

Dear Councillor -----

Re: forthcoming PIP Board meeting . Wed 28 July 2010.

We would advise that you look closely at the matters raised in this letter, following which you might well consider, at the very least, your Council's withdrawal from this partnership, if not your actual consideration as to whether a motion to dissolve the partnership would be appropriate and should be put to the Board.

Due to a lack of any mention within the meetings themselves or any of the minutes to the same, we have been unable to identify whether you have been officially informed of the current EU investigation regarding an alleged violation of EU Directive 2004 18/EC pertaining to framework agreements. The allegation centres on the contract, awarded by WCC on behalf of PIP to Verrus UK Ltd for Pay-By-Phone services

According to said directive, all parties to such framework agreements must be unambiguously identified at the time of signing. New parties to the same cannot therefore be introduced at a later date, as was indisputably promoted by WCC as an inducement to join PIP.

With a binding provision for becoming a partner+being that all partners are equally liable, this alone would be cause for serious concern. However, it is our understanding that more complaints are going to be brought before the EU Commission in regard to PIP and WCC and that the dissolving of the partnership may stand the partner authorities in good stead with the EU Commission.

It is vital that your attention focuses on the concerns regarding Westminster City Council's (WCC) running of PIP and the clear vision of where WCC intends it to go.

We will not deny that our intensive interest in all PIP activity is fuelled by our objection to the inclusion under the Pay-by-Phone contract by WCC of motorcycles. Whilst we continue to campaign against WCC, and are equally concerned at the prospect of any other Council adopting the same, this does not detract from the aforementioned breaches of EU Procurement Directives to which you are all bound, equally & severally.

It is worth considering the attached extract below taken from your own PIP board report 6th March 2008 Item 5 Current projects paragraph 1.6

(http://www3.westminster.gov.uk/committee/index.cfm?c_docs=Partners_in_Parking_Board/2008%20Meetings/6%20March%202008) note the words "national" and policy+

• Motorcycle Policy

<ul style="list-style-type: none"> • Harmonisation of policies relating to motorcycles • Recommendations for inclusion on Borough parking plans • Identify and disseminate best practice 	<p>Islington / WCC</p>	<ul style="list-style-type: none"> • Review national and London wide policy context • Review broader transport and environmental policy context • Identify key issues in each Borough • Bench mark current policies of the Partner Boroughs to produce a consolidated policy position proposal for agreement • Identify mechanism for immobilising motorcycles
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All framework agreements procured on behalf of PIP are procured for "All UK contracting authorities" which clearly violates EU Directive 2004 18/EC. As you may appreciate PIP was set up as a regional project funded by central government to achieve regional savings, and as such WCC as the lead authority has no right to expand the partnership to all UK authorities. This is a blatant and crude attempt at the monopolisation of all UK authority parking services and is manifestly anti-competitive.

As such we ask you to vote against the PIP Management Agreement, an agreement that allows any UK authority to join PIP and was proposed by Cllr Chalkey the previous chairman at the PIP board meeting 7th Dec 2009. You will recall that in light of questions regarding this proposal, raised by previous board members, and having being briefed by ourselves, this nationwide expansion was put on hold. Cllr Archie Galloway the City Of London board member could not have put it more succinctly at the 7th December 2009 meeting when he stated "we don't want every tom dick and harry joining us, we should only be a London partnership."

Additionally, we must draw your attention to the Demand for a public enquiry <http://www.ridicule.co.uk/pip/Demand-for-a-Public-Inquiry.pdf>

Which we handed in to the Dept for Communities & Local Government on Monday 7th Dec 2009. That demand cites clear breaches by WCC and PIP of local procurement codes, local government laws and EU law and hope you will pass it on to your legal dept for their scrutiny.

Up until now you may not have been aware that the EU Commission opened a case for investigation against the UK Government on the 20th November 2008 (case No. SG-CDC-2008A-7695 --- GESTDEM 2009/5139) relating to violations of EU Directive 2004/18/EC. We believe that you should definitely be asking in your capacity as a PIP Board member why Peter Large, Mike Moore, Alastair Gilchrist together with your new Chairman why the PIP Board were not informed of the EU case. Those same people were well aware of the matter prior to the PIP Board meeting of the 7th Dec 2009.

As you are no doubt aware PIP derives its legal advice from WCC as the lead authority and we draw your attention to how badly WCC is leading PIP.

