

Agenda Report

September 24, 2012

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Transportation
SUBJECT: CONTRACT AWARD TO T2 SYSTEMS, INC. FOR AN INTEGRATED PARKING MANAGEMENT SYSTEM

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed actions are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3); general rule; and
2. Appropriate \$220,000 to Account 8114-407-774500, Old Pasadena Parking Fund and \$220,000 to Account 8114-405-774213, Plaza Las Fuentes Parking Fund, adjust fund balances and/or retained earnings in the Old Pasadena Parking Fund and the Plaza Las Fuentes Parking Fund respectively, and authorize staff to make necessary adjustments to the budget; and
3. Authorize the City Manager to enter into a contract with T2 Systems for an integrated parking management system in an amount not to exceed \$747,322 for a five year term; and
4. Find that the proposed contract is exempt from competitive bidding pursuant to City Charter Article X Section 1002(F), Contracts for professional or unique services.

BACKGROUND:

The Departments of Transportation, Finance, and Information Technology have been working together to address limitations of the current parking citation system, which was implemented in 2000 and lacks the productivity- and revenue-enhancing capabilities of current systems. Parking management systems available on the market today leverage technology advances and offer the City opportunities to improve:

- staff efficiency
- integration of related parking functions, such as issuance of parking permits and revenue and access control systems for parking garages and surface lots
- availability of information and management tools for analysis of parking functions
- the experience for customers receiving parking citations and applying for parking permits, including customer-friendly online processes for making payments and appealing citations
- recovery of parking citation fees

In compliance with the Competitive Selection process outlined in the Competitive Bidding and Purchasing Ordinance, staff prepared and distributed a Request for Proposals (RFP) in October, 2011 to replace the current parking citation system and integrate parking permitting functions. The RFP also included replacement of outdated handheld ticket writing units, rigorous requirements for a customer web portal to allow e-Government capabilities related to parking citations and permits, and robust management reporting capabilities.

The City received three responses to the RFP for a Parking Management System. A panel consisting of staff members from the Departments of Transportation, Finance and Information Technology reviewed the proposals. After each panel member scored the proposals, ratings were averaged to arrive at the final score for each proposal. It was the panel's decision to select T2 Systems, Inc. as the firm best able to meet the City's needs.

Proposals were scored within five categories: 1) demonstrated experience providing parking management software and implementation services; 2) project design and approach; 3) cost; 4) qualification as a local Pasadena business; and 5) qualification as a small or micro-business. The proposers and their scores appear below (details of the assigned ratings are provided in Attachment A):

Proposer	Total Score
T2 Systems, Inc., Indianapolis, IN	72.1
Data Ticket, Inc., Newport Beach, CA	52.4
iNet, Inc./iParq, Santa Barbara, CA	23.8

The proposed contract is in the amount of \$747,322 for the five year term, which includes \$679,384 for the base scope of services and \$67,938 (10%) for contingency.

The majority of the contract costs will occur in the first year. Implementation of the new integrated parking management system will require approximately six months, and will include purchase of new handheld ticket writing units, setup of software to meet City needs, and customization of the web portal that customers will be able to use to pay for

and appeal parking citations and purchase parking permits. Following implementation, the contract covers annual fees for ongoing use of the T2 software.

COUNCIL POLICY CONSIDERATION:

This contract with T2 Systems, Inc. promotes the City Council's three year goal of maintaining fiscal responsibility and stability by facilitating improved staff productivity and recovery of parking citation fees.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

The proposed action is the awarding of a contract for an integrated parking management system and deployment of new handheld ticket writing units. No construction is involved. These are not actions that would have a significant effect on the environment.

FISCAL IMPACT:

The total cost of the new parking management system will be \$1,172,152 over five years, including \$747,322 in contract costs and \$424,830 in implementation/indirect costs.

