



Report to: General Committee

Meeting Date: October 8th, 2024

SUBJECT: Award of Contract 182-S-24 Pan Am Centre Parking Control System
PREPARED BY: Colby Brygidyr, Ext. 2678
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RECOMMENDATION:

- 1) THAT the report entitled “Award of Contract 182-S-24 Pan Am Centre Parking Control System” be received;
- 2) THAT the contract 182-S-24 Pan Am Centre Parking Control System (One time – equipment acquisition and installation, implementation, training) (Recurring – subscription service, warranty / preventative maintenance cost for Year 1) be awarded to Loco Mobi World in the amount of \$264,763.79, inclusive of HST; and,
- 3) THAT staff be authorized a Cash Allowance to cover integration with existing Markham systems, testing & inspection, and internet set up, at a cost of \$50,880.00 inclusive of HST to support the project implementation; and,
- 4) THAT staff be authorized a Cash Allowance for maintenance (emergency repairs, ticket material, spare parts) at a cost of \$66,144.00, inclusive of HST for the first year; and,
- 5) THAT a contingency be approved in the amount of \$38,178.78, inclusive of HST, equivalent of 10% of total capital cost, be established to cover any additional project costs, and that authorization be granted to approve expenditures of this contingency amount up to the specified limit in accordance with the Expenditure Control Policy; and,
- 6) THAT the capital costs in the amount of \$419,966.57 (\$264,763.79 + \$50,880.00 + \$66,144.00 + \$38,178.78), inclusive of HST be funded from capital project account 056-6150-22329-005, with an available budget of \$758,748.; and,
- 7) That the remaining budget of \$338,781.86, inclusive of HST be returned to the original funding source at the close of the project.
- 8) THAT the contract for software and license, ongoing support and maintenance costs for Year 2 to Year 5 (4 years) be awarded to Loco Mobi World in the amount of \$356,593.50 inclusive of HST be funded from the operating budget, subject to the adoption of the 2026 and future operating budgets in the negotiated annual amounts noted below, to be offset by paid parking revenue:
 - Year 2 - \$88,398.91
 - Year 3 - \$88,856.83
 - Year 4 - \$89,378.86
 - Year 5 - \$89,958.89
 - Total - \$356,593.50

- 9) THAT the Chief Administrative Officer and Commissioner, Corporate Services be authorized to approve execute any required documentation in a form satisfactory to the City Solicitor; and,
- 10) THAT the tendering process be waived in accordance with Purchasing By-Law 2017-8, Part II, Section 11 Non-Competitive Procurement, item 1 (g) which states “where it is in the City’s best interest not to solicit a competitive Bid;” and,
- 11) THAT Loco Mobi World be designated as the preferred vendor for the City’s Pan Am Centre Parking Control service needs at the sole discretion of the City for the term of the five-year contract; and,
- 12) THAT the Chief Administrative Officer and Commissioner, Corporate Services be authorized to approve any new purchases related to this contract needed due to growth and/or future Pan Am Centre parking control upgrades due to change in technology or system integration with other applications related to the project during the term of this contract, subject to the Expenditure Control Policy and budget approval; and further,
- 13) THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain approval to award the contract 182-S-24 - Pan Am Centre Parking Control System.

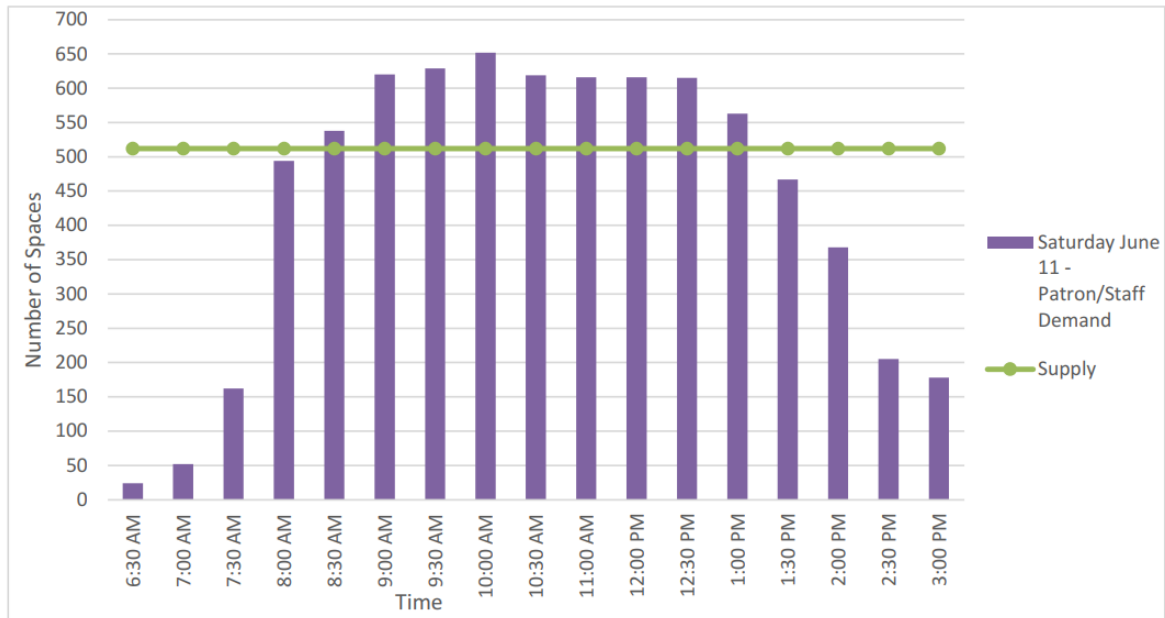
BACKGROUND:

