

# HALIFAX

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**Item No. 15.1.4**  
**Halifax Regional Council**  
**May 21, 2019**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by   
\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** April 24, 2019

**SUBJECT:** Award – RFP# 18-335, Integrated Parking Technology Solution

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## **ORIGIN**

Approved Capital Budgets – 2019/20.

## **LEGISLATIVE AUTHORITY**

79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if

(a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;

The recommended contract award complies with the pre-requisites for awarding contracts as set out in section 34 of Administrative Order 2016-005-ADM, the *Procurement Administrative Order*.

Section 36 of the *Procurement Administrative Order* provides that Halifax Regional Council may approve contract awards of any amount.

HRM Charter, Section 111(5), The Municipality may enter into a lease, lease-purchase or other commitment to pay money over a period extending beyond the current fiscal year, if, where the total commitment exceeds five hundred thousand dollars, the proposed commitment has been approved by the Minister.

**RECOMMENDATION ON THE NEXT PAGE**

## RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Award RFP #P18-335, Integrated Parking Technology Solution to the highest scoring proponent, Cale Systems Inc., in the amount of
  - a. **\$2,108,888** (net HST included) with funding from Project No. CI990031 Parking Technology, as outlined in the Financial Implications section of this report and
  - b. **\$33,567** (net HST included) for subscription fees, support and maintenance fees for each month of operation as outlined in the Financial Implications section of this report.
2. Direct the CAO to execute a contract with Cale Systems Inc. for a five (5) year period and including options to renew annually for a maximum of fifteen (15) additional years as per the RFP, with commercial terms that are satisfactory to the CAO and Director of Legal Services.

## BACKGROUND

The Parking Technology Solution Project (PTSP) is a strategic Business Tools program that is focused on modernizing how parking services are delivered to citizens and visitors to the municipality. The vision for parking services in the Halifax Regional Municipality is: *“to optimize parking as a service component of mobility in Halifax contributing to the livability, economic health and accessibility of the city”*.

The PTSP was conceived as a result of the Parking Roadmap that was developed in 2015. Building on key directions outlined in the road map as well as inputs from the Parking Technology Opportunity Assessment and more recently the Integrated Mobility Plan, staff developed a comprehensive set of business and technical requirements to inform the development of an RFP to procure an integrated parking technology solution.

The proposed integrated parking technology solution is comprised of the following components:

- **Hardware Technology** – (pay by plate parking digital pay stations) that will be deployed through the Regional Centre to support on-street parking services. The Municipality plans to procure 240 pay stations. The pay stations will replace the existing 1400+ mechanical parking meters. The hardware will be owned and maintained by the Municipality once deployed;
- **Cloud Based Parking Applications** – to meet the Municipality’s business requirements, an integrated suite of parking software solutions will be procured and integrated. The software technology will be in the form of Software as a Service (SaaS) and will be hosted in Quebec, in compliance with National and Provincial privacy standards. The solution software will be hosted, managed, administered and secured in the vendor’s data center. This service will include the back-end management of the pay stations, enforcement and mobile application. It will also include a customer-facing portal to purchase and manage permits and pay parking tickets;
- **Hand-Held Parking Enforcement Technology** – ruggedized mobile digital technology that will be used by Compliance Officers to monitor parking compliance in the Right of Way. The Municipality intends to procure 20 hand-held enforcement device ensembles (device ensemble consists of a hand-held enforcement device, blue tooth printer and carry case/strap). The Municipality will pay annual service fees to maintain the hand-held technology.

## **DISCUSSION**

In the first quarter of 2018/2019, staff developed a comprehensive suite of business and technical requirements to support Parking Services for the Municipality. Staff subsequently developed a comprehensive RFP to procure an Integrated Parking Technology system.

RFP 18-335, Integrated Parking Technology Solution was publicly advertised on the Nova Scotia Public Tenders portal on July 10<sup>th</sup>, 2018 and closed on August 24<sup>th</sup>, 2018. At closing, the Municipality received five (5) proposals as follows:

- ParkPlus
- MacKay Meters
- Cale
- Precise ParkLink
- T2 Systems

The evaluation process was facilitated by Procurement and included business staff representation from Parking Services (TPW) and Business Compliance (Planning and Development). Technical staff representation on the evaluation team included members from Information and Communication Technology Services. Per the requirements of the RFP, technical proposals were scored and two (2) proponents were short-listed to present to the committee. After presentations were evaluated, each proponent was invited to submit a best and final technical and cost proposal based on a commercial confidential meeting with representatives of the evaluation committee. Best and Final Offers were evaluated by the committee based on the criteria stated in the RFP per Appendix A – Evaluation Scoresheet. The total scores for the short-listed proponents are as follows:

Proponent:	Score (max 1000)
Cale Systems	811
Mackay Meters	746

After the scoring of the best and final offers, staff entered into negotiations with the highest scoring proponent, Cale Systems under the advice of Procurement and Legal Services. Contract negotiations are substantially complete.

Through project progression, the number of pay stations required were increased by ten (10) and some value-added services not included in the original RFP or evaluation resulted in an increase in total cost of ownership.

