Minutes – Executive Policy Committee – February 13, 2018

REPORTS

Item No. 13 Single Source Negotiation and Award of Contract for the Extended Warranty Repair and Maintenance of On-Line Parking Revenue Control System

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service:

1. That single source negotiations with Precise Parklink Inc. be approved, not to exceed $1,892,779.80, plus GST and MRST, for Extended Warranty Repair and Maintenance of On-Line Parking Revenue Control System for City owned on-line pay stations, for the period of January 1, 2018 to December 31, 2018.

2. That the City enter into, execute and deliver a contract with Precise Parklink Inc. in the amount of $1,892,779.80 plus GST and MRST for Extended Warranty Repair and Maintenance of On-Line Parking Revenue Control System for City owned on-line pay stations, for the period of January 1, 2018 to December 31, 2018 and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Contract and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

4. That authority be delegated to the Chief Administrative Officer to approve future single source negotiations with Precise Parklink Inc. to exercise of mutually agreed upon extensions for Extended Warranty Repair and Maintenance of On-Line Parking Revenue Control System for City owned on-line pay stations, in an amount not to exceed the Chief Administrative Officer's delegated award authority

5. 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 Gilroy,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 6, 2018, the Executive Policy Committee laid the matter over to its meeting on February 13, 2018.

ADMINISTRATIVE REPORT

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

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
D Olson	R. Topolniski	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The parking pay stations operated by the Winnipeg Parking Authority require preventative maintenance and repair. Approval for single source negotiations and award 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. for Extended Warranty Repair and Maintenance of On-Street Parking Revenue Control System for City owned on-line pay stations, for the period of January 1, 2015 to December 31, 2015 which included the provision for two mutually agreed upon one (1) year extensions, which have been exercised.

This report is requesting approval to negotiate and award a single source contract with Precise Parklink Inc., in the amount of $1,892,779.80 plus GST and MRST, for Extended Warranty Repair and Maintenance of On-Line Parking Revenue Control System for City owned on-line pay stations, for the period of January 1, 2018 to December 31, 2018.

RECOMMENDATIONS

1. That Executive Policy Committee approve single source negotiations with Precise Parklink Inc., not to exceed $1,892,779.80, plus GST and MRST, for Extended Warranty Repair and Maintenance of On-Line Parking Revenue Control System for City owned on-line pay stations, for the period of January 1, 2018 to December 31, 2018.

2. That the City enter into, execute and deliver a contract with Precise Parklink Inc. in the amount of $1,892,779.80 plus GST and MRST for Extended Warranty Repair and Maintenance of On-Line Parking Revenue Control System for City owned on-line pay stations, for the period of January 1, 2018 to December 31, 2018 and such other

agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Contract and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That the Executive Policy Committee delegate authority to the Chief Administrative Officer to approve future single source negotiations with Precise Parklink Inc. to exercise of mutually agreed upon extensions for Extended Warranty Repair and Maintenance of On-Line Parking Revenue Control System for City owned on-line pay stations, in an amount not to exceed the Chief Administrative Officer’s delegated award authority

5. 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 and award without the solicitation of competitive offers.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications of the recommendation as the funds for this single source negotiation and award have been included in the 2018 business plan which has been approved by Council.

HISTORY/DISCUSSION

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-line pay stations following Request for Proposal No. 623-2004, which was a public bid solicitation.

The WPA has used Precise Parklink Inc.’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 $1,290,384.00 and an amount of $602,395.80 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 2018 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 Precise Parklink Inc. for a parts exchange warranty, 12 months from the purchase date of each pay station. The intent of the arrangement was to ensure any major component failure costs would be covered through this warranty.

In the past, Precise Parklink Inc. 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 Precise Parklink Inc. via the local authorized repair company. The WPA confirmed with Parkeon, the global supplier of the pay stations, Precise Parklink Inc. has exclusive and sole rights to conduct all parking business on behalf of Parkeon in Canada for the next three years.

On April 22, 2015, the Executive Policy Committee approved single source negotiations with Precise Parklink Inc., for Extended Warranty Repair and Maintenance of On-Line Parking Revenue Control System for City owned on-line pay stations, for the period of January 1, 2015 to December 31, 2015, with two mutually agreed upon one (1) year extensions, which have both been exercised. The first mutually agreed upon one (1) year extension was approved by the Chief Administrative Officer on July 25, 2016 and the second mutually agreed upon one (1) year extension was approved by the Chief Administrative Officer on January 3, 2017.

A cost/benefit analysis has been included as Appendix A to the Report.

The WPA has reviewed the work with the Precise Parklink Inc. 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 Canadian Free Trade Agreement (Consolidated Version, 1 July 2017), which permits limited tendering (single source) under Article 513 for the following reason(s):

To ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of these goods or its representatives, [513.1(b)(v)]

This procurement is subject to the *Comprehensive Economic and Trade Agreement* (*CETA*) (30 October 2016), which permits limited tendering under Article 19.2 if the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for the following reason(s):

“due to an absence of competition for technical reasons;” [19.12(b)(iii)].

FINANCIAL IMPACT

Financial Impact Statement

Date: November 3, 2017

Project Name:

First Year of Program

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

	2018	2019	2020	2021	2022
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	$ 2,044,202	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 2,044,202	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	2,044,202	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The above amount represents the estimated value of the contract of $1,892,780 and estimated direct MRST cost of $151,422. GST is not included in the analysis above.

original signed by

Grant Heather, BA, CPA, CGA
Manager of Finance, WPA

CONSULTATION

This Report has been prepared in consultation with:
Materials Management
Legal Services

OURWINNIPEG POLICY ALIGNMENT

SUBMITTED BY

Department: Winnipeg Parking Authority
Division: Operations
Prepared by: D Olson
Date: January 8, 2018
File No: WPA-023-2017

Attachments:

Appendix A: Cost Benefit Analysis