

**ORDINARY MEETING OF COUNCIL
23 NOVEMBER 2009**

3	SUPPLY AND INSTALLATION OF PAY AND DISPLAY PARKING MACHINES CONTRACT
LOCATION/ADDRESS:	N/A
GENERAL MANAGER:	SUE WILKINSON, GENERAL MANAGER ENVIRONMENT AND PLANNING
PREPARED BY:	JEFF SHARAM, PROJECT MANAGER PARKING SYSTEMS
FILE NO.:	N/A
ATTACHMENTS:	N/A

1. EXECUTIVE SUMMARY

- 1.1. This report provides information for consideration of the proposed three year contract for the supply and installation of pay and display ticket machines.
- 1.2. The report recommends that Council seek the services of a third party to supply and install 211 parking machines over a three year period.

2. RECOMMENDATION

- 2.1. That Council:

Approve the proposed tender for a three year contract for the supply and installation of pay and display ticket machines.

3. BACKGROUND AND CONTEXT

- 3.1. Council's current Tendering Policy and Procedures provide that before tenders are invited for a "major contract" that a report be submitted to Council. The term "major contract" is used to describe contracts which involve a combination of the following factors:
 - a. long term;
 - b. high expenditure;
 - c. relatively high risk;
 - d. the service is a sensitive community service; or
 - e. the existing provider has been the contractor on a long term basis.Assuming tenders are advertised and evaluated, there will be a subsequent report to Council to award the contract because the contract is a major contract and the contract sum is likely to exceed the amount where a contract can be awarded under delegation.
- 3.2. Council currently has 498 pay and display parking ticket machines.

- 3.3. 287 of the machines have been supplied and installed within the last four years, located in areas of high demand for parking or where there is a need to regulate the turnover of parking spaces.
- 3.4. The remaining 211 parking ticket machines are well past their 10 year life expectancy and require phased replacement.
- 3.5. There has been an ongoing replacement program for pay and display ticket machines over the past four years. This program is required as a consequence of the age of the machines and the changes in technology over this period.
- 3.6. Currently no spare parking machines exist in storage and any damage or vandalism requires the complete removal of a machine from its location or the relocation of an existing machine to replace it.

4. STAKEHOLDERS

- 4.1. Council is currently in the second year of a three year maintenance contract with Reino International Pty Ltd (Reino).
- 4.2. Reino has a reactive and proactive maintenance schedule and is able to upgrade machines and tariffs at the direction of Council due to Council's ownership of the asset.
- 4.3. This contract is associated with Council's previous decisions to own and install the asset.

5. OPTIONS

- 5.1. Council Purchase and Installation Option (preferred)
- 5.2. Council seek the services of a third party to supply and install 211 parking machines over a three year period. This option provides Council with ongoing control of the operation, fees, maintenance and coin collection aspects of the machine.
- 5.3. This option does not compromise existing contractual arrangements with Reino.
- 5.4. Revenue Share Option
- 5.5. A third party supply and install all machines and share in a percentage of the revenue. This is a good option when there is no budget allocation or a council does not have the capacity to make an outright purchase. This option limits Council's ability to modify machines in the future and is rarely used by councils.
- 5.6. Take on Risk Option
- 5.7. Council enters into a fixed agreement with a third party and an upfront fixed payment is negotiated for generally a 5-7 year period. This option requires significant due diligence and scrutiny prior to entering an arrangement and is reliant on maintaining or increasing revenue from ticket machines during the term of the agreement.
- 5.8. Leasing Arrangement Option

- 5.9. Council lease the parking machines and the lessor undertakes maintenance and coin collection. Currently Council has contracts in place to undertake these two separate services and this option would compromise these existing agreements.

6. ALIGNMENT TO COUNCIL PLAN

- 6.1. The proposal to tender for Supply and Installation of Pay and Display Ticket Machines is consistent with the Council Plan's commitment to service by ensuring Council maintain accessible and responsive Pay and Display Ticket Machines.

7. POLICY IMPLICATIONS PLAN

- 7.1. The recommended proposal complies with all requirements set out in Council's Tendering and Contracts Policy 2009.

8. FINANCE / RESOURCE IMPLICATIONS

- 8.1. In terms of expenditure, the 2009/10 capital works budget includes provision of funds for the purchase and installation of the machines.

9. LEGAL & RISK IMPLICATIONS

- 9.1. The recommended option proposes no known legal or risk implications. The contract will be prepared by the Contracts Unit based on documentation provided by Council's solicitors.

10. IMPLEMENTATION STRATEGY

- 10.1. Timeline
- 10.1.1. November 2009 - Report to Ordinary Council Meeting, 23 November 2009 seeking approval to commence the tender process.
 - 10.1.2. December 2009 - Commence tender process.
 - 10.1.3. February 2010 - Report to Ordinary Council Meeting, 22 February 2010 to award contract.
 - 10.1.4. April 2010 - commence installation of ticket machines.

11. COMMUNICATION

- 11.1. The recommended proposal does not require an external communications strategy.

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.