Key outcomes of the negotiation process will include:

- Agreement on a comprehensive set of specifications for the delivery of the Integrated Parking Technology Solution.
- Agreement to procure 240 “Pay by Plate” Pay Stations to be deployed throughout the Regional Centre. The pay stations will be ADA (Americans with Disabilities Act) compliant and meet standard accessibility requirements.
- An affordable user convenience fee for use of the Mobile Payment App on a per transaction basis. This approach differs from the current private parking meter mobile payment model which requires the user to maintain a digital wallet as well as monthly/annual subscription fees.
- Provision of rate and tariff configuration at no cost to the Municipality.

## **FINANCIAL IMPLICATIONS**

The highest scoring proponent's cost for implementing the Integrated Parking Technology solution is

**\$2,022,216** plus net HST of **\$86,672**, for a total of **\$2,108,888**. Funding is available in the approved Capital Budget from Project No. C1990031 - Parking Technology. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. C1990031 – Parking Technology</u>	
	Cumulative Unspent Budget	\$4,489,841
	<b>Less: RFP No. P18-335</b>	<b><u>\$2,108,888</u></b>
	Balance	\$2,380,953

The balance of funds will be used for project planning, preparation, integration with external information systems, public awareness, change management and communications, business process and infrastructure improvements, signage, implementation and operationalization of Parking Services.

The total subscription, support and maintenance fees to the municipality for five (5) years is **\$1,931,220** plus net HST of **\$82,772** for a total 5-year cost of **\$2,013,992** with funding from *ICT Operating Account A732-6399 (Business Application Management – Contract Services)*. This equates to **\$33,567** per month for the five-year period. Subscription fees relate to costs associated with the management of the Software as a Service (SaaS) solution.

The subscription fees for the first partial year of operation (est. five months) with funding from the ICT 2019/2020 operating budget is estimated to be **\$167,835**. This may be prorated further depending on project start. Funding for future (Years 2 through 5) subscription fees and support and maintenance will be included in the proposed Operating Budget for each applicable fiscal year, starting in fiscal 2020-21; and over five years of the Integrated Parking Technology Solution.

Funding for option years will be subject to performance and operational review and if in the best interest of the Municipality will be included in the proposed Operating budget for the applicable fiscal year.

**RISK CONSIDERATIONS**

Staff have identified several risks associated with the recommendations in this report. The risks considered rate: **MODERATE**. To reach this conclusion, consideration was given to the risks associated with the recommendation and alternative:

<b>Recommendation: Approve Award for new Integrated Parking Technology Solution</b>					
<b>Risk Area</b>	<b>Details</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Level</b>	<b>Mitigation</b>
Service Delivery	Transition from legacy technology to modern technology may result in some minor service impacts as pay stations are deployed.	Possible	Minor	Low	Deploy pay stations on a street by street basis. Decommission legacy parking meters in sequence with pay station installation. Support enforcement staff through training. Detailed communication plan to communicate changes as the progress with residents.
Public Adoption	Change and adoption of new digital technologies for on-street parking has the potential to impact customer experience.	Certain	High	High	Launch a comprehensive public awareness campaign. Deploy demonstration pay stations at key public locations/events to allow the public to “try out” the new technology.

<b>Recommendation: Approve Award for new Integrated Parking Technology Solution</b>					
<b>Risk Area</b>	<b>Details</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Level</b>	<b>Mitigation</b>
Public Adoption	Concern may be raised related to current mobile payment provider and transition to new mobile payment provider.	Likely	Moderate	Medium	Plan and schedule key communications related to external payment services offered by third party. Work with third party provider to align communications during the change period.
Reputation	Transition from pay by space to pay by plate model may present challenges to the public.	Possible	Moderate	Medium	Launch a comprehensive public awareness campaign. Deploy "street teams" to meet with the public and support the transition to new parking methodology as pay stations are being deployed.
Implementation Schedule	Timeliness to initiate and advance preparations for pay station deployment. There will be a short window to ready the public, Municipality and install and operationalize the pay stations and associated business processes before winter weather impacts the launch.	Possible	High	Medium	Clearly plan for and execute critical path activities. Engage additional project resources (e.g. Business Analyst) to complete task items in parallel. Actively engage dependency third parties to ensure their delivery schedules align with the project. Operationalize the software solution and deploy as many pay stations as possible. Possible mitigation would be to install any remaining pay stations in the Spring.

**ENVIRONMENTAL IMPLICATIONS**

The pay-station technology that will be deployed will be battery-operated and will utilize solar technology for battery charging. This approach will negate the need to "hard-wire" the pay stations for power as the units are highly energy efficient and will result in a low carbon footprint for the Municipality.

**ALTERNATIVES**

Council could choose not to award this RFP. The alternative is to continue to use the existing parking systems and technology. The systems and technology are aging and, in many cases, no longer supported or at end of life. The existing systems are not integrated and require significant manual effort by the Municipality to maintain. The knowledge and subject matter expertise for these systems are lacking. The technology (mechanical parking meters) are almost 30 years old and do not have the ability to digitally connect to a parking management information system. Integration with external systems (SAP, Registry of Motor Vehicles, and Department of Justice) is rudimentary and limits the Municipality in its ability to proactively deliver parking services and enforce compliance.

