



- 2.5 The tender process has been conducted in accordance with Council's procurement policy and the agreed evaluation plan. The 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.
- 2.6 A detailed financial assessment was undertaken of the tender pricing responses for both lease options and purchase options for parking machines and in ground parking sensor assets. The analysis identified the purchase option was a better financial approach based on net present value.
- 2.7 The Tender Evaluation Panel recommends Council award Council's contract for Supply, Installation and Maintenance of New Parking Technology Contract No 2119 to the preferred tenderer, DCA for a three year period, with an option to extend at Council's discretion for a further two years, commencing on 30 April 2018.
- 2.8 The estimated cost of the contract over the five-year contract period is estimated to be \$3,568,000 excluding GST, including a 20 cent transaction fee for pay by phone (totalling \$708K over 5 years). It is proposed that the 20 cent transaction fee is absorbed by Council, consistent with neighbouring Councils (City of Melbourne and City of Yarra) to maximise uptake of the pay-by-phone option.
- 2.9 Implementation of the Smart Parking Technology is planned for the six-month period from April 2018 to Sept 2018.

3. RECOMMENDATION

That Council:

- 3.1 Awards Contract No. 2119 for the supply, installation and maintenance of new parking technology to Sarb Management Group Pty Ltd, trading as DCA for a three-year period, with an option of two years at Council's discretion commencing on 30 April 2018.
- 3.2 Notes that the contract sum is estimated at \$3,568,000 exclusive of GST for the five-year period.
- 3.3 Affixes the Common Seal of the Port Phillip City Council to Contract No. 2119 between Council and Sarb Management Group Pty Ltd.

4. KEY POINTS/ISSUES

- 4.1 On 13 December 2017 Council considered a report on Smart Parking Technology options included in the Parking Technology Strategic Business Case and endorsed commencing a public tender process to procure the preferred parking technology.



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- 4.2 The report noted that following the public tender process a further report would be prepared and presented to Council in early 2018 to award the contract for the Smart Parking Technology upgrades.
- 4.3 The tender sought to procure the following:
- Pay by phone paid parking payment application to cover all of Council’s current and future paid parking areas (except south Melbourne Market);
 - Parking ‘way finding’ software to assist motorists to locate available parking opportunities within the municipality;
 - Infringement Images on-line to enable people to view on-line photographs taken by Council’s parking officers to improve transparency and potentially reduce infringement appeals;
 - 55 on-street parking ticket machines in Fishermans Bend precinct covering approximately 1,100 spaces in the Sandridge and Montague neighbourhoods;
 - 500 in ground parking sensors, to be deployed in Fitzroy Street (139), Station Pier (98), Waterfront Place (35), Carlisle Street (141) and York Street (87).
 - Infringement issuing application and centralised management system.
- 4.4 On 20 December 2017, the City of Port Phillip advertised an open tender for the Supply, Installation and Maintenance of New Parking Technology in The Age newspaper. The tender period closed at 12:00pm on 31 January 2018. Council received a total of six submissions.
- 4.5 Table 1 outlines the members of the Tender Evaluation Panel (TEP).

TABLE 1 – TENDER PANEL MEMBERS	
Name	Title
Lili Rosic, Manager Safety & Amenity, City of Port Phillip	Chairperson
John Coates, Coordinator Parking Enforcement, City of Port Phillip	Member
Dennis O’Keefe, Chief Financial Officer, City of Port Phillip	Member
Rod Apostol, Manager Business Technology, City of Port Phillip	Member
John Bartels, Coordinator Sustainable Transport, City of Port Phillip	Member

- 4.6 All TEP members signed the standard form indicating they had no conflict of interest to declare and that they would keep the tender information confidential.



