

Memorandum

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Date: 12/06/2018
To: Colleen Thessman – Acting Parking Services Manager
From: JT Schutte – Team Leader Commercial Operations, Parking services
Cc: Stephen McArthur – Manager Community Networks

Subject: Termination of agreement with Parking Solutions Limited

1. Purpose of this memo

To seek approval from the Parking Services Manager to:

- Terminate the service agreement with Parking Solutions Limited, dated 2nd May 2013;

2. Background

On the 2nd of May 2013 WCC and Parking Solutions Limited (PSL) entered into an agreement whereby; PLS will supply a Phone2Park system that operates as an internet based parking management and revenue collection system.

The Phone2Park smart phone app does not offer the same functionality and integration as the PayMyPark app, also used by WCC, see Table 1. Both apps operate on a pre-paid top up principle.

Table 1: Features of Parking Apps

| Features | Phone2Park | PayMyPark |
|---|------------|-----------|
| Payment by parking zone | Yes | Yes |
| Ability to start and stop parking | Yes | Yes |
| IOS and Android enabled | Yes | Yes |
| Corporate accounts | Yes | Yes |
| Prepaid top-up of app | Yes | Yes |
| Payment by parking bay | No | Yes |
| Live feed of available parking spaces in Wellington | No | Yes |
| Integrated with parking sensors | No | Yes |

3. Challenges

When a user of the Phone2Park app makes use of metered parking in Wellington, an infringement notice is generated on the handheld enforcement device used by the parking wardens. A parking warden is required to visit the parked vehicle in order to scan the number plate to determine if a payment has been made with the Phone2Park app. This is due to a lack of integration of WCC's parking sensors. This negatively impacts on the efficiency of parking wardens and contributes to the frustration caused by false violations sent to the handheld enforcement device.

During a meeting with PSL on the 14th of May 2018 and again on the 29th of May 2018, the need for PSL to integrate with our parking sensors was explained. PSL indicated that they will not pay any third party integration cost. The cost of integration is \$6 000 (six thousand dollars).

There is a long standing technical issue with regards to the existing integration of Phone2Park with the handheld enforcement devices. It is a daily occurrence that payments made on the Phone2Park app do not register on the handheld enforcement devices within 7 minutes of the transaction. As a result infringements are issued when parking was paid for. On receiving an appeal from the public these infringements are revoked following confirming that a payment was made at the time of parking. Despite this being raised numerous times PSL has not been able to resolve the error with the provider of WCC's handheld enforcement devices. WCC do not experience this problem with the PayMyPark App.

4. Future developments

Currently 86% of all on-street parking is paid for at parking meters, 5% with Phone2Park, 5% with PayMyPark and 4% with Smart Park (Personal Parking Meters, PPM). As a result Council incur high cost in maintaining parking meters. This include the below annual cost:

- Maintenance and service provider cost calculated based on the number of parking meters in service
- Bank and EftPOS charges

Council do not incur any cost for payments made through parking apps. Parking services would like to promote payment by means of a parking app in order to reduce cost and increase compliance by making it easier and more convenient to pay for on-street parking.

In addition to the above offering a single payment app will simplify the public offering as there is no major point of difference between the apps from a customer perspective. Future awareness campaigns will be simplified with a single offering.

5. Termination

The agreement with PSL dated the 2nd of May 2013 was amended on the 14th of December 2015.

The clauses in the amendment that relate to termination include:

"Operative provision, 1 Term – add clause 2.1:

2.1 at the end of the Term, this Contract will continue unless terminated in accordance with clause 24.5 of the Contract"

"Operative provision, 24 Termination – add clause 24.5:

24.5 After the end of the Term, either party may terminate this Contract at any time and for any reason by giving the other party at least 6 months' written notice."

The clauses in the original agreement that relate to termination include:

"24.1 Termination on notice: Either party may terminate this Contract at any time and for any reason by giving the other party at least 6 months' prior written notice"

"24.4 consequences of termination: On termination of this contract:

24.4.1 Each party, subject to any clauses in this contract that permit retention by a party must promptly return to the other party all of the other party's Confidential Information which may be in its possession or control, or if requested, destroy and remove from any computer system or other records any of the other party's data;

24.4.2 the Council will only be required to pay the Supplier for Deliverables and Support Services that have already been provided, provided that payment for such Deliverables and Support Services is not disputed by the Council; and

24.4.3 any accrued rights or obligations of the parties which exist prior to termination or expiry will not be prejudiced nor will termination or expiry affect the obligations of the Supplier which expressly survive termination or expiry as referred to in clause 30.10"

"30.10 Survival: The clauses in this Contract that relate to indemnity, confidentiality, Intellectual Property and Limitation of Liability survive the termination of this contract"

"31.1.q Term means an initial period of 4 years and then for as long as the parties wish to continue, with 6 month's written notice of termination by either party"

6. Proposal

- It is proposed that WCC terminate its service agreement with SPL due to the following reasons:
 - Ongoing errors cause by a delay in Phone2Park payment information reaching the handheld enforcement device;
 - Failure of Phone2Park to integrate with WCC's parking sensors;
 - Simplifying the product offer to WCC customers by offering a single smart phone app.
- On the termination date SPL cease all marketing and top-up services for the Phone2Park app;
- WCC will continue to honour parking payments made with the Phone2Park app for 12 months after the termination date.