If Council chooses not to award this RFP it will postpone delivery of new functionality and associated benefits including:

- Centralized parking service management supporting parking legislation and policy, parking equipment maintenance and parking business support.
- Deployment of modern parking technology to make parking management more effective and convenient.

- Improved permit management system reducing wait times for customers.
- Establishment of street parking priorities giving higher priority to space on street for movement of emergency & service vehicles, accessible parking, and goods movement as opposed to all-day commuter parking.
- Integration of existing parking spaces with other mobility considerations supporting new opportunities for street and land use while balancing the importance of parking to residents and businesses of an area.
- Ensuring appropriate parking supply that is accessible and safe, supports local businesses, institutions, and tourism while encouraging residents to consider alternate transportation options promoted in the Integrated Mobility Plan.
- Improvements to parking enforcement processes through modern and reliable technology that is efficient and provides relevant data for making informed parking decisions.
- Building parking management strategies that optimize performance and utilization of the parking supply while influencing travel behavior.

Not replacing the legacy Municipal parking technology means accepting a significant business and technology risk.

## **ATTACHMENTS**

Appendix A – Evaluation Scoresheet (BAFO)

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Victoria Horne, Parking Services Program Manager  
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Report Approved by: Original Signed by   
Brad Anguish, Director, Transportation and Public Works, 902.490.4855

Original Signed

Procurement Review: \_\_\_\_\_  
Jane Pryor, Manager, Procurement, 902.490-4200

Report Approved by: Original Signed by   
Jane Fraser, Chief Financial Officer, Director of Finance, Asset Management, and ICT

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**Appendix A- P18-335 BAFO Evaluation Scoring Results**

<b>Evaluation Criteria</b>	<b>Subsections</b>	<b>Max Score (Points)</b>	<b>Cale Systems</b>	<b>Mackay Meters</b>
Executive Summary	1.1 Summary of Proposed Solution 1.2 Summary Implementation Approach 1.3 Key Challenges and Opportunities 1.4 Proponent Value Proposition of Proponent	5	3.66	3.37
Understanding of Requirements	2.1 Understanding of the Municipality's Needs 2.2 Attention to Relevant Challenges	40	30.38	29.09
Corporate Capability	3.1 Corporate Overview 3.2 Market Commitment & Solution Roadmap 3.3 Market Presence 3.4 Contracting Arrangements 3.5 Corporate Capacity 3.6 Corporate Capability of Sub-Vendors	40	34.21	30.58
Parking Solution Implementation Experience	4.1 Proven Capability 4.2 Demonstrated History of the Proposed Team 4.3 Project References	40	31.55	29.26
Ability to Meet Solution Requirements	5.1 Business Requirements Response 5.2 Technical Requirements Response 5.3 Technical Questions Response	330	251.32	259.96
Proposed Project Team	6.1 Project Team Structure 6.2 Project Team Experience 6.3 Project Resource Management	40	28.72	27.74
Project Delivery Approach	7.1 Project Management Approach 7.2 Business Process and Best Practices 7.3 Risk Management 7.4 Quality Assurance 7.5 Scope Change Control 7.6 Vendor Management	15	9.61	8.94
Solution Implementation Approach	8.1 Overview of the Solution Implementation Approach and Methodology 8.2 Implementation Strategy 8.3 Solution Integration Approach 8.4 Work Plan, Schedule & Milestones	150	103.08	95.84

Evaluation Criteria	Subsections	Max Score (Points)	Cale Systems	Mackay Meters
	8.5 Data Conversion and Migration Strategy 8.6 Knowledge Transfer 8.7 Training & Documentation 8.8 Municipality Level of Effort Required 8.9 Project Deliverables 8.10 Technical Assumptions			
Solution Operational Sustainability	9.1 Service Level Agreement 9.2 Warranty	10	7.94	7.47
Added Value	10.1 Proponents Value Proposition 10.2 Added Value Proposed by Proponent	30	23.11	22.83
Oral Presentation and Solution Demonstration	Shortlisted proponents will be provided with a framework and instructions in advance of the oral presentation and demonstration.	50	38.05	36.1
Financial Proposal	1.1 Financial Summary 1.2 Solution Implementation Cost 1.3 Equipment and Technology Cost 1.4 Solution Subscription Fees 1.5 Solution Support and Maintenance Fees 1.6 Transaction and Usage Fees 1.7 Solution Consumable Costs 1.8 Equipment Cost - Maintenance Spares 1.9 Other Solution Implementation Costs 1.10 Equipment and Technology per Unit Cost 1.11 Mobile LPR Cost 1.12 Professional Services Rate Table 1.13 Payment Schedule – Solution Implementation 1.14 Use of Digital Wallets for ePayment 1.15 Financial Assumptions	250	250	194.46
<b>TOTAL</b>		<b>1000</b>	<b>811.83</b>	<b>745.64</b>
	<b>5-Year Life Cycle Cost Including Net HST at Time of BAFO</b>		<b>\$3,566,996</b>	<b>\$4,359,478</b>