4.7 Table 2 includes the tender evaluation criteria and weightings

TABLE 2 – TENDER EVALUATION CRITERIA & WEIGHTINGS	
Criteria	Percentage Weighting
Single Prime Contractor	Filter
PCI-DSS Compliance on installation.	Filter
Price	30%
Capacity to meet the requirements of the technical specification.	35%
Experience and track record	15%
Occupational Health & Safety	5%
Corporate Social Responsibility (Environmental, Social & Economic Sustainability)	5%
Quality Systems	5%
Innovation	5%
TOTAL	100%

Tenders Received and Evaluation

- 4.8 Three of the six tender submissions proceeded to detailed evaluation. One tender submission was considered by the TEP to be non-conforming because it did not comply with the mandatory specifications and therefore did not progress past the initial tender conformance assessment. The TEP sought probity advice on two tender submissions to ensure compliance with mandatory tender conditions. Based on probity advice the two tender submissions were set aside.
- 4.9 Tenderers were requested to provide pricing for purchasing and leasing options for parking machines and parking sensors.
- 4.10 Details of the initial evaluation and assessment are shown in Table 3 below. The pricing provided in Table 3 was the anticipated total cost for the full five year term of the contract for the purchase option and the lease option. The score is the initial assessment against the tender evaluation criteria.



TABLE 3 – TENDERS RECEIVED				
No.	Tenderer's Name	Purchase Price (Ex GST)	Lease Price (Ex GST)	Score (Out of 1,000)
1.	Tenderer A - set aside			
2.	Tenderer B	\$5,307,939	Not Provided	669
3.	Tenderer C – non-conforming			
4.	DCA	\$3,782,333	\$4,198,632	943
5.	Tenderer E	\$3,806,658	\$4,187,374	893
6.	Tenderer F- set aside			

Shortlist

- 4.11 Based on their evaluation scores, DCA and Tenderer E were shortlisted and invited to demonstrate their capacity to comply with key specifications, based on pre-defined scenarios, directly linked to the technical specifications in the tender.
- 4.12 Scenario testing by the two short listed tenderers was performed at Council's offices involving the members of the tender evaluation panel and three internal subject matter experts. Following the scenario demonstrations, the TEP re-scored the two shortlisted tenderers.

Preferred

- 4.13 The final weighted evaluation score of the two shortlisted tenderers is included in Table 4. DCA submitted a lower price and achieved the best overall evaluation score in comparison to Tenderer E. DCA also scored highest in the non-financial evaluation criteria and sufficiently demonstrated its capacity, relevant experience, corporate social responsibility, occupational health and safety compliance to provide the smart parking technology for Council. DCA provided the best value proposition and is the recommended contractor for the City of Port Phillip.

TABLE 4 – SHORTLIST			
No.	Tenderer's Name	\$ Price (Excluding GST)	Score (Out of 1,000)
1.	DCA	\$3,782,333*	946
2.	Tenderer E	\$3,806,658	882

*Note: The above purchase price for DCA remained the same following a request for a best and final offer.



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- 4.14 Based on forecast pay by phone transactions and costs the estimated contract cost is anticipated to be \$3,568,000 excluding GST (the transaction volumes were adjusted to align to the business case).

Capacity

- 4.15 DCA's rating is supported by its commitment to resource the contract with appropriate staffing levels, and the requisite abilities to undertake the services required by the specification. DCA demonstrated the capacity to deliver the Council's requirements in accordance with the specification.

Relevant Experience

- 4.16 DCA demonstrated its detailed knowledge of the parking industry and its significant experience in delivering parking solutions to inner city councils.
- 4.17 DCA demonstrated its past performance including the ability to meet the service levels determined in the tender specification, in depth knowledge of parking technology, and the ability to support the accuracy of parking sensor data.

Corporate Social Responsibility (CSR)

- 4.18 DCA completed the CSR questionnaire in full, submitted all requested documentation, have an environmental policy, and a social sustainability policy. DCA indicated that if required to engage further resources to undertake the work under this contract, then it would consider CSR principles.

Occupational Health and Safety (OH&S)

- 4.19 DCA completed the OH&S questionnaire in full and submitted all requested documentation including a comprehensive OH&S policy. The company demonstrated a commitment to managing the health and safety of employees in the workplace.

Quality

- 4.20 DCA demonstrated very high-quality systems, processes and overall solution development and functionality. In depth reference checks confirmed this and confirmed the company's ongoing commitment to customer service and support.

Innovation

- 4.21 DCA demonstrated their products and support are well developed and they are committed to ongoing improvement and innovation. Reference checks confirmed this, as well as their ongoing commitment to provide regular updates to all customers on system and service improvements.

