

1.7 PARKING SERVICES TENDER

Responsible Director: Peter Panagakos

RECOMMENDATION

That Council calls for tenders for its Parking Services to have a new contract commencing 1 July 2022.

INTRODUCTION

This report proposes calling for tenders for the provision of Parking Services for the period of 1 July 2021 to 30 June 2025.

It is intended to prepare a tender for a contract of six years' duration with an option for two, two year, extensions. Tenders are proposed for advertising to allow a Council decision by May 2022.

BACKGROUND

The provision of parking services has been tendered out by Council since 1995. In 2015 Tenix Solutions was awarded a five (5) year contract with an optional two (2) year extension. The current contract will expire on 30 June 2022. During the term of the contract the ownership of Tenix Solutions was transferred to Database Consultants Australia.

DISCUSSION

The current contract provides for the following activities:

- Proactive parking enforcement
- Provision, support, maintenance and integration of parking enforcement technology including in-ground sensors and dash mounted cameras
- Infringement management services that incorporate the infringement life-cycle including issuing, reminder notices and receipt of payment
- Back of house administration of the infringement review process

Proactive Parking Enforcement

It is well understood that a lack of parking enforcement leads to poor parking behaviours that undermine road safety and the intent of parking restrictions that are in place to help motorists secure a parking space that meets their needs.

Council has tendered out its Parking Services since 1995. There are significant costs associated with the housing, recruitment, training and

replacement of staff including supervisors, parking officers and administrative staff.

On any week up to 14 officers are rostered to deliver parking enforcement over a varied spread of hours on weekdays, weeknights and on weekends. Being delivered under a contractual arrangement provides flexibility to increase or decrease the size of the workforce depending on demand. This was clearly demonstrated during periods of lockdown when the demand for enforcement was considerably reduced.

In addition to human resources, the program requires the procurement of a fleet vehicles that require on-going maintenance and have been modified to support dash mounted camera technology. Other requirements include equipment such as hand held devices, mobile phones, and IT infrastructure to support the infringement management process.

Whilst a recent cost / benefit analysis to bring the service in-house has not been undertaken this option has been considered in the past and found to be cost prohibitive. It can be confidently concluded that this is still the case.

A contractor can more readily absorb the capital costs in the provision of a service such as this, particularly where they provide services to more than one party and can distribute their running costs across a number of contracts.

Parking Enforcement Technology

The current contract provides for the installation and maintenance of in-ground sensors within activity centres. This technology has been accepted by the Monash community and now forms the basis of modern day parking enforcement. In terms of cost effectiveness and systems integrity, it is desirable that the party who delivers parking enforcement, also provides this technology to ensure compatibility with the products and solutions utilised by them.

Infringement Management System & Infringement Reviews

Infringement management systems are complex databases that must deliver a range of ever changing functionality to deliver legislative obligations and adapt to technological advances and customer expectations.

In terms of cost and functionality it is desirable that the Infringement Management System be provided under a contractual arrangement to ensure these requirements continue to be met. This will ensure compatibility with the contractor's enforcement solutions but will also obviate the need for Council procure, develop and maintain a system at considerable expense, including the additional workforce required to do so.

There are no commercial off-the shelf Infringements Management systems that can be readily integrated into Council's IT infrastructure and it is

understood that the systems currently used by other Council's, are a hybrid of document management, enforcement, finance and customer service applications.

The decision making around infringement reviews however, cannot be outsourced and this function must be conducted by a Council officer. Whilst the consideration of reviews occurs in-house, the contractor provides administrative support to receive applications, make recommendations, record review outcomes, and acts as mail house for this purpose.

Importantly, the contractors Infringement Management System is integral to this process and whilst the entire infringement review process could be brought in-house, doing so will attract all of the costs and resources required to do this, including but not limited to an increase in staff, the procurement of an Infringement Management solution, mail handling, document storage and retention, system upgrades and maintenance.

Service Enhancements

It is proposed that the tender specification will seek proposals for enhancements to services such as:

- Online service platforms with functionality for customers to manage all aspects of their fine on-line including, payments, access to photographs and submitting reviews.
- A further role out of in-ground sensors and/or the implementation of new technologies.
- Parking permit management systems – whereby virtual parking permits are issued online and enforced using number plate recognition technology giving customers control and flexibility around permits issued to them.

Length and type of contract

Given the substantial investment in technology that tenderers may be willing to invest in, the attractiveness of a longer contract may result in better offers. It is therefore proposed to extend the initial contract term from five (5) years to six years with the option to extend for a further two, two (2) year, terms to be exercised at Council's discretion.

FINANCIAL IMPLICATIONS

The retendering of the Parking Services contract provides the opportunity to renegotiate the minimum income to be generated under the contract. As a guide to the potential costs of these services, the current contract was awarded based on the lump sum tendered price of \$2,749,909 (including GST) per annum for five years, plus schedule of rates items, all subject to indexation based on a weighting of 20% CPI and 80% LPI.

CONCLUSION

Council has outsourced parking services for many years and whilst there is an opportunity to bring the service in-house, doing so would require considerable investment and recurrent costs.

It is recommended that Council continues to outsource these services and that tenders are called for this purpose.