Minutes – Executive Policy Committee – January 13, 2016

REPORTS

Item No. 9 Single Source Negotiation of Contract for the Extended Warranty Repair and Maintenance of On-line Street Parking Revenue Control System

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That a single source negotiations be approved with Precise Parklink Inc. for the exercise of the first mutually agreed upon one (1) year extension of for Extended Warranty Repair and Maintenance of On-Street Parking Revenue Control System for City owned on-street pay stations, in the estimated amount of $1,865,891.60 plus GST and MRST for the period of January 1, 2016 to December 31, 2016 pursuant to B4.1 (f) of the Materials Management Policy which states the compatibility of a supply with existing property or services is the paramount consideration and that supply is available only from a single supplier.

2. That authority be delegated to the Chief Administrative Officer to approve future single source negotiations with Precise Parklink Inc. for the exercise of a mutually agreed upon one (1) year extension for Extended Warranty Repair and Maintenance of On-Street Parking Revenue Control System for City owned on-street pay stations for the period of January 1, 2017 to December 31, 2017.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: **SINGLE SOURCE NEGOTIATION OF CONTRACT FOR THE EXTENDED WARRANTY REPAIR AND MAINTENANCE OF ON-LINE STREET PARKING REVENUE CONTROL SYSTEM**

Critical Path: **Executive Policy Committee, Council**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
D. Olson	R. Topolniski	P. Olafson	M. Jack COO

RECOMMENDATIONS

1. That the Executive Policy Committee approve single source negotiations with Precise Parklink Inc. for the exercise of the first mutually agreed upon one (1) year extension of for Extended Warranty Repair and Maintenance of On-Street Parking Revenue Control System for City owned on-street pay stations, in the estimated amount of $1,865,891.60 plus GST and MRST for the period of January 1, 2016 to December 31, 2016 pursuant to B4.1 (f) of the Materials Management Policy which states the compatibility of a supply with existing property or services is the paramount consideration and that supply is available only from a single supplier.

2. That the Executive Policy Committee delegate authority to the Chief Administrative Officer to approve future single source negotiations with Precise Parklink Inc. for the exercise of a mutually agreed upon one (1) year extension for Extended Warranty Repair and Maintenance of On-Street Parking Revenue Control System for City owned on-street pay stations for the period of January 1, 2017 to December 31, 2017

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Pursuant to the Materials Management Policy, since the estimated value of the proposed contract exceeds $1,000,000.00, Executive Policy Committee approval is required for single source negotiations without the solicitation of competitive offers.

In accordance with the Materials Management Policy B4.1(f) and the Agreement on Internal Trade (AIT) Appendix D (a) and (b), a single source/sole supplier procurement can be made to ensure compatibility with existing products, to recognize exclusive rights, and where there is an absence of competition for technical reasons.

The WPA is requesting approval for the negotiation to exercise the first mutually agreed upon one (1) year extension with the vendor in accordance with Section 10.1 of the fully executed 2015 contract.

EXECUTIVE SUMMARY

The parking pay stations operated by the Winnipeg Parking Authority require maintenance and repair. Approval for single source negotiations is required because the supplier of the parking pay stations has confirmed that only Precise Parklink Inc. is authorized to provide those services.

On April 22, 2015, the Executive Policy Committee approved single source negotiations with Precise Parklink Inc. in the amount of $1,885,314.64 plus GST and MRST for Extended Warranty Repair and Maintenance of OnStreet Parking Revenue Control System for City owned on-street pay stations, for the period of January 1, 2015 to December 31, 2015. This report is to extend that contract in accordance with the terms approved by Executive Policy Council in 2015.

IMPLICATIONS OF THE RECOMMENDATIONS

There is a financial impact of the recommendation which is included in the Financial Impact Statement.

HISTORY

On July 16, 2008, Council approved the award of a multi-year contract to Precise Parklink Inc. for the supply and installation of 671 Parkeon brand solar powered wireless on-street pay stations following Request for Proposal No. 623-2004, which was a public bid solicitation.

The WPA has used the Vendor's services for ongoing pay station communications, extended warranty, web based monitoring, web based reporting, and repair and maintenance services since purchasing the pay stations. The contract will provide for costs of the repair and maintenance, communications and extended parts exchange in the amount of $1,354,903.20 and an amount of $510,988.40 for any other required parts and services not covered under the extended warranty parts exchange program. All costs associated with this service have been included in the Agency's 2016 business plan and detailed in assumptions to the project financial statements. These annual costs have been included in previous business plans approved by Council and as such, the funds themselves have been approved through the business planning process.

The WPA has paid a monthly fee to the Vendor for a parts exchange warranty, 12 months from the purchase date of each machine. The intent of the arrangement was to ensure any major component failure costs would be covered through this warranty.

In the past, the Vendor has advised the WPA that only parts and services sourced directly from them through their local authorized repair company could be used in order to not void the pay station warranty. As such, the parts and services have always been bought directly through this Vendor via the local authorized repair company. The WPA confirmed with Parkeon, the global supplier of the pay stations, the Vendor has exclusive and sole rights to conduct all parking business on behalf of Parkeon in Canada for the next four years.

On April 22, 2015, the Executive Policy Committee approved single source negotiations with Precise Parklink Inc., in the amount of $1,885,314.64 plus GST and MRST, for Extended Warranty Repair and Maintenance of OnStreet Parking Revenue Control System for City owned on-street pay stations, for the period of January 1, 2015 to December 31, 2015. This report is in support of an extension of this previously approved contract.

A cost/benefit analysis has been included as an appendix to the Report (see Appendix A).

This purchase falls within B4. Single Source Negotiations as parts and services are used in the pay stations supplied by Precise Parklink Inc., and the vendor has advised the WPA in the past, the use of parts or services from another vendor would void the extended warranty in place for each on street pay station.

As such, it is being single sourced for compatibility reasons pursuant to B4.1 (f) of the Materials Management Policy that states:

> B4.1 (f) the compatibility of a supply with existing property or services is the paramount consideration and that supply is available only from a single supplier.

The WPA has reviewed the work with the recommended Vendor and is satisfied they have the necessary resources and experience to perform the work of the contract in accordance with the requirements of the single source negotiation.

This procurement is subject to the Agreement on Internal Trade which permits Sole Supplier Procurement in circumstances:

> To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative and where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists; (Appendix “D” (a) and (b)).

FINANCIAL IMPACT

Financial Impact Statement

Date: November 4, 2015

Project Name:

First Year of Program **2016**

SINGLE SOURCE NEGOTIATION OF CONTRACT FOR THE EXTENDED WARRANTY REPAIR AND MAINTENANCE OF ON-LINE STREET PARKING REVENUE CONTROL SYSTEM

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 2,015,163	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 2,015,163	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	2,015,163	-	-	-	-
Net Budget Adjustment Required	$ (0)	$ -	$ -	$ -	$ -

Additional Comments: The above amount represents the estimated value of the contract of $1,865,892 and estimated direct MRST cost of $149,271.

Joseph Chammartin, CGA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

Materials Management Division, Corporate Finance Department

Legal Services Department

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Winnipeg Parking Authority
Division
Prepared by: Donna Olson
Date: December 11, 2015
File No. WPA-020-2015

Appendix A:



Cost Benefit Analysis
- Online Street Parkin