In FY2013, \$560,358 will be needed to put the system in place. Funding for the FY2013 expense will be addressed by:

- an increase in appropriations in Account 8114-407-774500 (Old Pasadena Parking Structures) in the amount of \$220,000 and an adjustment to the fund balance / retained earnings account
- an increase in appropriations in Account 8114-405-774213 (Plaza Las Fuentes Parking Structures) in the amount of \$220,000, and an adjustment to the fund balance / retained earnings account
- utilization of existing budgeted appropriations in the Parking Enforcement budget account number 8114-101-774100 in the amount of \$70,358
- utilization of existing budgeted appropriations in the Parking Citations budget account number 8116-101-327230 in the amount of \$50,000

Over the subsequent four years, contract expenses and related indirect costs will be approximately \$153,000 per year. This will be funded from existing appropriations currently used for the parking management system that is being replaced and increased

General Fund revenues resulting from the implementation of the new system that exceed the parking citation revenue estimate included in the 5 year General Fund Financial Plan.

The Old Pasadena Parking Fund and Plaza Las Fuentes Parking Fund could also be reimbursed over the life of the proposed contract, as revenues from parking citations exceed the 5 year General Fund Plan revenue projections.

The table below compares anticipated citation revenues (based on the current fine structure and assuming no growth) with the estimated revenue projections included in the most recent 5 year General Fund Financial Plan. Staff projects citation revenues will exceed the General Fund Financial Plan projection by over \$2.6 million during the five year period. The actual revenue collected in FY12 was \$5,268,522.

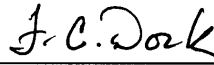
	Estimated Revenues	5-year General Fund Financial Plan Projection	Difference
FY13	5,795,374	4,950,000	845,374
FY14	5,795,374	5,098,500	696,874
FY15	5,795,374	5,251,455	543,919
FY16	5,795,374	5,408,999	386,375
FY17	5,795,374	5,571,269	224,105
Total	28,976,870	26,280,223	2,696,647

The following table presents a summary of contract and indirect costs over the five years of the proposed contract and the net fiscal impact of the new parking management system for the five-year period. The City already appropriates funds for the current parking citation system, which will be used to support the new system going forward. This reduces the net new fiscal impact of this action over five years to \$684,952.

Contract	
Base contract	679,384
Contingency	67,938
Implementation/Indirect Costs	424,830
Total Costs	1,172,152
Existing Appropriations for Parking Citation & Permitting Systems	487,200
Net Fiscal Impact	684,952

The anticipated positive impact to other operational programs or capital projects as a result of this action implementing current parking management systems technology will be significant, offering opportunities for a better customer experience, improved staff productivity, increased revenue recovery, and operating tools for management.

Respectfully submitted,



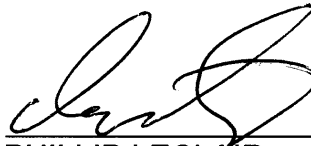
FREDERICK C. DOCK
Director
Department of Transportation

Prepared by:



Lori B. Sandoval
IT Planning & Project Manager

Concurred by:




for PHILLIP LECLAIR
Acting Chief Information Officer
Department of Information Technology

Approved by:



for MICHAEL J. BECK
City Manager

Concurred by:



ANDREW GREEN
Director
Department of Finance

Attachments: (2)

Attachment A – Detailed Scoring of Parking Management System Proposals
Attachment B – Taxpayer Protection Disclosure

ATTACHMENT A

DETAILED SCORING OF PARKING MANAGEMENT SYSTEM PROPOSALS

	Data Ticket, Inc.	iParq	T2 Systems
1. Demonstrated Experience Providing Parking Management Software & Implementation Services (40 points possible)	24.5	11.5	33.5
2. Project Design & Approach (30 points possible)	18.9	8.3	23.6
3. Cost/Fee/Revenue Proposal (20 points possible)	4.0	4.0	15.0
4. Local Pasadena Business (5 points possible)	0.0	0.0	0.0
5. Small &/or Micro-Business (5 points possible)	5.0	0.0	0.0
TOTAL POINTS AWARDED	52.4	23.8	72.1

ATTACHMENT B

Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

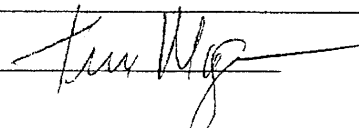
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1. Contractor/Organization Name: T2 Systems, Inc.
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2. Type of Entity: <input checked="" type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:
Michael J. Simmons, CEO
Tim Maginn, COO
Irena Goloschokin, EVP
Jim Zoloudek, CFO

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:
Michael J. Simmons
Pamlico T2 Acquisition LLC

Prepared by: Tim Maginn 
Title: COO
Phone: (317) 524-5513
Date: 11/30/11