



17.1 **CONFIDENTIAL: CASHLESS PAID PARKING PROCUREMENT EXEMPTION**

**EXECUTIVE MEMBER:** KYLIE BENNETTS, GENERAL MANAGER, CITY GROWTH AND DEVELOPMENT

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**1. PURPOSE**

To seek Council approval to engage a provider, Duncan Solutions Pty Ltd, to deliver the Cashless Ticket Machine Upgrade Project without the requirement to undertake a public tender process.

**2. EXECUTIVE SUMMARY**

- 2.1 On 6 April 2022, Council approved the upgrade of all on-street ticket machines to remove the option of coin payment facilities. This was approved as it will provide a better customer experience through more reliable and efficient machines. It will also significantly reduce expenditure on machine maintenance and repairs for Council.
- 2.2 This report seeks Council approval on a procurement approach to implement the resolution of Council passed in April 2022.
- 2.3 Council's 501 on-street ticket machines require proprietary hardware and electronic components which can only be sourced through Duncan Solutions Pty Ltd.
- 2.4 A previous Ministerial exemption was approved by the then Minister for Local Government in October 2015 for the purposes of engaging directly with Duncan Solutions Pty Ltd, for the provision of Upgrades to Councils Pay and Display Ticket Machines. In line with the updated Local Government Act 2020 and Clause 4.3 (b) of the City of Port Phillip Procurement Policy, the proposed contract is now declared an extraordinary circumstance.
- 2.5 This report seeks Council approval to engage Duncan Solutions Pty Ltd to undertake the ticket machine upgrade work without the requirement to go to public tender.



### 3. RECOMMENDATION

That Council:

1. Approves the engagement of Duncan Solutions Pty Ltd for the delivery of the Cashless Ticket Machine Upgrade Project, noting the extraordinary procurement circumstances as identified; and
2. Authorises the CEO to implement this decision and enter into any necessary contractual arrangements with Duncan Solutions Pty Ltd.

### 4. KEY POINTS/ISSUES

- 4.1 An assessment of the current market confirms a limited number of on-street ticket machine providers in Australia. Companies such as Focus, Cale Armaguard, Skidata and Ace parking each have their own proprietary products. Council's 501 machines require Duncan Solutions Pty Ltd proprietary hardware and electronic components.
- 4.2 The hardware and parts listed below to be upgraded as a part of the change to cashless machines, is proprietary hardware owned and developed by Duncan solutions for the sole use in Councils Duncan TX Pay and Display paid parking machines.
  - Customised new Top Door
  - Customised top door Decal/Overlay
  - Contactless Card Reader
  - Blanking Plate
  - Carrier Board
  - Updated 4g modem
  - Upgraded LCD screen
  - Updated keypad (Pay by Plate)
- 4.3 As parts and hardware are not universal, no other provider can utilise their own hardware or equipment to upgrade Council's paid parking machines.
- 4.4 If another provider is engaged to undertake the upgrades (including meter configurations), they will be required to purchase all hardware and parts from Duncan Solutions Pty Ltd (at an anticipated higher fee - where those costs would then be passed on to Council).
- 4.5 During the upgrades, there may be technical compatibility issues with the current hardware left in our machines. If another provider was to undertake this work and encounter issues, they would be required to engage Duncan Solutions Pty Ltd to investigate and repair the issues which would then incur further costs.



- 4.6 Through conversations with other parking providers, there is currently no interest from the market in diversifying their respective business models to upgrade assets built and maintained by other companies.
- 4.7 Council will dedicate a resource to manage the contract with Duncan Solutions Pty Ltd with key deliverables set and monitored throughout the contract.

**5. CONSULTATION AND STAKEHOLDERS**

- 5.1 The full transition to coinless machines will take approximately 12 months; will be communicated to the community through a comprehensive Communications Plan; and is expected to deliver significant customer benefits and financial savings.
- 5.2 On 7 March 2022, the Older Persons Consultative Committee was consulted on the proposal to transition to cashless parking ticket machines. The Committee provided feedback requesting we ensure that signage is clear and that instructions on the machines are easy to follow.

**6. LEGAL AND RISK IMPLICATIONS**

- 6.1 If the project is broken into stages, it may be more expensive, and the costs of multiple procurement processes will be incurred.
- 6.2 Supply chain impacts may delay the hardware components of the project – to be managed through procurement process and in collaboration with the appointed contractor. Current lead times for materials are 3-6 months for the coin-only machines, and 2-3 months for the card payment machines. Time for converting the machines is in addition to this.
- 6.3 There is a limited market. The current supplier is the sole supplier/provider of machine upgrade parts, which may result in time delays depending on demand and supply chain status at the time of procurement. The project schedule will be carefully managed through the procurement process and in collaboration with the appointed contractor.

**7. FINANCIAL IMPACT**

- 7.1 There is an annual program budget to renew or upgrade the City's Parking Technology. The 2022-23 budget is \$200,000. This program can fund the cost of the machine upgrades and changes to enable card payments and cease use of coins.
- 7.2 Once all machines are fully upgraded and transitioned, savings of up to \$750,000 per annum are anticipated from the reduced maintenance, coin collection costs, parts purchases and call out fees. Staff time will also be saved and redirected to parking enforcement activity and parking related customer service requests.

**8. ENVIRONMENTAL IMPACT**

- 8.1 There will be a small reduction in parts to landfill and recycling once all mechanics relating to coin paths and coin validation are removed from the ticket machines. There will also be improved battery life in the machines.



**9. COMMUNITY IMPACT**

- 9.1 The transition to cashless ticket machines will improve payment options for customers and provide a more reliable service free from hardware faults and machine vandalism.
- 9.2 The financial savings resulting from this change will be available for Council to allocate as they see fit through future budget processes.

**10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

- 10.1 This project aligns to ITS Action 35 Parking Technology Renewal and Upgrade Program and supports Action 35 of the Move Connect Live Strategy to ensure the Parking Management System is renewed, upgraded and transformed.
- 10.2 The Parking Management Policy endorsed by Council in February 2020 and implemented on 1 July 2021 has the following objectives:
  - address the City’s existing and future growth and transport challenges; and
  - provide fairer and more reliable access to parking in all locations and at all times.

**11. IMPLEMENTATION STRATEGY**

11.1 TIMELINE

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Subject to the contractor’s availability and supply of parts being uninterrupted, the following timeline is planned:

Process to engage contractor:	By mid-August 2022
Works commence to transition machines	October 2022
Full transition completed	June 2023
Coin Collection contract wound up	June - July 2023

11.2 COMMUNICATION

- 11.2.1 A detailed communication plan will be prepared to advise customers of the changes; this will be delivered as part of the project.

A campaign to provide information to as many drivers as possible will include:

- information disseminated through social media, various community groups
- letter box drops to local businesses and residents;
- signage / stickers on machines;

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- Council website updates and maps;
- advice to Business Advisory /Trader groups and their newsletters; and
- recorded messages on Council phone lines.

### 12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

### ATTACHMENTS

Nil