

Agenda Report

April 12, 2010

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: Authorization to enter into a contract with DataTicket Inc. for collection of parking citations issued to out-of-state registered vehicles as well as collection of delinquent citations for California registered vehicles for a term of five years;

RECOMMENDATION

It is recommended that the City Council:

1. Authorize the City Manager to enter into a contract with DataTicket Inc. for the collection of both out-of-state parking citations and the collections of delinquent citations issued to California registered vehicles for a term of five years and exempt the contract from competitive bidding pursuant to City Charter section 1002 (F), contracts for professional and unique services; and
2. Grant the proposed contract an exemption from the competitive selection process of Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interests are served.

BACKGROUND

The city issues citations to California registered vehicles and to those with out-of-state registrations. The collection effort associated with California registered vehicles commences on delinquency, whereas out-of-state registered vehicles are processed as a bill due 21 days following its issuance. In the past these collection activities were handled by two separate agencies; with this contract one agency will be responsible for both in state and out-of-state citation types.

Citations Issued to California Registered Vehicles

When parking citations are issued, a computerized file is produced daily from the handheld units used by the Parking Office as well as those manual citations written by the Pasadena Police Department and Cal-Tech Security. The Parking Citation Section in Municipal Services uses the information in the electronic file to obtain from the Department of Motor Vehicles the names and addresses of vehicles that were issued parking citations. Delinquent notices are issued within 10 days of obtaining vehicle owner information from DMV to those who have not yet paid the citations or contested their citation within the prescribed time. A notice is mailed to the violator stating that they have 14 calendar days from the date of the notice to submit payment in full or to contest the citation. If the ticket is not paid in full or contested by the specified date on the notice, a penalty of \$26.00 is assessed to the account. If the citation continues to remain unpaid 30 days after the due date, a \$3.00 DMV hold fee is charged and the information is sent to the Department of Motor Vehicle requesting a hold be placed on the vehicle's registration. The DMV hold prevents the vehicle owner from registering the vehicle until the outstanding parking citation has been paid or dismissed by the City's Parking Citation Section. The collection of these delinquent citations is currently managed under an agreement with Credit Solutions Corporation (CSC). The initial CSC contract expired in 2009. Collection service continues under a month-to-month purchase order with CSC while the RFP process is completed and a contract awarded.

Citations Issued to Out-of-state Registered Vehicles

When parking citations are issued to a vehicle with an out-of-state plate, the only notice they receive from the City of Pasadena is the citation that is left on the vehicle windshield. The violator has 21 days to pay or contest the citation. After 21 days, these citations are turned over to an outside agency for collection. Currently, the City has a purchase order with DataTicket for collection of out-of-state citation accounts. DataTicket is sent a file with complete citation information such as citation number, license plate number, amount due, location of citation, violation an issue date of the citation. Once DataTicket receives the file they request the registered owner's information from the out-of-state DMV. A notice is generated to the violator. The notice informs the violator of amount due as well

as penalty amount if not paid by the due date. After the delinquent account has been collected, DataTicket sends a report that reflects which tickets have been paid and the Parking Citation staff updates the accounts accordingly.

Although a purchase order has been sufficient, staff believes that a more formal agreement should be completed which more adequately addresses performance expectations and maximizes effectiveness. Consequently, in mid-December 2009, Finance staff issued a request for proposal (RFP) to several collection companies and posted the RFP on the City's website. The City of Pasadena invited interested and qualified collection firms to respond to the City's RFP by January 19, 2010. Six collection companies submitted and responded to the City's RFP. After reviewing all six proposals and having each company rated per the process outlined in the RFP, it was determined that DataTicket, Inc was the firm that best met the needs of the City for the collection of both out-of-state registered vehicles and delinquent tickets (inside California) that have been on DMV hold for a period of over 18 months and are still delinquent. Consistent with the City's current Fee Schedule, the collection fee of \$27.00 will be assessed to California registered vehicles assigned to the collection agency.

The matrix below depicts the scoring assessed the responders to the RFP.

RFP Vendor Scoring Matrix

Company Name		Score
DataTicket, Inc	Newport Beach, CA	91%
Duncan Solutions	Milwaukee, WI	81%
Linebarger Goggan Blair & Sampson, LLP	Denver CO	74%
California Service Bureau	Novato, CA	68.67%
The Rickenbacker Group	Morgan Hill, CA	67.33%
Sequoia Financial Services	Glendale, CA	62.67%

The following companies did not respond or declined the Request for Proposal offer that was mailed to them.

Company Name		Response to RFP
Revenue Recovery Systems, LLC	Pasadena, CA	Did not respond to RFP
Adler, Wallach and Associates	Orange, CA	Did not respond to RFP
Credit Solutions Corporation (CSC)	San Diego, CA	Did not respond to RFP
Financial Credit Network	Visalia, CA	Declined the offer to RFP

With the implementation of this agreement relative to cited California registered vehicles, the City expects to forward to the agency approximately 600 eligible (aged 18 months) accounts per month or 7,200 annually. The approximate value of these citations is \$39,600 per month or \$475,200 annually. DataTicket will charge \$18 for each successfully collected delinquent parking citation compared to the \$25 fee the City currently pays to CSC (Credit Solutions Corporation).

For cited out of state registered vehicles, the City anticipates a monthly average of 380 eligible accounts forwarded to the agency for collection, equating to 4,560 annually. The approximate value of these citations is \$15,960 per month or \$191,520 annually. DataTicket will charge a 21% collection fee for each successfully collected citation to out of state registered vehicles compared to the current fee of 23%.

FISCAL IMPACT

The recommended contract is on contingency basis. DataTicket will only be paid upon successful collection of the citations.

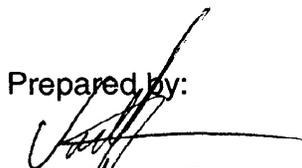
Based on historical statistics, it is expected that the City will realize an estimated \$160,000 in annual revenues at an estimated cost of \$40,000. This includes the collection of both in state delinquent citations and out of state citations.

Respectfully submitted:



ANDREW GREEN
Director of Finance

Prepared by:


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Deputy Director of Finance/City Treasurer

Approved by:

for 
MICHAEL J. BECK
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization, as follows:
(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:
Data Ticket, Inc.

2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

Marjorie A. Fleming
A. William Fleming

3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

Marjorie A. Fleming

Prepared by: Marjorie A. Fleming

Title: President

Date: March 16, 2010

For office use only:

Contract/Transaction No. _____

If not a contract, type of transaction: _____