
Award of Contract – Parking Enforcement System Software

Recommendation

That the Standing Policy Committee on Transportation recommend to City Council:

1. That the City of Saskatoon enter into an agreement with Tannery Creek Systems Inc. for the provision of parking enforcement system software and support services, subject to the terms outlined in this report;
2. That the current contract for parking enforcement system software and support services, being supplied by the Calgary Parking Authority, be extended to December 31, 2017, for purposes of business continuity; and
3. That the City Solicitor be requested to prepare the appropriate agreements and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

Topic and Purpose

The purpose of this report is to obtain approval to award a contract for the provision of parking enforcement system software and support services related to operation of the City of Saskatoon's FlexParking system.

Report Highlights

1. In June of 2017, the City of Saskatoon (City) issued a Request for Proposals for the services of an experienced parking operator to provide parking enforcement system software and support services; three proposals were received.
2. After evaluating the proposals, the Administration recommends that Tannery Creek Systems Inc., the preferred proponent, be selected to provide the parking enforcement system software service for a three-year term.
3. The current agreement with Calgary Parking Authority requires extension to December 31, 2017, in order to provide business continuity and ensure a smooth transition to the new vendor.

Strategic Goals

This report supports the City's Strategic Goal of Moving Around by developing an integrated transportation network that is practical and useful. This report also supports the Strategic Goal of Asset and Financial Sustainability by securing important revenue streams.

Background

The City's current FlexParking system was procured in 2014 and commissioned in 2015. Included in the procurement was the requirement for a software system that would link the paid session data from the terminals with the hardware (vehicle and hand-held tablets) used by the enforcement officers. This software link, currently provided by the Calgary Parking Authority, allows officers to verify vehicles in violation and conduct appropriate enforcement. The service contract with Calgary Parking Authority expired on August 31, 2017.

In preparation for a new contract to continue provision of these services, the Administration determined that procuring external support through competitive Request for Proposals was the appropriate delivery method for the project, based on a number of factors, including:

- a) there is very limited capacity of existing staff to perform the work;
- b) the requirement is for very specialized services;
- c) expected timeline of delivery is urgent;
- d) the need for this service is infrequent, so in-house expertise is limited; and
- e) the work can be most efficiently supplied by an expert vendor.

On March 27, 2017, City Council authorized the Administration to issue a Request for Proposals for these services.

Report

Request for Proposals

On June 30, 2017, the City issued a Request for Proposals on SaskTenders seeking qualified vendors to provide the required parking enforcement system software link to operate the parking system in Saskatoon. Services required and requested included:

- a) system interfacing with pay station and parking application database;
- b) uploading and hosting paid parking sessions;
- c) providing real-time infraction processing;
- d) providing effective collection of license plate data;
- e) providing relevant software support;
- f) creating tickets and capturing photographs; and
- g) managing and storing related ticket data.

The Request for Proposals closed on July 13, 2017; three qualified proposals were received:

- a) ACCEO Solutions Inc. – Saint-Laurent, Quebec;
- b) Calgary Parking Authority – Calgary, Alberta; and
- c) Tannery Creek Systems Inc. – Vaughan, Ontario.

Proponent Selection

An evaluation and ranking of proposals was based on the following scoring criteria:

- a) Previous Parking System Operations Experience – 25 points;
- b) System Reliability and Service Support – 25 points;
- c) System Integration – 25 points;
- d) Adaptability, Flexibility, and Innovation – 5 points; and
- e) Fee for Service – 20 points.

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The evaluation was completed by an internal review/evaluation committee comprised of seven members representing three divisions. The committee breakdown is as follows:

- a) Corporate Revenue Division – one member;
- b) Information Technology Division – two members; and
- c) Community Standards Division – four members.

