

Agenda Report

May 8, 2017

TO: Honorable Mayor and City Council
FROM: Department of Transportation
SUBJECT: CONTRACT AWARD TO PAYLOCK IPT LLC FOR SELF-RELEASE VEHICLE IMMOBILIZATION SYSTEM AND DEVICES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed action is exempt from review pursuant to the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b) (3); and
2. Authorize the City Manager to enter into a contract, without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services, with Paylock IPT LLC for an amount not to exceed \$126,000 for three years, with two additional one year renewal options, to provide for a self-release vehicle immobilization solution for the City to serve as an alternative to vehicle impounding. If all options are exercised, the total value of the contract is \$210,000.

BACKGROUND:

The Parking Division of the Department of Transportation is authorized by Sections 22651(i) and 22651.7 of the California Vehicle Code to impound or immobilize vehicles that have five or more past due parking citations with the City. Parking Enforcement staff currently impound approximately 400 vehicles per calendar year that meet the Vehicle Code's criteria for scofflaw vehicles. Implementing a self-releasing vehicle immobilization system will allow the Parking Division to collect on past-due debt, but do so in a way that makes it less disruptive, more convenient and less expensive for the vehicle's owner.

In April 2016, the City Council modified Section 10.40.030 of the Pasadena Municipal Code to allow for the immobilization of vehicles.

On December 13, 2016, the Parking Division released a Request for Proposals (RFP) for a vehicle immobilization. Two vendors responded to the City's RFP; only one of the two proposals was determined to be responsive to the RFP, as the other submission was a proposed pilot that did not satisfy minimum requirements stated in the RFP. Neither firm is local to Pasadena, the Department of Transportation is not aware of local firms that can provide the required service.

Paylock IPT LLC was the only responsive vendor and the proposal was evaluated in accordance with the criteria set forth in the RFP. Evaluation of the Paylock IPT LLC proposal indicated that it is in accordance with City specifications and fully complies with the Competitive Bidding and Living Wage Ordinances. Paylock IPT LLC began operations in 2004, and they have since entered into 26 contracts with municipalities for parking related services. Through December 2016, PayLock has processed 771,994 self-release booting transactions resulting in payments of \$8.7 Million per month in vehicle-related fees, fines and penalties. It is recommended that Paylock IPT LLC be awarded the contract to provide a self-release vehicle immobilization system and devices for the City of Pasadena.

As was explained at the April 18, 2016 City Council meeting, the primary intent of the vehicle immobilization program is to provide a lower cost alternative to vehicle owners whose vehicles could otherwise be impounded due to five or more past due parking citations. Recovering a vehicle from impound can cost approximately \$300 - \$500. Immobilizing a vehicle will result in a single \$160 charge to the vehicle's registered owner.

This contract would be the City's first contract with Paylock.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the goal of the Strategic Plan to maintain fiscal responsibility and stability by providing a means of collecting revenues owed to the City.

ENVIRONMENTAL ANALYSIS:

This contract is exempt from CEQA per Section 15061 (b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action will not result in any new development or physical changes.

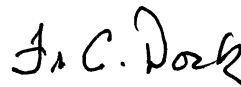
FISCAL IMPACT:

The recommended contract with Paylock IPT LLC is on a contingency basis, with a not to exceed amount of \$126,000 for three years, plus two additional one year renewal options. The vendor will be compensated on a per vehicle booted (immobilized) basis and upon successful collection of outstanding fines and/or fees. Paylock IPT LLC will charge the City a fixed fee of \$105.00 per vehicle. The City's General Fee Schedule includes Fee 1259 – Boot Fee which is \$159.76.

As noted in the April 18, 2016 agenda report, the cost of the booting program would be offset by collection of the Boot Fee. The staff cost of the program is already incorporated in the Parking Enforcement budget of the Department of Transportation as part of the annual operating budget. The flexibility of the booting program may result in a higher overall rate of collections for overdue citations that would benefit the City's General Fund.

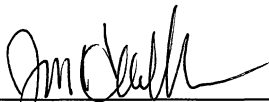
Based on historical data and approximately 400 vehicles a year it is expected that the City will realize an estimated \$63,900 in annual revenues at an estimated contract cost of \$42,000 per year.

Respectfully submitted,



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Director
Department of Transportation

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Parking Manager

Approved by:



STEVE MERMELL
City Manager