



# Agenda Report

June 19, 2017

**TO:** Honorable Mayor and City Council

**FROM:** Department of Transportation

**SUBJECT: AUTHORIZATION TO INCREASE PURCHASE ORDER NO 1171263 WITH CALE AMERICA BY \$82,000 FOR A TOTAL AMOUNT NOT TO EXCEED \$156,995 FOR CALE WEB OFFICE FEES AND PURCHASE OF METER REPLACEMENT PARTS**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment;
2. Authorize an increase to purchase order 1171263, with CALE America, for \$82,000 for a total purchase order amount not to exceed \$156,995 for CALE meter hosting services and purchase of meter replacement parts for FY 2017. Competitive bidding is not required pursuant to City Charter Section 1002(C), contracts for labor, materials, supplies or contract services available from only one vendor; and
3. Authorize the City Manager to enter into a one year purchase order beginning FY 2018 with two additional one year options, with CALE America for meter hosting services, labor, and the "Partsmart" extended warranty program at an annual cost not to exceed \$103,594 per year. The total amount of this purchase order if all options were exercised would be \$310,782; and
4. Grant the proposed action an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

## **BACKGROUND:**

The first CALE multi-space parking meters were installed in 2012. The parking meters have been purchased periodically since then and there are now 114 CALE pay-and-

display multi-space meters currently in use throughout the City. The parking meters are sophisticated proprietary electronic devices and were purchased with five-year warranties on parts. The meters installed in 2012 are now reaching the end of the warranty period. Staff has been tracking the repair and parts requirements of all the meters, but the amount of parts needed to keep the oldest meters (now beyond warranty) has increased substantially beyond the levels anticipated when the FY 2017 budget was developed.

The current approach of acquiring spare parts when needed has been reviewed and the Department of Transportation is recommending entering into a purchase order agreement with CALE America to provide parts at a flat rate per year for meters via an extended warranty approach. While such an approach would control future costs, the several months necessary to enter into a new agreement would result in a period of time where a number of the parking meters would cease to accept credit cards or to operate entirely. Allowing the meters to be non-operational until the extended parts warranties can be implemented is not feasible as it would result in a loss of revenue to the City, would lead to customer service complaints and would compromise parking management strategies in metered parking districts.

Accordingly, it is in the City's best interests to acquire meter parts in the current fiscal year to continue to provide maintenance for the meters. Purchase Order 1171263 developed for FY 2017 failed to anticipate the accelerated need for parts replacement and the ensuing increase in cost. As a result, the Parking Division of the Department of Transportation seeks to increase the purchase order with CALE America by \$82,000, for a total purchase order amount not to exceed \$156,995 in FY 2017.

To reduce costs moving forward, staff is recommending entering into an extended warranty with CALE America beginning FY 2018 to effectively reduce and stabilize costs for replacement parts. The cost of the "Partsmart" extended warranty program is \$40,594 per year, which includes \$3,000 for labor costs. The extended parts warranty would be in addition to the meter hosting services that the City currently contracts with CALE America for \$63,000 annually. Staff is recommending a one year purchase order that combines both of these services, not to exceed \$103,594, with two additional one year options with the City Manager's approval for a total amount of \$310,782 for the three-year agreement if all options were exercised.

**COUNCIL POLICY CONSIDERATION:**

The proposed action is consistent with the City Council's strategic plan goal to maintain fiscal responsibility and stability.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b) (3), the General Rule that CEQA only applies to projects that may have an effect on the environment.

**FISCAL IMPACT:**

The cost of this FY 2017 action is \$82,000 to increase Purchase Order 1171263, with CALE America, for a total revised purchase order amount not to exceed \$156,995. Funding will be utilized by existing FY 2017 approved budget appropriation and will be distributed as follows:

<b>Account</b>	<b>Amount</b>	<b>Account</b>	<b>Amount</b>
10124006-811400	\$10,000	22924017-811400	\$ 2,000
21324013-811400	\$15,000	23224016-811400	\$10,000
21424014-811400	\$10,000	40724019-811400	\$10,000
21724011-811400	\$10,000	40724020-811400	\$10,000
22524015-811400	\$ 5,000		
<b>Total</b>			<b>\$82,000</b>

The cost of the CALE America agreement beginning FY 2018 is \$103,594 per year or a total not to exceed \$310,782 over a three year period. Funding will be included in the Department of Transportation's operating budgets from FY 2018 to FY 2020.

Respectfully submitted,



\_\_\_\_\_  
FREDERICK C. DOCK  
Director  
Department of Transportation

Prepared by:

  
\_\_\_\_\_  
Jon Hamblen  
Parking Manager

Approved by:

  
\_\_\_\_\_  
STEVE MERMELL  
City Manager