JT Schutte
Team Leader Commercial Services – Parking Services
021 247 9013

Approval

Name: COLLEEN THESSMAN – ACTING PARKING SERVICES MANAGER

Signed: 

Date: 25/6/18

Supported by: STEPHEN MCARTHUR – MANAGER COMMUNITY NETWORKS

Signed: 

Date: 25/6/18

Supported by: JT SCHUTTE – TEAM LEADER COMMERCIAL OPERATIONS, PARKING SERVICES

Signed: 

Date: 12.6.2018

Colleen Thessman

From: JT Schutte
Sent: Thursday, 28 June 2018 11:53 AM
To: 'alan.gebbie@parkingsolutions.co.nz'; 'alan.burden@phone2park.co.nz'
Subject: Termination of Agreement
Attachments: 2018 06 28 - Phone2Park Letter.pdf

Good day Alan

As discussed in our meeting at your office this morning, Council wish to terminate the agreement between Parking Solutions Limited and Wellington City Council. The attached letter is a copy of the letter I provided to you at the meeting.



The letter outline that Council is willing to accept Phone2Park payments as a means of paying for parking until 7 January 2020 but request that of 7 January 2019 you stop selling prepaid credit to your customers relating to parking in Council's jurisdiction.

You indicated that you will consider the offer and might propose a different approach to ceasing activity in Council's jurisdiction. Regardless of the what solution is agreed on by both parties, the 6 months' notice period in terms of the agreement will comment today (28 June 2018).

As discussed in the meeting, Council will make a media release on Monday 2 July 2018, to coincide with the roll out of our new card readers in our parking meters. The media release will also communicate that as of 7 January 2019 Council will phase out Phone2Park as a payment option, but will still honour payment made though the app until 7 January 2020. If you wish for us to communicate a different message please let me know.

I understand this is a difficult time for your organisation. If you wish to discuss the content of the letter please let me know.

Regards

JT Schutte
Parking Services Manager (Acting) | Wellington City Council
M +64 21 247 9013
E JT.Schutte@wcc.govt.nz | W Wellington.govt.nz |  | 

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Samantha Feld

From: Stephen McArthur
Sent: Saturday, 22 June 2019 3:03 PM
To: Kevin Lavery
Cc: Barbara McKerrow; Kevin Black; JT Schutte
Subject: Phone to Park - previous update to Councillors

Hi Kevin/Barbara

Peter McLellan sent a briefing note to Councillors about Phone2Park in October last year after I talked to Cr Brian Dawson, as he had been approached by MP Paul Eagle. Brian had suggested that we do that as he thought other Councillors would be approached. I can't locate the email Peter sent to Councillors, but I do have a response below he sent me with the text he did send to Councillors.

I have talked to JT Schutte this afternoon and he advises that the Council did not fund PSL to develop the app, and believed that they had approached the Council with their product quite a number of years ago and that led to the contract with them. PayMyPark came on board later.

Kind regards
Stephen

From: Peter McLellan
Sent: Tuesday, 16 October 2018 9:12 AM
To: Stephen McArthur; JT Schutte
Subject: RE: Media enquiry about Phone to Park

Hi Stephen

Kevin received a copy of the briefing to councillors below.

1. Purpose of this brief

To inform Councillors about a review of parking payment methods and the decision to terminate the agreement between Council and Parking Solutions Limited (Phone to Park app). It is understood that this has been raised by a local MP.

2. Background

With the decision by Snapper to withdraw from providing this service the opportunity arose to review parking payment options. Council is encouraging customers to make greater use of non-cash options such as credit/debit cards, PayWave and mobile apps. As part of this review Parking Services is simplifying the app component in order to avoid complex connectivity problems and streamline Council's payments and enforcement systems. The aim also is to make it easier and therefore more attractive for the public to use an app over other payment options.

Currently Council has two mobile apps: PSL (Phone2Park) and Arthur D Riley & Co (PayMyPark), both New Zealand companies founded in Wellington.