Over the next number of years, the demand for parking at the Markham Pan Am Centre (Pan Am) on the adjacent site is expected to substantially increase, due to the opening of York University’s Markham Campus and growth in students and faculty, and continued pressure on parking related to Bill Crothers High School. The City needs to ensure that parking at Pan Am remains available for community users and large regional sport competitions.

In anticipation of this, the Sustainability and Asset Management (SAM) and Recreation Departments obtained Council approval in 2022 for a Pam Am Parking Control project for a Consulting Design Study (\$124K) and the equipment, construction, and installation for a gated parking control system (\$704K). After consulting costs for the study, a budget balance of \$758K remains in the project. The intent of the consulting design study was to:

1. Study the Pan Am facility use and determine if a parking control system was required, and if so,
2. Recommend the type of system and design for a parking control system for tender and construction.

Figure 5-5: Saturday Event Parking Demand Survey Results



The study examined parking data for large events at Pan Am. The chart above shows hourly parking spot demand for Saturday, June 11, 2023. It illustrates that on large event days, the lot fills up quickly (by 8am) and demand exceeds the available parking supply of nearly 500 spaces by an average of 40-50 cars per hour for the event’s duration, with a max of 150 cars unable to find parking during the event peak times.

The study determined that during large events that occur at Pan Am, the parking spot supply capacity is not sufficient to accommodate the number of cars attending those events.

Available parking spaces for events would be further compromised if York University/Bill Crothers staff and students were able to park at Pan Am during these events. With event attendance levels and frequency of events increasing, including many now scheduled for weekdays, the study recommends that a gated parking control system is required to control the lot.

Parking at the new York University campus is very limited, and focused on meeting accessibility needs. The Remington Group, with support from the City, has constructed a new lot with 900 parking spots to the west of the campus and has partnered with the University to integrate with their existing parking payment system to create a designated lot for University staff and students.

Ensuring that parking at Pan Am is available for our local community programming and large competitions it hosts is the key focus of this project. A gated parking control system will allow the City to reserve parking stalls for Pan Am users, and divert other users to the nearby Remington lot.

The City’s consultant conducted a market review of a number typical/traditional parking lot control vendors and suppliers including Honk Mobile, Skidata (Precise Parklink), and Hub Parking Technology. With these systems in mind, the City’s consultant attempted to find a design that would be flexible enough for Pan Am Staff and users to meet their varied needs. Unfortunately, our consultant was unable to source a system or supplier that would meet the

City's requirements, including a high degree of flexibility to simultaneously accommodate the various users.

Coincidentally, the consultants retained by the City's Engineering Department to develop the Citywide Parking Strategy, identified a company that they considered to be very leading edge in the parking technology space, and that potentially offered a solution to address the challenges related to Pan Am parking. Staff subsequently set up a meeting with Loco Mobi World (LM) to explore their solutions.

Loco Mobi is a five year-old Canadian company that has innovated parking and vehicle access control systems to be touchless, frictionless, and seamless, using artificial intelligence. Their systems have been embraced by several Ontario municipalities to address demands for flexible and innovative parking, traffic management, security, and safety.

LM is a cloud based, gated parking system, which uses license plate recognition to enhance patron experience. New, or infrequent visitors take a ticket and have their license plate scanned on entry from the entry terminal, and when they are leaving, they pay for parking at the exit terminal, or lobby pay station. No paper receipt is required for Permit holders. Fleet vehicles and Staff member license plates are recorded in the system, allowing them to enter/exit, automatically opening the gate(s). The system offers flexible features that allow for daily or regular permit parking, establishment of rate schedules, event-specific parking and facilitation of carpooling.

