



Exhibition Place

Item No. 21

ACTION REQUIRED

June 08, 2011

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **Precise Parklink – Purchase and Services Agreements**

Summary:

This report recommends that the Board approve the purchase of nine solar powered Pay and Display parking meters from Precise Parklink. The nine meters to be purchased are refurbished, are less than 3 years old, and come with standard new equipment warranties. They are offered at a 50% discount off the previous price paid by the Board for new meters. The Board currently owns 21 similar Precise Parklink Pay and Display meters, and rents an additional nine meters from Precise on a month-to-month basis. The rental of the nine meters will be cancelled upon acquisition of the nine refurbished meters.

This report also recommends that the Board enter into a four-year Services Agreement with Precise Parklink for all 30 Precise Pay and Display parking meters owned by the Board. The service agreement covers major components Parts Exchange Extended Warranty, collection and processing of all coin and credit card payments including wireless data communication, and the provision of monthly utilization reports and audit trails.

Recommendation:

It is recommended that the Board approve the:

- 1. Purchase from Precise Parklink nine (9) refurbished solar powered Pay and Display parking meters, complete with freestanding bases and signage, at a total cost of \$78,948, excluding HST, payable in two equal payments of \$39,474 in each of 2011 and 2012; and,**
- 2. Service agreement with Precise Parklink for a period of four (4) years (2011 to 2014), on the terms and conditions outlined in this report and other such terms and conditions satisfactory to the Chief Executive of the Board and the City Solicitor.**

Financial Impact:

The projected annual expenditure of \$102,647 in the first year is provided for in the 2011 Operating Budget. The projected annual expenditure of \$106,578.95 in the second year and \$67,104 in subsequent years will be provided for in the Operating Budgets for those years.

Decision History:

At its meeting of December 2, 2005 the Board approved the purchase of 10 Pay and Display parking meters from Precise Parklink, through the Toronto Parking Authority, and a one-year service agreement with Precise for the support of the operation of the meters. At its meeting of

June 9, 2006, the Board approved the purchase of an additional 9 Pay and Display parking meters from Precise Parklink, through the Toronto Parking Authority, and for the corresponding service agreement.

Issue Background:

Precise Parklink continues to provide support and service for the Pay and Display meters on a month-to-month basis. Exhibition Place also rents from Precise, on a month-to-month basis, nine Pay and Display meters to supplement the meters that are owned. The need for the nine additional meters and accompanying support and service has been confirmed as approximately 1/3 of all public parking revenue is now collected through these automated meters (\$85,000 per meter per year). Exhibition Place has an opportunity to purchase outright from Precise Parklink nine refurbished meters at a 50% discount off the new price, and to enter into a four-year agreement at the same rates as this past year. The purchase of the meters would eliminate the need for the rental units.

Comments:

Pay and Display parking meters are used to collect approximately 1/3 of all public parking revenue on the grounds. Since their original installation in 2006, meters have been upgraded to accept credit card payment based on real time approval only, eliminating any potential for loss through the fraudulent use of cards. Credit card transactions represent 96% of all transactions at the meters. To meet the demand for parking in the two fully automated parking lots, nine meters have been rented from Precise Parklink on a month-to-month basis. Staff has determined that Exhibition Place will require the nine additional meters for the foreseeable future, and that an outright purchase will result in significant cost savings versus continuing to rent.

Meters are maintained in an “as new” condition through a parts exchange extended warranty program, and are upgraded when new improvements are introduced. This, together with the 24/7 response service from Precise, ensures minimum downtime for the meters. The support and service provided by Precise Parklink includes repair and maintenance under Parts Exchange Extended Warranty, collection and processing of all coin and credit card payments including wireless data communication, and the provision of monthly utilization reports and audit trails. The cost of this turnkey package of services, which can only be provided by Precise, is \$186.40 per meter per month, which is approximately 2.7% of the monthly revenue collected by each meter.

The purchase price of the meters, and the package of services to be provided by Precise Parklink, have been reviewed by the Toronto Parking Authority and they have confirmed that the costs are fair and within industry standards. Toronto Parking Authority owns and operates in excess of 2,500 Precise Parklink meters within the City of Toronto.

Terms and Conditions

The substantial terms of the service agreement will be as follows:

- (a) Term: Four years commencing July 1, 2011.
- (b) Pricing: Pricing for the support and service, repair and maintenance under Parts Exchange Extended Warranty, collection and processing of all coin and credit card payments including wireless data communication, and the provision of monthly utilization reports and audit trails, be fixed during the term of the Agreement.

Description	Qty	Monthly Cost	Annual Cost	Annual Cost
		Per meter	Year 1	Each Yr 2, 3, 4
Major Components Parts Exchange Warranty	30	\$ 36.40	\$ 9,172.80**	\$13,104.00
Wireless communication, coin collection, credit	30	\$150.00	\$54,000.00	\$ 54,000
Card processing, reporting and audit trail.				
Total Fixed Annual Costs			\$63,172.80	\$67,104,00

** First year parts exchange warranty included in purchase price of nine meters.

- (c) Assignment: The agreement between the Board and Precise Parklink shall not be assigned by Precise Parklink without the consent of the Board.
- (d) Insurance/Indemnity: Precise Parklink shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days notice of any intention to cancel or not to renew the policy. Precise Parklink shall indemnify the Board and the City of Toronto with respect to any and all liability arising from any damage or injury as a result of the negligent acts or omissions of Precise Parklink, or its employees or any other person for whom it is in law responsible, in the supply and quality of the equipment.
- (e) Union Obligations: Precise Parklink shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.
- (f) Early Termination: The Board will be entitled to terminate the service agreement without cause and without penalty on thirty (30) days prior notice.

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Submitted by:

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