Results of the evaluation determined that the proposal submitted by Tannery Creek Systems Inc. best met the requirements of the Request for Proposals and achieved the highest score, demonstrating the following:

- a) over ten years' experience in the parking industry;
- b) experience working for numerous municipalities across Canada and the United States;
- c) demonstrated knowledge of the City's business needs and scope of the contract;
- d) strong customer focus and service support;
- e) innovative and responsive approach; and
- f) competitive pricing.

As a result, the Administration recommends entering into a three-year agreement to begin January 1, 2018, following design, implementation, and testing with Tannery Creek Systems Inc. as the provider of the necessary parking enforcement system software and support services.

Terms of the agreement are as follows:

- a) three-year agreement with Tannery Creek Systems Inc. for the period January 1, 2018, to December 31, 2020;
- b) value of the three-year agreement is \$330,000 plus applicable taxes;
- c) deliverables of the agreement include the noted enforcement software data links, hand-held hardware for issuing citations, and applicable ongoing information technology support. Contractual payments will not begin until the system has been fully tested and displayed to function and is accepted by the City;
- d) termination of the agreement can occur due to failed performance or disregard to any of the technical deliverables necessary to meet contract obligations; and
- e) an option to renew exists for up to three one-year terms, subject to the City requiring the service, the budgetary funds existing, the City being satisfied with the service, and the parties reaching agreement with respect to the terms of any such renewal.

Current Contract Extension

The current parking enforcement software link is being provided by Calgary Parking Authority. The original contractual relationship ended August 31, 2017.

While efforts were made to ensure the Request for Proposals process was completed by the end of the original contract, negotiation with the new supplier, Tannery Creek Systems Inc., identified that an appropriate design and implementation time will require the existing vendor to offer services on a month-to-month basis, up to a maximum date of December 31, 2017. The amount of required work for testing and implementation of the new enforcement software and hardware requires this timeline. In the interest of business continuity, this will help to ensure the new system is designed and implemented in an appropriate manner.

Under Corporate Purchasing Procedure Policy No. A02-027, Section 10.2, an initial two-month extension, ending October 31, 2017, was granted under administrative authority to exceed a contract value by no more than 25% in order to maintain parking enforcement business continuity. In order to complete full implementation with the new vendor, a further two-month extension to December 31, 2017, is required by City Council under the same purchasing policy provision.

Financial terms of the agreement will see the new vendor being paid only after full testing, implementation, and acceptance. As such, approval of the extension of the current contract with Calgary Parking Authority has a neutral financial impact.

Options to the Recommendation

The award recommendation was made through a competitive procurement process involving an objective and transparent scoring and selection method. The services procured are a fundamental requirement to operating the FlexParking system in Saskatoon. As a result, no further options are offered to the recommendation of award provided in this report.

Public and/or Stakeholder Involvement

The procurement of the parking enforcement software service is for internal business needs to deliver parking services. No further public or stakeholder consultation is required.

Financial Implications

Award of the contract to Tannery Creek Systems Inc. would result in a total contract value of \$330,000, plus applicable taxes, over a three-year term. Appropriate provisions will be included in the 2018 budget, and onward, to cover this expense.

The extension of the agreement with the current vendor is valued at \$40,000, excluding taxes. This extended provision does not overlap with the new vendor which means this extension creates no increased financial implications to the City.

For contextual purposes, parking operations generate approximately \$10 million annually from paid parking, permitting, and ticket revenue. After supporting the

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expenses of operations, the remaining approximate \$8 million is directed toward general revenue to support the mill rate, repaying the vendor-financed contract with Cale Systems Inc., and supporting various programs, including streetscape improvement, Business Improvement District support, and the Community Support Officer Program.

Other Considerations/Implications

There are no environmental, policy, privacy, or CPTED considerations; a communication plan is not required at this time.

Due Date for Follow-up and/or Project Completion

With this contract in place, no further follow-up is expected.

Public Notice

Public notice, pursuant to Section 3 of Public Notice Policy No. C01-021, is not required.

Report Approval

Written by: Andrew Hildebrandt, Director of Community Standards
Approved by: Randy Grauer, General Manager, Community Services Department

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