

CONFIDENTIAL MEETING OF THE PORT PHILLIP CITY COUNCIL - 5 MAY 2021



18. CONFIDENTIAL MATTERS

The information contained in the following Council reports is considered to be Confidential Information in accordance with Section 3 of the Local Government Act 2020.

Report No.	Report Title	Confidential reasons
18.1	<i>Proposed Extension to Contract 2119 Supply, Installation and Maintenance of parking technology</i>	<i>(a) Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released;</i>



18.1 PROPOSED EXTENSION TO CONTRACT 2119 SUPPLY,
INSTALLATION AND MAINTENANCE OF PARKING
TECHNOLOGY

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1. PURPOSE

- 1.1 To recommend that Council approve a two-year extension to the current Contract (number 2119) with Sarb Management Pty Ltd (trading as Database Consultants Australia (DCA)) for Supply, Installation and Maintenance of Parking Technology.

2. EXECUTIVE SUMMARY

- 2.1 On 4 April 2018, Council awarded Contract 2119 to Sarb Management Group Pty Ltd, trading as DCA, for a for a period of three (3) years with provision for a two (2) year extension at Council's discretion.
- 2.2 This contract was put in place to support delivery of a new Parking Technology Program to introduce a range of new parking technologies to support residents and drivers with parking availability and payment options; and improve Council's ability to enforce parking restrictions.
- 2.3 During the first three years of the contract, 1500 in-ground sensors, 55 new ticket machines, signage, the PayStay application and several systems that support infringement management have been implemented.
- 2.4 In the final two years of the contract the existing systems provision and maintenance will continue, and up to 1000 new parking sensors will be installed and integrated into the current systems.
- 2.5 The estimated cost of the contract over the final two-year period is \$1,500,000 (\$1,650,000 including GST).
- 2.6 During the three-year period of the Contract, DCA has consistently achieved the contract performance requirements and the new assets (sensors and ticket machines) and systems have performed well.
- 2.7 It is recommended that the two-year contract extension be approved for the reasons outlined in sections 4.6 and 4.7 this report.



3. RECOMMENDATION

That Council:

- 3.1 Authorises the two (2) year extension to Contract 2119 with Sarb Management Group Pty Ltd (trading as DCA) for Supply, Installation and Maintenance of Parking Technology up to the value of \$1,500,000 (\$1,650,000 including GST).
- 3.2 Notes that commencing in February 2022, Officers will commence work on a new procurement process for the provision of parking technology.

4. KEY POINTS/ISSUES

Contract Background

- 4.1 In 2018, Council commenced a new Parking Technology Program to introduce a range of new parking technologies to support residents and drivers with parking availability and payment options; and improve its ability to enforce parking restrictions. This work has been delivered under Contract 2119: Supply, Installation and Maintenance of Parking Technology.
- 4.2 The procurement process, including procurement planning and market research, for this Contract was conducted over a fifteen (15) month period and in accordance with Council's Procurement Policy and the agreed evaluation plan. The tender evaluation process included detailed scoring of tender schedules, including close to 500 technical specifications, detailed scenario testing demonstrations by short listed tenderers, a request for best and final offer, referee checks, and a comprehensive financial evaluation of the preferred tenderer.
- 4.3 On 4 April 2018, Council awarded Contract 2119 to Sarb Management Group Pty Ltd, trading as DCA, for a for a period of three (3) years with provision for a two (2) year extension at Council's discretion.
- 4.4 In the first three years of the Contract period, the following technologies and assets have been delivered:
 - Pay by phone paid parking payment application (ie. PayStay) to cover all of Council's current and future paid parking areas (except South Melbourne Market) and associated signage;
 - Infringement issuing application (PinForce and licence plate recognition upgrade) and a centralised management system for reporting on infringement data;
 - Infringement images on-line capability, to enable drivers to view on-line photographs taken by Council's parking officers. This improves transparency for drivers when they receive a Penalty Infringement Notice and in turn, helps to reduce the number of parking infringement appeals submitted to Council;
 - Supply, installation and ongoing maintenance of 55 new on-street parking ticket machines installed at Fishermans Bend, Station Pier and Waterfront Place locations;
 - Provision and installation of 1500 in-ground parking sensors across the municipality to provide Council with occupancy data (to assist in parking and transport planning) and enables improved enforcement of parking restrictions.



- 4.5 In the final two (2) years of the contract the current services and systems will continue, and up to 1000 new parking sensors will be installed and integrated into the existing systems.

Contractor performance

- 4.6 The Contract Manager (Coordinator Parking Services), Manager Safety and Amenity and Executive Manager Contracts, Construction, Contracts and Operations have assessed that DCA is meeting its contract obligations and the KPIs in the Contract Management Plan, as summarised below. DCA has proven to be reliable and consistently responsive to Council feedback and requests; and has been proactive in upgrading or amending systems to meet Council's needs.

(a) Systems and software delivery obligations and quality:

All systems (such as PinForce, PayStay, Sentinel) under the contract are delivered consistently and efficiently and any issues that arise are rectified as soon as they are identified.