Financial Evaluation

- 4.22 A comprehensive financial evaluation was conducted on the preferred tenderer. A report prepared by Council's Financial Compliance Accountant confirmed an



acceptable risk score of 6.0 indicating sound financial capacity to undertake the contract.

- 4.23 On 26 February 2018 Council requested a Best and Final Offer (BAFO) from DCA. The BAFO was returned on 28 February with no changes to the original submission.

Reference Checks

- 4.24 Reference check were undertaken from two existing local government organisations with similar requirements and both reported positive experiences in dealing with DCA. Both referees confirmed DCA's capacity to deliver high quality and responsive services, reliable products and exceptional customer service provided by an experienced management team.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Not Applicable

6. LEGAL AND RISK IMPLICATIONS

- 6.1 DCA has demonstrated their extensive experience in smart parking technology
- 6.2 DCA has satisfied the insurance requirements of \$20,000,000 public liability and Information and Communications Technology Insurance, and \$5,000,000 Cyber and Data Security Insurance.
- 6.3 A contracts representative was involved throughout the process and attended all evaluation scoring meetings and interviews to ensure all probity requirements were met.

7. FINANCIAL IMPACT

- 7.1 The expected gross cost of using the preferred contractor over the five-year contract term is \$3,568,000 excluding GST.
- 7.2 It is projected that Council will reduce parking machine and internal review costs through the implementation of pay by phone and images online.
- 7.3 Purchase and lease options for parking machine and parking sensors were compared, and based on net present value calculations, it was determined that the purchase option provided the best value for money.
- 7.4 The tender response from DCA provides the best value proposition for Council.

8. ENVIRONMENTAL IMPACT

- 8.1 Improved parking management will optimise parking access when combined with pricing policy and help with mode shift to sustainable transport alternatives.



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9. COMMUNITY IMPACT

- 9.1 Community communications on the introduction of new parking controls into parts of the Sandridge and Montague neighbourhoods of the Fishermans Bend precinct commenced on 5 March and will close on 6 April. The implementation of these parking controls will be in July 2018 and will include the deployment of smart parking technology, notably pay by space parking meters and pay by phone.
- 9.2 Pay by phone technology is expected to reduce paid parking tickets and infringements in the longer term.
- 9.3 Smart parking technology will provide the following benefits to the community:
- Improved accessibility to available car parking opportunities within the municipality, with residents and visitors spending less time looking for a car park.
 - Improved service, through access to accurate and better quality data that will enable Council officers to better understand parking demand, to plan parking supply, road and parking infrastructure.
 - Reduce traffic congestion by efficiently directing cars to available parking and better control of illegal parking.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 Strategic Direction 2: We are connected and it's easy to move around.
- Develop a Parking Management Plan as part of the Integrated Transport Strategy (ITS), and develop new policies for paid parking, on-street permits and parking provision rates for new developments.
 - Implement clever parking initiatives that help manage parking supply and turnover, and improve customer experience.
- 10.2 Strategic Directions 6: Our commitment to you.
- Improving customer experience and technology and being more innovative.
 - The technology proposed under this submission has been reviewed against the Enterprise Architecture and Information Technology Strategic Plan and is in alignment with our goals and objectives. The Business Technology Department are fully supportive of the proposed solution.
 - Investing in improving the condition, functionality, capacity and sustainability of Council assets.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

The implementation timeline is included in Table 5. These are indicative timelines and may vary slightly subject to the contractor's scheduling of works.



TABLE 5 – IMPLEMENTATION TIMELINE

Item	Timeframe
Execute Contract	30 April 2018
Infringement Devices and Central Management System	9 May to 9 August 2018
Parking Sensor Deployment	14 May to 30 August 2018
Images on-line and way finding software deployment	14 May to 30 Sept 2018
Parking Machine Deployment	18 July to 30 Sept 2018
Pay by Phone Deployment	26 July to 30 Sept 2018

12. COMMUNICATION

- 12.1 Contract documentation shall be prepared and forwarded to the contractor for execution.
- 12.2 The Contracts and Procurement Unit shall notify all unsuccessful tenderers.
- 12.3 The Contract Manager shall invite debriefs from all unsuccessful tenderers.

13. OFFICER DIRECT OR INDIRECT INTEREST

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

TRIM FILE NO: 14/01/2119

ATTACHMENTS Nil