OPTIONS/ DISCUSSION:

Staff met several times with LM to understand their technology, their company and whether their solution could work for Pan Am. These meetings included detailed information of the system, parking user experience and administrative requirements.

Staff also made a site visit to see the LM system which is in use at the Scarborough Pan Am Centre in Toronto. They were able to inspect the hardware and test out the system. The Scarborough Pan Am Centre has an early version of the system the City proposes to purchase. LM has continually improved its technology for a better user and operator experience. Scarborough Pan Am staff have found the system to be very user friendly and operationally flexible, and users are very pleased with its performance, most particularly, the convenience and efficiency that the license plate recognition offers.

At the Scarborough Pan Am Centre, the first two hours of parking are free. On arrival at the parking lot entrance gate, the system scans the license plate, issues a ticket and opens the gate. If a patron leaves prior to the first two hours, the system will recognize that and automatically open the exit gate after scanning the plate as the exit is approached. For a stay longer than two hours users may pay at the kiosk in the building lobby and the system will recognize and open the exit gate, Payment can also be made at the exit gate kiosk.

Based on the detailed demonstrations and meetings with Loco Mobi World, information from other municipalities which have procured the same system, and the firsthand experience from the Toronto Pan Am Centre, City Staff are recommending to proceed with procurement of the Loco Mobi system on a sole-source basis, in compliance with the Purchasing Bylaw.

Staff are recommending that a price be placed on parking at Pan Am to act as a disincentive to abuse by non-Pan Am users. The Citywide Parking Strategy identified that: 1) there is a need for paid parking in such areas as Markham Centre where the Pan Am Centre is located and 2) City's Parking By-law 28-97 applies to the Pan Am Centre and allows parking lots owned by a public authority to charge for parking. There is consistency with the draft recommendations of the Citywide Parking Strategy and the proposed plan for paid parking at the PanAm Centre parking lot.

The recommended pricing protocol of premium rates compared to the Remington lot will disincentivize York University users from parking at Pan Am. Pricing for community users and competitions is recommended to be variable and/or included in other fees. Preliminary estimates based on the number of competition events in 2025 project the system will be, at a minimum, operating cost neutral, after factoring in expected parking revenue.

To handle the high volume of cars expected in Markham, both the entrance from Main St. Unionville South and the exit to YMCA Blvd. would have two sets of gates, sensors and kiosks. Two lanes of entrance and exit would be available, allowing for high capacity through-put and system redundancy if there are issues. A third LM gate would be installed for deliveries, emergency services and staff/VIP access only from Enterprise Blvd.

Staff anticipate the system to be functional in Q1 2025. An interim manual parking control solution is in place until such time as the new system is fully operational

FINANCIAL CONSIDERATIONS

In an effort to ensure that the City of Markham is receiving good value for this sole source procurement, the City reached out to three other municipalities that recently awarded smart parking systems to LM to review their bid results. The City of Oakville awarded a Parking Analytics project to LM as a sole source award. LM was the successful low bidder in two public tenders for parking control systems with the City of Kitchener and City of Barrie.

Further, Staff requested the consultant retained for this project provide an independent Construction Cost Estimate for a gated parking control system for staff and patron areas, along with civil works and curbs for the Pan Am Centre as a second procurement value check. The cost estimate by the consultant for a gated system = \$507K + 10% Contingency (\$50,700) + Tax. = \$557,700 (excluding HST).

This report identifies \$264,763.79 for parking equipment and installation at Pan Am. When compared against the Cornell CC parking equipment and installation in 2012 at \$220,000, this cost is reasonable, considering Consumer Price Index (CPI) has increased by 32.8% since 2012. The Cornell parking system in 2024 dollars is equivalent to \$292,160.

In summary, LM has demonstrated that their solution offers the flexibility Pam Am needs to ensure that parking is available for its users and have shown their system pricing provides good value as follows:

- LM has been awarded contracts at three other municipalities, including two in competition
- The acquisition cost for parking equipment and installation is favourable with CPI escalation to what the City paid for Cornell CC in 2012
- LM's pricing is favourable compared to estimated costs provided by the consultants retained by the City.

Accordingly, Staff are recommending that the tendering process be waived in accordance Purchasing By-Law 2017-8, Part II, Section 11 Non-Competitive Procurement, item 1 (g) which states “where it is in the City’s best interest not to solicit a competitive Bid” in favour of LM and that LM be designated the preferred vendor for parking control at Pam Am.