During the first three-year term of the contract DCA has demonstrated a high-level commitment to customer service and responsiveness to Council. For example, DCA has progressed and provided a License Plate Recognition system as part of the Pinforce Infringement Management system. This has significantly reduced the time it takes for Parking Enforcement Officers to interrogate a vehicle's details. DCA has also been very proactive in liaising with inner city councils to gather requirements for improved reporting.

(b) Asset Supply and Installation obligations

DCA has delivered all aspects of the contract implementation schedule for in-ground sensors, ticket machines and signage on time and within budget. When issues have arisen, or assets have been damaged, DCA has rectified these as soon as possible. Sensors have been performing to their specification.

(c) Occupational Health and Safety (OHS):

During the original tender evaluation, DCA completed the OH&S questionnaire in full and provided a comprehensive OH&S policy.

In the first three-year contract period DCA has demonstrated its commitment to managing the health and safety of employees in the workplace, and there have been no reportable safety incidents in relation to work conducted for Council.

(d) Financial:

DCA has delivered its obligations under the contract within the agreed budgets. In March 2021 a financial evaluation of Sarb Management Group Pty Ltd was conducted. A report by Dunn and Bradstreet confirmed that Sarb has a rating score of 2 (Low Risk) indicating sound financial capacity to undertake the contract.

- 4.7 In summary, the two (2) year extension is recommended because:

- (a) Contractor performance has been very good in the first three (3) years of the Contract, and all performance measures have been met;
- (b) The assets (sensors and ticket machines) installed under the Contract were purchased (not leased) based on a detailed financial assessment undertaken by



the Tender Evaluation Panel and based on net present value at the time of entering into the Contract. To change contractor (and therefore sensors and supporting systems) after three years would limit Council's return on investment;

- (c) There would be a significant impact on the 35,000 residents and the thousands of visitors who utilise the PayStay app as their primary payment method, which is also in place in neighbouring inner-city Councils;
- (d) DCA is a market leader in the provision of parking technologies and data systems (see 4.9 below) and capable of providing all of the integrated systems that Council requires to effectively manage end to end parking enforcement.
- (e) There is a fifteen (15) month lead time required to research, plan and run a new procurement process for parking technology and systems. Given that the contractor, and Council's new assets and systems were performing well at the 21 month mark (in Feb-March 2020) it was considered appropriate to continue with the current contract. This was particularly the case in light of the emerging Covid-19 pandemic and the focus of Council's significant investment in new systems through the Customer Experience Program.

4.8 In addition to the above, Council has benefited from DCA's willingness to share information about new technology and innovations. As a provider of services and technologies to many major organisations (eg. Brisbane City Council, Auckland Transport, and the cities of Melbourne, Yarra and Whitehorse) DCA has assisted officers in understanding the technology and systems available, how best to apply them and shared information to assist Officers with current initiatives such as the introduction of electronic permitting.

5. CONSULTATION AND STAKEHOLDERS

5.1 Specific consultation has not occurred for this proposed contract extension. However customer feedback, complaints and trends are monitored and responded to as part of day to day Parking Services operations. Feedback on Council's provision of PayStay app as a means to pay for parking has been very positive and uptake has been high.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 There are no legal or risk implications associated with the recommendation contained within this report. The ongoing monitoring and review process for Contract Number 2119 is in line with the requirements of the City of Port Phillip contracts and procurement policy.
- 6.2 DCA continues to hold the insurance requirements specified by Council: \$20,000,000 Public Liability and Information and Communications Technology Insurance, and \$5,000,000 Cyber and Data Security Insurance.

7. FINANCIAL IMPACT

- 7.1 The cost of the two (2) year extension is estimated to be \$1,500,000 (\$1,650,000 including GST).
- 7.2 These costs have been included in the draft 2021-22 Council Budget and Ten-Year Financial Plan.
- 7.3 The pricing schedule for the final two years of the contract aligns with the Contract terms, with one exception: DCA has proposed that that PayStay transaction fee of 20



cents per transaction plus 1.8% of the transaction value remains unchanged and that it will not be subject to CPI increase. This proposal has been accepted.

8. ENVIRONMENTAL IMPACT

8.1 There are no environmental impacts arising from the recommendations in this report.

9. COMMUNITY IMPACT

9.1 Parking technologies will continue to be implemented under the contract, including the further deployment of parking sensors in the South Melbourne Market Precinct and the Domain Precinct.

9.2 Continued provision of pay by phone and the PayStay application will enable drivers to comply with parking restrictions and easily pay for parking where that is a requirement.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

10.1 The Contract supports achievement of the Council Plan Strategic Direction 2: 'We are connected and it's easy to move around' and actions in the Integrated Transport Strategy aimed at implementing ... "clever parking initiatives that help manage parking supply and turnover and improve customer experience."

10.2 The Contract also supports Council Plan Strategic Direction 6 "Our Commitment to You" by improving customer experiences through technology and being innovative in the services provided.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

11.1.1 Following Council's decision, contract extension documentation will be prepared and forwarded to the contractor for execution.

11.2 COMMUNICATION

11.2.1 Following Council's decision, the contractor will be informed verbally, in advance of the contract extension documentation being forwarded.

12. OFFICER DIRECT OR INDIRECT INTEREST

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

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ATTACHMENTS Nil