

10.5. Tender Evaluation 12/2023 On-Street Paid Parking Meter Network

| | |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AUTHOR | Eoin Cunningham, Manager Traffic & Transport Operations |
| ENDORSED BY | Gary Parsons, Director Open Space and Infrastructure |
| ATTACHMENTS | CONFIDENTIAL – Tender Evaluation 12-2023 On-street Paid Parking Meter Network [10.10.1 - 6 pages] |
| CSP LINK | <p>2. Our Built Infrastructure</p> <p>2.1 Infrastructure and assets meet diverse community needs</p> <p>2.4 Efficient traffic mobility and parking</p> <p>3. Our Innovative City</p> <p>3.2 North Sydney is smart and innovative</p> <p>5. Our Civic Leadership</p> <p>5.4 Council services are efficient and easy to access</p> |

PURPOSE:

The purpose of this report is to provide Council with information in relation to tenders received for Tender 12/2023: the installation and management of the On-Street Paid Parking Network.

EXECUTIVE SUMMARY:

- Tender 12/2023 for the installation and management of the On-Street Paid Parking Network closed 10 October 2023.
- The tender process revealed opportunities to maintain a high level of service for greater value for money by relying on a mobile App supplemented by parking meters while also allowing for the reduction in costs to Council through reduced infrastructure, including fewer parking meters machines, and parking sensors.
- It is recommended that Council reject all tenders and enter into direct negotiations with the highest scoring tenderer to pursue the best outcome for the tender.

RECOMMENDATION:

1. THAT in accordance with Section 178(3e) of the Local Government (General) Regulation Act 2021, the Council rejects all current tenders for tender 12/2023 for the Installation and Management of the On-Street Paid Parking Network and enters into direct negotiations with the highest ranked tenderer.

2. THAT Council notes that a number of the tender submissions were non-conforming and that the highest ranked tenderer presented a solution that was markedly more practical and cost-efficient, introducing an innovative approach not previously considered.

3. THAT the Council grants the Chief Executive Officer the authority to finalise and enter into a contract directly with the highest ranked tenderer for the Installation and Management of the On-Street Paid Parking Network.

4. THAT the Council resolves that the document attached to this report be considered confidential, as per section 11(3) of the Local Government Act, due to its content being classified under section 10A(2)(d) as commercial information of a sensitive nature. Disclosure of this information could potentially harm the commercial interests of the contributing party, compromise the competitive process, and, by extension, affect the public interest by deterring future tender participation and undermining the Council's ability to secure economically advantageous agreements.

Background

In 2013, North Sydney Council awarded a tender for the upgrade, management, and maintenance of parking meters for a period of nine years. This contract was extended and is due to expire in June 2024.

From 30 June 2024, the Telstra 3G network on which the existing parking meters operate will be switched off, rendering the meter network throughout North Sydney non-operational. Due to the age of the existing infrastructure, these meters cannot be upgraded to operate on the 5G network.

Tender 12/2023 for the installation and management of the On-Street Paid Parking Network closed 10 October 2023. There were eight submissions received; five were considered non-conforming or did not meet the needs of the on-street parking network.

The tender process revealed opportunities to maintain level of service by relying on a mobile App, online platform, and parking meters, while also allowing for the reduction in costs to Council through reduced infrastructure, including fewer parking meter machines and fewer parking sensors.

On 21 August 2023 and 19 February 2024, Council staff briefed Councillors on the status of the parking meter tender, outlining the timelines and opportunities for increased value for money and decreased costs.

Rejection of submissions and Direct Negotiation

Clause 178(3) of the Regulation gives a Council six options where it either accepts none of the submitted tenders or receives no tenders. The options are:

- postpone or cancel the proposal for the contract;
- invite fresh tenders, either open or selective, based on the same or different details;
- invite fresh applications by public advertisement (clause 168) from persons interested in tendering for the proposed contract;
- invite fresh applications from recognised contractors listed by council (clause 169) interested in tendering for contracts of the same kind as the proposed contract;
- enter into direct negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender or
- carry out the requirements of the proposed contract itself.

Council's Procurement Panel advised that entering into direct negotiations would result in the best value for money outcome, as outlined in the confidential report attached to this report.

Consultation requirements

Community notification will occur to inform the community in advance of the change-over to the new system. Community notification is proposed to occur through poster coverage on the existing parking meters as well as a social media campaign.

Risk

If Council decides not to proceed with direct negotiation, the potential risks are as follows:

- the creation of an operational gap as the current parking meter network becomes inoperative from July 1, 2024, without a replacement system in place. This gap would lead to:
 - revenue Loss: a suspension of parking meter revenue, which is critically important to funding Council operations and community projects, would have a severe financial impact.
 - reputational damage: the inability to provide functioning parking meters for an extended period could harm Council's reputation among residents and businesses, negatively impacting public trust and satisfaction.
- Financial Implications of re-tendering: opting to restart the tender process would incur additional costs and extend the timeline further, exacerbating revenue losses and delaying improvements in parking services. The potential savings from re-tendering would not offset the combined costs of revenue loss, and the direct costs of conducting a new tender process.

Financial/Resource Implications

A Q3 budget allocation is necessary to cover the installation of the new parking meters and its associated systems. The details of the funds required are outlined in the Funding Requirements Table in Section 3 of the attached confidential document. The ongoing operational and maintenance costs for the new meters will be funded through parking revenue.

Existing Financial Commitments

In July 2018, Council secured financing of \$9,500,000 with repayments at a fixed rate. The financing provided for the upgrade of Alexander Street Car Park in Crows Nest (\$5million) and the upgrade of Council's On-Street Parking Management System (\$4.5million), to be decommissioned this year. The final payment of the loan is scheduled for July 2028.

Legislation

Council has called tenders and assessed tenders in accordance with Section 55 of the Local Government Act 1993.

The legislative requirements or considerations relevant to this matter are addressed in Section 377 of the Local Government Act 1993 and Section 178(3) of the Regulation.

This report is to be treated as confidential in accordance with Section 11(3) of the Local Government Act for the following reason under section 10A(2) of the Local Government Act:

(a) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business

*(b) commercial information of a confidential nature that would, if disclosed
(c) prejudice the commercial position of the person who supplied it.*