

Agenda Report

February 28, 2022

TO: Honorable Mayor and City Council

FROM: Department of Transportation

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH PASSPORT LABS, INC. TO PROVIDE MOBILE PARKING PAYMENT SERVICES IN AN AMOUNT NOT TO EXCEED \$1,227,600 FOR THREE-YEAR TERM

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), the Common Sense Exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment;
2. i) 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 Passport Labs, Inc. for mobile parking payment services in an amount not to exceed \$1,227,600 for three years, which includes the base contract amount of \$372,000 and a contingency of \$32,700 to provide for any necessary change orders; and ii) Grant the proposed contract 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.
3. Authorize the City Manager to extend the term of the contract for two additional one-year terms as detailed in the report at the discretion of the City Manager.

BACKGROUND:

The City controls approximately 2,475 metered parking spaces throughout the City and several parking lots. While historically the City has collected payment via single-space and multi-space parking meters, in March of 2018 following a request for proposal process the City entered into an agreement with Passport Labs, Inc., as the highest scoring vendor, to accept mobile meter payments through the Passport mobile app. The number of transactions processed via the Passport app steadily increased until the onset of the pandemic in March of 2020, when the City paused a majority of our parking

enforcement efforts. As the City started to reopen and subsequently recover from the pandemic, Passport transactions have again steadily increased with 71,904 transactions for December of 2021, 27% above pre-pandemic levels. Additionally, data indicated that a larger proportion of meter payments are being made via the Passport app than prior to the pandemic. In November of 2019, the Passport app accounted for 17% of overall parking meter revenue, and 35% of total credit card transactions for parking meter payments. In November of 2021, the Passport app accounted for 36% of overall parking meter revenue and 57% of total credit card transactions for parking meter payments. Staff attributes a majority of the increase in use of the Passport app to the desire for a contactless payment solution for parking meter payments, and a review of the data indicates that most first-time users tend to utilize the app for all of their subsequent parking meter transactions.

The Department of Transportation referenced Passport's contract with the National Cooperative Purchasing Alliance (NCPA) in evaluating the pricing structure offered to Pasadena. That contract was a result of a competitive selection process via the NCPA for similar mobile application services. Additionally, staff has negotiated fees that are much lower than the NCPA contract that will keep the per transaction fee that is passed on to the end user at \$.10 per transaction. The City currently has 24,143 unique users of the Passport Mobile Application. To ensure that users can continue to utilize the Passport app, the Department of Transportation is recommending that the City Council grant an exemption to the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served. Entering into a new agreement with Passport will result in the City ensuring that we are able to provide our users with continuity of service with the mobile application.

Staff has determined an estimated annual contract cost of \$409,200, which includes a base amount of \$372,000 and a 10% contingency. The annual contract amount is for the transaction fee as well as credit card processing fees for projected usage of the app based on historical trends. The contingency would allow for expansion of parking meter zones that may be needed in the future and to cover potential increased usage over projected amounts.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council's goals to: (i) maintain fiscal responsibility and stability; (ii) improve, maintain and enhance public facilities and infrastructure; and, (iii) support and promote the quality of life and local economy.

ENVIRONMENTAL ANALYSIS:

This recommended action is categorically exempt from CEQA under section 15061 (b)(3), the Common Sense Exemption that CEQA only applies to projects which have the potential for causing a significant effect on the environment.

FISCAL IMPACT:

This contract will be funded by a combination of the Department of Transportation's Parking Meter Funds and the Off-Street Parking Funds for surface lots that utilize the Passport app as a payment option. The cost of this action will be \$1,227,600 (estimated \$409,200 annually) for the initial three year term. The annual estimate includes an annual base amount of \$372,000 plus a 10% contingency.

Annual funding for this action will be addressed by the utilization of existing budget appropriations in the Department of Transportation's FY 2022 operating budget and future years' budget in the various parking meter districts and off-street parking lot accounts including:

Old Pasadena Parking Meter District	21324013-811400
Civic Center Parking Meter District	21424014-811400
Westgate Parking Meter District	22524015-811400
Playhouse Parking Meter District	22924017-811400
South Lake Parking Meter District	23224016-811400
Union & El Molino parking lot	40724020-811400
Madison parking lot	40724019-811400
Shopper's Lane parking lots	21724011-811400

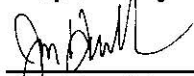
The annual not-to-exceed contract amount for the additional two one-year terms will be based on the total \$409,200 (base and contingency) for the first year plus changes in the Consumer Price Index for the preceding twelve (12) months. The additional second year contract will be based on the previous year's total contract amount (base and contingency) plus changes in the Consumer Price Index for the preceding twelve (12) months.

Respectfully submitted,



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Director
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Prepared by:



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Approved by:



CYNTHIA J. KURTZ
Interim City Manager