COST BENEFIT ANALYSIS FOR THE EXTENDED WARRANTY REPAIR AND MAINTENANCE OF ON-LINE STREET PARKING REVENUE CONTROL SYSTEM

OPTION	***COST***	***BENEFIT***
(1) Servicing paystations through warranty program	- $1,290,384 + MRST fixed costs for repair, maintenance, parts and paystation communication costs - $602,396 + MRST estimated variable costs for paper, installation, programming, batteries and other	- Timely maintenance and parts supply for inoperable paystations decreases length of paystation outages - Scheduled preventative maintenance decreases risk of paystation outages - Total average meter revenue projected at approximately $9.2M annually - Warranty program provides lower fluctuations in expenses - Continuity of service, paystation communication and reporting
(2) Servicing paystations without warranty program	- Estimated total costs are similar but would result in higher variable costs and lower fixed costs - Potential increased costs if higher than average paystation outages occur during the year - Potential increase in paystation outages, resulting in a decrease in revenue and increase in long-term expenses, if preventative maintenance were decreased or if staff were not available to perform maintenance daily - Higher fluctuations in expenses - Potential disruption in service, paystation communication and production of reports	- Potential savings if lower than average paystation outages occur during the year - Potential short-term expenditure savings if preventative maintenance decreased

A public bid solicitation is not an option as the vendor has exclusive rights to conduct all parking business in Canada for Parkeon manufactured paystations. There could be no other bidders who would be authorized to provide the services.