

IRO-3566

12 August 2013

Greg Bodnar
c/- FYI.org
(Emailed- fyi-request-1029-fcbc@requests.fyi.org.nz)

Dear Mr Bodnar

Decision on information request about update to Wellington City Council Elected Members re - Parking technologies

Thank you for your emailed request to Wellington City Council on 26 July 2013. I am the officer who is managing your request and advise that your request has been granted and for no cost at this time.

You have asked for a copy of the parking update that was emailed to elected members as referenced in an online stuff article dated 26 July 2013.

Please find enclosed a copy of the information.

Yours sincerely



Deborah Howse
Manager - Issues Resolution Office
Ph: 04) 803 8341
Fax; 04) 801 3048
Deborah.howse@wcc.govt.nz



24 July 2013

Dear Mayor and Councillors

Councillors had expressed interest in the re-tender of the Parking Services contract. Officers have undertaken a Request for Information (RFI) for Parking Services. It noted that Council was "*undertaking a process to test and identify outsourcing costs*". An RFI is a process that enables Council to gather broad information from the market to enable informed decisions about procurement and service delivery options.

The RFI has been concluded and generated a positive response from the market. The key findings are:

- Continued innovation in technology for parking services. Pay-by-phone options should increase customer service while improving payment and compliance. On-line permitting will make it easier for customers and staff to renew permits.
- Potential improvements to customer service delivery.
- That there is a competitive market for the services.

Regional Shared Services options have been considered. Wellington City with more than \$16 million in on-street parking and permit fees (not including infringements) has a greater emphasis and criticality on managing parking turnover than the other centres. Council also has at least 5x the volume of parking infringement transactions of Hutt and Porirua. There are probably no savings in on-street parking wardens from shared services. There are potential synergies in back-office ticket processing that can still be explored, including if these are contracted.

In terms of "*testing outsourcing costs*" the market appears sufficiently competitive to deliver value-for-money from outsourcing these services. There is still some variability in the indicative pricing received through the RFI particularly for the back-office ticket processing which can be addressed by proceeding to a RFP where this can be tested further.

There is both financial and performance risk around developing the back-office parking enforcement processing systems in house or in attempting to scale the system of another council through a shared service arrangement. Council would be unlikely to deliver the on-street services at a lower cost. There is no evidence that service levels would be markedly different in either scenario. While there are some aspects that can be improved, current contract outcomes in relation to customer compliments/complaints and measures relating to enforceability and collection of tickets are favourable.

The potential biggest opportunities for Council (in terms of better options for customers, revenue increases and cost reductions) come from new technology options; which would be more readily realised from proceeding to procure all the services.

At this stage, officers propose to proceed to RFP in August 2013. (Our aim is to recommend a preferred option to the Council in December 2013.) We have discussed our work to date and next steps with Councillor Foster as Transport Portfolio Leader.

The RFP process means there is still opportunity to optimise the solution; including the ability to in-source should there be a change in the competitive market. Some additional work on the risks associated with developing an in-house / shared service solution is being undertaken and will be taken into account.

Any resulting contract(s) will continue to emphasise traffic safety, managing congestion, parking turnover and customer service. The following enhancements will also be implemented:

- More direct control exercised by Council over customer service;
- Improved on-street presentation based on consistent Council branding and representation;
- Trigger points for reducing costs as technologies are implemented, shared services changes etc.

Any questions please contact me or Philip Simpson, Project Manager
philip.simpson@wcc.govt.nz or telephone 027 4830877.

Regards
Jane

Jane Hill
Manager, Community Networks and Chair, Parking Services Project Steering group