The cost of award includes three components:

1. One-time capital costs for acquisition of hardware, software & licenses, implementation, training, cash allowance (City of Markham (“CoM”) system integration, Testing & Inspection, Internet set up, Recreation Registration integration), higher than usual cash allowances for maintenance (Emergency repairs, ticket material, spare parts), and first year of support and warranty / preventative maintenance given the current unknowns pertaining to the vendor’s level of service to be established as part of detailed contract negotiations.
2. Recurring operating costs for subscription services and extended warranty / preventative maintenance for 4 years.
3. Standard contingency costs as per the Capital Control policy to account for unforeseen project costs.

Capital Costs

Capital costs will be funded from project 22329, Pan Am Parking Control established by Council in 2022, GL account 056-6150-22329-005 with an available budget of \$758,748.43.

Project	Amount (\$)	
Budget Available for this Award	758,748.43	(A)
One-Time Acquisition and Installation and Professional Services	242,864.44	(B)
Year-1 Software & License, Subscription Services Fee	5,617.75	(C)
Year-1 Warranty / Preventative Maintenance Cost	16,281.60	(D)
Cash Allowance (CoM sytem integration, Testing & Inspection, Internet set up, Recreation Registration integration)	50,880.00	(E)*
Cash Allowance - Maintenance (Emergency repairs, ticket material, spare parts)	66,144.00	(F)**
Contingency (10%)	38,178.78	(G)***
Total Capital Costs	419,966.57	(H) = (B) + (C) + (D) + (E) + (F) + (G)

Surplus Budget to be Returned to Source at project close out	338,781.86	(I) = (A)-(H)
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*A Cash Allowance in the amount of \$50,880.00 inclusive of HST impact will be established to cover City of Markham system integration and Recreation registration integration costs.

These cash allowances are included in the award authority as the integration costs (if required) will be determined after contract negotiations or installation and implementation of the system. Any unused funds will be returned to the original funding source. To expend any of these funds will be per the approval authority under the expenditure control policy.

**A Cash Allowance in the amount of \$66,144.00 inclusive of HST impact will be established to cover City of Markham system maintenance costs in the first year.

At this time, the annual operating costs may fluctuate based on any unexpected emergency repairs, spare parts and ticket re-stocking. Therefore, a cash allowance for these requirements is included in the award authority for the first year. Any unused funds will be returned to the original funding source. To expend any of these funds will be per the approval authority under the expenditure control policy.

***A 10% contingency in the amount of \$38,178.78 inclusive of HST impact will be established to cover any additional (unforeseen) project costs.

Revenue and Operating Costs

The award includes operating costs for quarterly equipment maintenance, consumables and spares, annual software and license services for the remaining 4 years, with year 2 to commence in 2026 as net new operating expense. The operating budget will require an annual net increase of \$89,148.38 inclusive of HST, which is estimated to be fully offset by parking fee revenue; these amounts are all subject to consideration and adoption of operating budgets.

Year of Term	Operating Costs (Including Annual Cash Allowances - Maintenance)		
	Average Annual (\$)	Total Over Term (\$)	
Year 2 to 5	89,148.38	356,593.50	(F)

The equipment will be added to the Pan Am Life Cycle as new assets, which will be paid for by revenue generated from the parking gate.

HUMAN RESOURCES CONSIDERATIONS

Existing staff will be trained in the operation of the system. No additional Bylaw enforcement is expected once the system is operational.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Goal	Examples – How the Solution can Help Achieve the Goal
Exceptional Services by Exceptional People	Parking control system will allow Rec staff at Pan Am to provide parking for large world class events, ensuring a higher standard of customer service and facility access.
Engaged, Diverse & Thriving City	A flexible, cost-effective, parking control system with advanced technology and system integration.

BUSINESS UNITS CONSULTED AND AFFECTED:

Departments involved with the review: SAM, Recreation, ITS, Access & Privacy, Procurement, Finance, Engineering (Transportation), Operations, and Fire.

ENVIRONMENTAL CONSIDERATIONS:

All waste will be properly sorted, recycled, and disposed of at an authorized dump, waste treatment site or recycling facility. Asphalt removal and disposal will be minimized.

RECOMMENDED BY:

Graham Seaman
Director, Sustainability & Asset Management

Mary Creighton
Director, Recreation Services

Sumon Acharjee
Chief Information Officer, ITS

Trinela Cane
Commissioner, Corporate Services

Morgan Jones
Commissioner, Community Services

ATTACHMENTS:

None