured monthly with data collected by the Council. Reported Quarterly</p>
<p>3. All keys (9 copies per hangar) shall be delivered to the Council within 5 working days of the installation of each hangar Target 100%</p> <p>To minimise delays in the council quality checking process and assigning of slots to users of the hangar, and frustration from residents at not being able to obtain a space in a cycle hangar shortly after its installation.</p>	<p>To be measured monthly with data collected by the Council. Reported Quarterly</p>
<p>4.Issues highlighted to hangars post installation shall be resolved within 5 working days. Target 100%</p> <p>To ensuring the hangars are initially free from defects or issues and to minimise delays in the council assigning slots to users of the hangar</p>	<p>To be measured monthly with data collected by the Council. Reported Quarterly</p>

<p>5. All orders for spare parts shall be confirmed within 2 working days and supplied within 10 working days (generic locks are to be included but locks keyed to a Hackney specific master set are excluded) of the order being placed.</p> <p>For locks keyed to the Hackney specific set, these must be supplied within 20 working days- Target 100%</p> <p>To ensure the council is able to remain sufficiently stocked with parts to undertake all maintenance required to meet the needs of our cycle hangar users.</p>	<p>To be measured quarterly with data collected by the Council. Reported Quarterly</p>
<p>6. Response to queries within 5 working days Target 100%</p> <p>To ensure the council is able to swiftly obtain responses to enquiries, which are vital to ensuring a smooth, efficient and reliable working relationship with the Provider</p>	<p>To be measured quarterly with data collected by the Council. Reported Quarterly</p>

- 11.9. The KPI targets above have been established to ensure both a smooth and efficient role out of hangar spaces to users and to ensure ongoing internal management of the hangars can be completed in an efficient and cost effective manner.
- 11.10. The targets link directly to the Labour 2022 Manifesto.
- 11.11. Contract targets will contribute to the strategic objective of meeting net zero targets and for a greener, healthier Hackney. They also feed into helping to maximise impact by seeing climate action as an opportunity to improve population health through the promotion of cycling.
- 11.12. Internally, Parking Services will monitor two key metrics. These are firstly the number of residents on the waiting list for a space in a cycle hangar.
- 11.13. The second is the average wait time between a resident joining a waiting list for a cycle hangar, and them being offered a space. This currently stands at 11 years, and is modelled to fall to 1.3 years by 2025/26.

Modelled impact of capital bid on waiting list growth and ave wait for a hangar space



- 11.14. To add weight and emphasise the importance of meeting the KPIs, a series of services credits have been included. Where the performance falls below the targets expected, these service credits will apply and be added to subsequent invoices.

12. Comments Of Group Director Of Finance And Corporate Resources

- 12.1. This CPIC report is seeking approval to award Supplier B to supply and fit new cycle hangers across Hackney. The contract will operate for up to 15 years (5+2+2+2+2+2), with the winning bidder having been assessed as offering the best bid following a competitive tendering exercise for a supplier to provide cycle hangars, together with the ongoing supply of parts.
- 12.2. It is projected that the contract will cost around £4 million in total, but because the spend is flexible, the requirements must stay within the financing ceiling.
- 12.3. The initial upfront capital needed is £2.8m which has been approved as part of the Capital spend and budget approval process, and it is funded from Directorate reserves. An estimated 675 cycle hangars will be delivered in the first 3 years.
- 12.4. There are no cashable savings because any excess earnings will go toward repairs and maintenance. The model on income and expenditure

shows there is potential for a small income surplus which is earmarked for investment back into the project.

13. VAT Implications On Land & Property Transactions

13.1. Not applicable.

14. Comments Of The Director, Legal, Democratic & Electoral Services

14.1. This Report was classified as Medium Risk and Hackney Procurement Board approved a Business Case in respect of the procurement on 13th December 2022. Paragraph 2.7.7 of Contract Standing Orders states that, in respect of procurements with a risk assessment of "Medium Risk", Cabinet Procurement and Insourcing Committee will determine the award of contracts above the value of £2m. The estimated maximum value of the contract in this Report is above £2m so therefore Cabinet Procurement and Insourcing Committee can agree the recommendation in this Report.

14.2. Details of the procurement process undertaken by officers using the Open Procedure pursuant to Regulation 27 of the Public Contracts Regulations 2015 are set out in this Report. The contract to be awarded concerns the performance of works, provision of services and the supply of goods.

15. Comments Of The Procurement Category Lead

15.1. This report provides the Cabinet Procurement and Insourcing Committee with the outcome of the procurement exercise undertaken to secure a supplier to supply, install and maintain cycle hangars across the Borough of Hackney. The service area has deployed a selection approach which has ensured that the successful supplier will not only effectively deliver the core services, but will also work with the Council to deliver wider community benefits for the people of Hackney whilst maintaining the hangars for the proposed period of 15 years.

15.2 The proposed award is supported on the basis that the recommended Bidder has submitted the most economically advantageous tender bid proposal. As detailed in the report, Bidder B has also demonstrated a clear understanding of Council's commitment to the delivery of sustainability and social value outcomes, and submitted a proposal which meets the Council's expectations in this regard.

15.3 The tender process was conducted in accordance with the Public Contracts Regulations 2015 providing an open opportunity to local and national companies to bid. A series of questions were asked to evaluate each proposal and supplier B provided the highest score in quality as well

as offering the lowest price. A member of the procurement team supported each step of the procurement exercise. Clarification questions were sent to bidders after the bid submission to certify ourselves on supplier's commitments, moderation scores were deeply scrutinised to guarantee a fair judgement, therefore, the Procurement Category Lead is satisfied with the outcome of this tender.

Appendices (Exempt)

Appendix 1 - List of Interested Organisations (Exempt)

By Virtue of Paragraph 3 Part 1 of schedule 12A of the Local Government Act 1972 Appendices to the report are exempt because they contain Information relating to the financial or business affairs of any particular person (including the authority holding the information) (being information of bidders in a confidential procurement process) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information as revealing the identity of bidders and prices submitted may prejudice best value being driven through the procurement and any commercial arrangements the Council may enter into in due course.

Background Documents

None

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