



Date: July 30, 2003

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation

SUBJECT: Extension of U-Park Enterprises Ltd's Agreement

RECOMMENDATION

- A) THAT the agreement between the Board and U-Park Enterprises Ltd be amended to extend the expiry date from June 12, 2000 to November 30, 2000 and that all other terms and conditions of the agreement remain the same.
- B) THAT the equipment upgrades listed in this report be in place by November 30, 1998.
- C) THAT no legal rights shall arise hereby and none shall arise hereafter until execution of the contemplated document.

BACKGROUND

The five year parking facility management agreement between the Board and U-Park expires on June 12, 2000.

The agreement states that U-Park must provide, operate, install, repair and maintain all meters, signage, ticket dispensers and other equipment necessary for the efficient operation of the parking facilities.

DISCUSSION

Although some of the paystation equipment has been upgraded since U-Park took over the management of the system, much of the existing equipment consists of older model machines, many of which will not accept \$2 coins or credit cards. There are currently four different models of paystations in use, with varying degrees of sophistication and reliability. They include 13 of the old style, coin slide tray meters, which U-Park was required to purchase from Impark when it took over management of the parking system in 1995. The aging equipment is becoming increasingly prone to breakdown.

There are less than two years remaining on the parking agreement. U-Park has been reluctant to

commit to carrying out a major upgrade programme without some guarantee regarding its future involvement with respect to the contract. Staff have been discussing possible solutions with U-Park, and propose the following arrangement:

- An extension of approximately 5 ½ months on the current agreement, so that it would expire on November 30, 2000.
- In return, U-Park has committed to providing 12 new "901" pay stations in the most heavily used lots. These pay stations accept credit cards and all coins, issue one ticket for the total amount paid (unlike the other models in the parks, which issue one ticket for each \$1 paid), and have small canopies.
- The pay stations would all be in place by the end of November, 1998. Of the 12 pay stations which would be replaced by these new ones, eight would be used to replace older models elsewhere in the system and the four others would be used for spare parts.

U-Park has estimated its cost of implementing these 12 upgrades at \$145,000 (based on the retail cost of each paystation). The additional commission which would be earned by U-Park on pay parking revenues for the 5 ½ months of the proposed extension is estimated at approximately \$100,000. U-Park would also receive revenues from violation tickets issued by it during this period.

U-Park has committed to continuing to review parking equipment requirements and to consider additional upgrades prior to the expiry of the Agreement.

Benefits to the Board

1. It would allow continuity of the pay parking operation over the high revenue summer months of the year 2000. If a different parking management company were to take over the contract on the expiry of the proposed extension to the U-Park agreement, then the changeover of responsibilities between the companies would happen in December, rather than in June (which would be the case with the existing expiry date).
2. There would be less disruption and potential loss of pay parking revenue due to a changeover in December than would be the case if it were to happen in the busy summer months.
3. It would provide more, higher quality machines in the system immediately. They will function better than many of the existing ones, provide more payment options and

increase customer satisfaction with the system.

CONCLUSION

Granting a short extension of the term of the Parking Agreement would be mutually beneficial to the Board and U-Park. It will allow U-Park to fund additional upgrades to the paystations, while providing higher quality equipment in many of the Board's pay parking areas.

Prepared by:
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