The decision was made 3 months ago to move to one parking mobile app. After careful comparison of the two options ADR (PayMyPark) was selected. The PayMy Park interface to our enforcement system and its overall performance has been shown to be superior to Phone to Park. Currently PayMyPark is used by seven councils

In discussions with PSL it was agreed to provide an 18 month timeline during which time customers could continue using the Phone2Park app. In the last 6 months of operation no new customers will be accepted. PSL and Council have stopped marketing Phone2Park. PSL wish however to operate as normal until 5 August 2019 and therefore has asked to manage communications with their customers directly.

3. Summary

On 25 June 2018 an operational decision was reached that PayMyPark better suits the needs of Council and caused significantly less errors for its users and Council alike. Following three meetings with PSL a termination agreement was reached on 31 July 2018.

Peter McLellan

Parking Services Manager | Wellington City Council

M 027 803 0474 |

E Peter.McLellan@wcc.govt.nz | W Wellington.govt.nz |  

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**Absolutely Positively
Wellington City Council**

Me Heke Ki Pōneke

02 August 2018

Alan Gebbie
Parking Solutions Limited
PO Box 7349
Newtown
Wellington 6242

Dear Alan

TERMINATION OF CONTRACT PS 0005 (phone2park METER-LESS PARKING SYSTEM)

As outlined in our letter to you dated **28 June 2018**, Wellington City Council (Council) reviewed the current product offer of payment methods available to pay for parking within Council's jurisdiction. A decision was made to terminate the agreement that exist between Parking Solutions Limited (PSL) and Council.

As discussed in our meeting of **31 July 2018** this letter outline the terms of the termination and supersede the process outlined in the letter dated **28 June 2018**.


The termination is actioned in terms of clauses 2.1 and 24.5 of the Contract dated 2 May 2013 (subsequently varied on 14 December 2015). The termination date will be **7 January 2020**, 17 months from the date of this letter. Council requests that as of **5 August 2019**, 12 months from the date of this letter, PSL ceases to accept pre-paid top-ups on the phone2park app for parking services in Council's jurisdiction.

Council will continue to honour parking payments made with pre-paid credit on the phone2park app for a period of 5 months preceding the termination date. This will allow sufficient time for all pre-paid credit to be used without the need to process refunds.

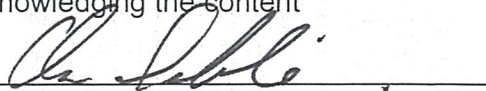
On the termination date PSL will cease all transactions on the phone2park app with regards to parking within Council's jurisdiction.

If you have any questions or wish to discuss the content of this letter please let me know. I request that you please sign and return a copy of this letter to Council.

Sincerely


JT Schutte
Parking Services Manager (Acting)
021 247 9013

Confirming receipt of letter and
acknowledging the content


Alan Gebbie
Chief Executive Officer – Parking Solutions Limited

Samantha Feld

From: JT Schutte
Sent: Friday, 10 August 2018 3:36 PM
To: 'Alan Gebbie'
Cc: don.peat@parkingsolutions.co.nz
Subject: Termination Letter Dated
Attachments: 2018 08 02 - Phone2Park Letter.pdf

Good day Alan

As discussed in our meeting on 31 July we left the attached letter at WCC's reception for collection as requested by you. We have not yet received confirmation that you received the letter. I will appreciate if you can please return a signed copy of the letter to Council.

If you have any questions or concerns please let me know.

Regards

JT Schutte

Parking Services Manager (Acting) | Wellington City Council

M +64 21 247 9013

E JT.Schutte@wcc.govt.nz | W Wellington.govt.nz |  

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Samantha Feld

From: Michelle Riwai
Sent: Monday, 18 May 2015 2:43 PM
To: Simon Button
Subject: RE: phone2park Contract extension/revision of terms

Hi Simon,

Sorry I thought I sent a response to you this morning – yes this is good to go 😊

Michelle Riwai

Parking Services Manager | Wellington City Council

P 04 830 1235 | M 021 270 8135

E Michelle.Riwai@wcc.govt.nz | W Wellington.govt.nz |  | 

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Me Heke Ki Pōneke

From: Simon Button
Sent: Friday, 15 May 2015 2:42 p.m.
To: Michelle Riwai
Subject: phone2park Contract extension/revision of terms

Hi Michelle

See attached – are you happy with the form of the Contract extension/revision of terms?

If you are, I will print off two copies on headed paper for signature. As this contract has no financial value, you are delegated to sign on behalf of Council (Colleen signed the original Contract).

Cheers

Simon

Simon Button MA MCIPS

Senior Advisor, Parking Projects & Performance | Wellington City Council

P 04 803 8022 | M 021 227 8022

E Simon.Button@wcc.govt.nz | W Wellington.govt.nz |  | 

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