Furthermore you must also be aware that according to the partnership agreement, all partners are equally liable. There is no doubt that any competent authority would be asking why WCC and the Office of Government Commerce (OGC) elected to not tell / brief any of the partners of PIP. The only reason other members are aware of the EU Commission investigation was because the NTBPT group brought it to the PIP partner authorities attention.

| In respect of the actual framework PIP contracts please consider carefully the following:-

Pay and display

WCC not PIP awarded three contracts in 2005 to Parkeon, Solari and Zeag (see statement of decision

http://www3.westminster.gov.uk/committee/index.cfm?c_docs=Cabinet%20Member%20Decisions/Former%20Cabinet%20Member%20Portfolios/Economic_Development_and_Transport/2005/45%20-%20Parking%20Equipment%20Supply%20Contract%20-%20Tender%20Evaluation%20Result) for the provision for on street parking equipment. These contracts were signed a full 16 months before PIP was a recognised partnership (see signed partnership agreement dated 31st March 2007 http://www.ridicule.co.uk/pip/Partnering_Agreement_march2007.pdf)

WCC made an OJEU notice to tenderers on 6th April 2005 (http://www.ridicule.co.uk/pip/EU_OJEU_contract_notice.pdf) but did not continue with this process as no OJEU award notice was issued. As can be seen from the OJEU notice to tenderers it was WCC's intention to procure this contract for themselves solely and in the absence of any other evidence it would appear that no other authority had the right to utilize this contract other than WCC. Any other authority that has utilized this contract can possibly expect legal action. There is currently an OJEU tendering process that has been undertaken by London Borough of Hackney (see OJEU notice http://www.ridicule.co.uk/pip/Hackney_blunder.pdf) on behalf of PIP and this exercise has been delayed allowing the previous contract to end which currently leaves PIP with no Pay and Display contract in place. The new OJEU notice also leaves it open to scrutiny and investigation by the EU Commission as it does not clearly identify the parties to the contract and states that PIP will allow future partners who join to utilize this contract which is a violation of EU Law.

Pay By Phone

There is currently an EU Commission investigation into this contract having been instigated by an anonymous complainant. Several issues are being investigated with one being the violation of EU Directive 2004 18/EC being that the parties to the contract have not been clearly identified (see OJEU award notice http://www.ridicule.co.uk/pip/Pay-by-Phone_OJEU.pdf) WCC have stated in the notice that they are purchasing on behalf of all UK contracting authorities when clearly only a handful of London authorities whom WCC have persuaded, have joined and declared their intent. Also several authorities in PIP have gone on to utilize this contract even though

they were not members and after it was clearly awarded in breach of procurement law.

Debt Recovery Management

This contract was awarded by WCC and again an OJEU notice to tenderers was issued (see OJEU notice <http://www.dgmarket.com/tenders/np-notice.do~2020290>) but no OJEU award notice issued so no OJEU process undertaken and as can be seen from the OJEU notice to tenderers WCC stated in that notice that they were **not** procuring on behalf of other authorities and thus no other authority has the right to utilize this contract. Further to this WCC awarded this contract on a zero contract value basis (see WCC scrutiny report http://www.ridicule.co.uk/pip/Zero_cost_Contract_appendix.doc) to circumvent the proper procurement process, as the following year the contract value is stated as being £800k (see WCC Audit & performance committee report appendix D line 89

http://www3.westminster.gov.uk/committee/index.cfm?c_docs=Audit_and_Performance_Committee/2010/30%20June%202010/Item%208%20-%20Contracts%20Review%202009-10)

a clear violation of UK and EU procurement Law.

Stationery Contract

This contract was awarded by City of London on behalf of PIP and did undertake an OJEU tendering award process (see OJEU award notice <http://www.dgmarket.com/tenders/np-notice.do~5081860>). However, in the notice they state they are purchasing on behalf of all UK authorities (Regional or local authority) which is in violation of EU procurement law as the City of London / PIP have not clearly identified the parties to the contract.

We hope that bringing this to your attention will help you come to a more informed decision with regard to membership of PIP and that PIP should be dissolved as its potential to realise savings has been severely dented by the way WCC has run it and the mistakes made and that the local government officers and councillors of Westminster City Council be made accountable for their actions. It has also come to our attention that 9 of the current partners are currently and shortly will be conducting their own procurement exercises for contracts that PIP currently has in place therefore PIP is not realising a benefit for these authorities. The dissolving of PIP will allow the way for a new partnership of all Greater London Authorities to realise real benefits and savings for the residents of this city and should encompass all aspects of local authority business not just parking so that real savings can be made.

Kind regards

Graeme Jones