




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Transportation Planning and Parking Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	February 6, 2024
SUBJECT/REPORT NO:	Contracted Parking Enforcement Services (PED24031) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	James Buffett (905) 546-2424 Ext. 3117
SUBMITTED BY:	Brian Hollingworth Director, Transportation Planning and Parking Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Council approve the single source procurement, pursuant to Procurement Policy #11 – Non-competitive Procurements, for the provision of parking enforcement services for Term 4 and 5 of Contract C3-04-20, and that the General Manager, Planning and Economic Development Department be authorized to negotiate and execute an amendment(s), applicable to the billing rates set out in the City’s existing Contract, and any ancillary documents required to give effect thereto with Imperial Parking Canada Corporation, in a form satisfactory to the City Solicitor;
- (b) That Staff be directed to submit an Information Report on the results of the negotiations to the Planning Committee.

EXECUTIVE SUMMARY

Following a competitive procurement process in 2021, Imperial Parking Canada Corporation (Impark) was awarded Contract C3-04-20 for parking enforcement services. The contracted services serve to augment City of Hamilton Parking Enforcement staff with parking enforcement in Business Improvement Areas and the downtown core.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Imperial Parking Canada Corporation's (Impark) bid submission was based on economic conditions as of 2021 and included some inflationary increases over the five-year Contract. However, economic conditions and associated labour conditions have changed significantly since the COVID-19 Pandemic. The current landscape, in terms of living wages, minimum wage, and inflation, have contributed to staffing challenges. As a result, Imperial Parking Canada Corporation (Impark) has been challenged to meet the target complement of staff to fulfil the Contract. Under the Contract, when staffing levels are not met, the City receives liquidated damages. However, the more significant impact to the City is that lower penalty issuance translates to lower revenue. As it stands, the Vendor has communicated that the current staffing challenges and Contract Terms is creating a net negative business operation that is not sustainable.

Staff are presenting the above Recommendation to engage the Vendor, in order to negotiate bill rates, namely pay rates, to be competitive in nature.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Presently, the annual value of the Contract is approximately \$630 K with actual operating expenditures of approximately \$400 K (due to lower than targeted contract staffing). With revised terms that enable the contractor to increase wage ranges and, in-turn, staffing levels, it expected that net revenues for the City would increase.

Staffing: Not Applicable.

Legal: If Recommendation is approved, an executed amending Contract, in a form satisfactory to the City Solicitor, will be required.

HISTORICAL BACKGROUND

Imperial Parking Canada Corporation (Impark) was awarded Contract C3-04-20 for parking enforcement services beginning January 1, 2021. They were the only submission via the public Procurement Process. Prior to Imperial Parking Canada Corporation (Impark), the Canadian Corps of Commissionaires was the contract vendor for several decades.

Throughout, and after the COVID-19 Pandemic, Imperial Parking Canada Corporation (Impark) has had ongoing staffing challenges which have now consistently been a concern throughout 2023.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

By-Law 20-205 as amended, Procurement Policy, Policy #11 Non-competitive Procurements.

RELEVANT CONSULTATION

Procurement Services has provided guidance with respect to adherence to the Procurement Policy. Legal Services has also been consulted.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Contract C3-04-20 for Parking Enforcement Services identifies pay rates for contracted staff, the minimum number of staff on shift, as well as outlines liquidated damages (penalty in the form of a credit upon services invoiced) if minimum staffing is not met.

Presently, the pay rate for the entry level Enforcement Officer position is \$16.95 per hour, with moderate increases for the Senior Officer at \$17.46 per hour, and Supervisor position at \$19.58 per hour.

If Imperial Parking Canada Corporation (Impark) fail to staff at least eight Officers and one Senior/Supervisor, liquidated damages are calculated at \$200 per position per day. If they are only able to staff four Officers and one Supervisory, they would be forced to adjust the invoice by \$800, as an example, for a single day.

With the current staffing levels, the financial feasibility of the current Contract Terms and providing this service, is not sustainable for Imperial Parking Canada Corporation (Impark). Liquidated damages are currently rendering the operation a net loss when factoring in pay rates, bill rates, invoice adjustments, and administrative costs.

Imperial Parking Canada Corporation (Impark) has expressed the driving factor for staffing success is the pay rate. As it stands, \$16.95 is not an attractive wage to onboard new officers and to retain them. This rate was identified and agreed upon prior to drastic changes in the global and local economic landscape.

Staff recognize that the bid and awarded Contract is a binding agreement. Staff also recognize that this Contract operates as a net positive revenue generating tool for the City of Hamilton. Staff could hold firm on the existing Contract and run the risk of an attempt of a vendor-initiated contract termination. An interruption to the ongoing services provided by Imperial Parking Canada Corporation (Impark) would have a negative budget impact. Currently, the annual operating cost for the Contract is approximately \$400 K, while the services rendered results in \$1.8 M in issued parking penalties. It is of Staff's opinion that negotiating new terms surrounding pay and bill

rates will assist with the Vendor's staffing challenges and will limit any impacts to services and revenues.

Staff are sensitive to the fact that this scenario is possibly setting a precedence for vendors to request contracts to be open in the middle of terms but are confident in this recommendation to have a positive impact for services required by this Contract and Vendor.

ALTERNATIVES FOR CONSIDERATION

Staff could inform the Vendor that there will be no amendments to the current Contract. This could result in the Vendor attempting to terminate the Contract and significantly impact parking enforcement services and revenues. Staff would then be forced to begin a procurement process to attain another vendor with likely increased rates.

Staff could initiate a termination of the Contract. This would also significantly impact parking enforcement services and revenues. Staff would then be forced to begin a procurement process to attain another vendor with likely increased rates.

APPENDICES AND SCHEDULES ATTACHED

Not Applicable.