

Agenda Report

July 15, 2024

TO: Honorable Mayor and City Council

FROM: Department of Transportation

SUBJECT: AUTHORIZE THE CITY MANAGER TO AMEND CONTRACT 31704 WITH DATA TICKET, INC. TO INCREASE THE CONTRACT NOT-TO-EXCEED AMOUNT BY \$650,000 TO \$2,886,665

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action proposed herein is not a “project” subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b);
2. Authorize the City Manager to amend contract number 31704 with Data Ticket, Inc. to increase the contract not-to-exceed amount by \$650,000, to \$2,886,665; and
3. Grant the proposed contract amendment with Data Ticket, Inc. 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:

On April 20, 2020, City Council authorized staff to enter into a contract with Data Ticket, Inc. (Data Ticket) following a competitive selection process. This contract provides the City with a web-based Parking Citation and Permit Management System with real-time DMV integration, six electric vehicles with automated license plate reading hardware and software, handheld citation issuance devices, and integrates permit, citation and DMV payment information to share with parking enforcement officers in the field to maximize efficiency and minimize citations issued in error. As part of this contract, Data Ticket also provides collection services for delinquent parking citations. The initial contract term was for five years through July 2025 for a not to exceed amount of \$1,576,665.

On September 19, 2022, City Council authorized the City Manager to increase the contract amount by \$660,000 for a total not to exceed amount of \$2,236,665 to cover several unanticipated expenses, including the purchase instead of a lease of six fully electric vehicles, and assistance with collections on a backlog of parking citations. The initial contract was authorized and transitioned to Data Ticket during the early stages of the pandemic when parking enforcement was reduced, so citation issuance severely diminished and parking citation collections were deferred to provide relief.

Despite the challenges that accompanied the pandemic as it relates to parking enforcement, staff made a reasonable effort to project the potential agreement costs as the volume of citations issued grossly declined resulting in less processing fees per citation issued and reducing the overall volume of delinquent citation collections.

Due to the uncertainty of the number of citations that would be issued in future years as conditions returned to normal, staff underestimated the rate in which parking enforcement would return to pre-pandemic levels. Data Ticket's processing fees are dependent on the volume of citations issued, thus increasing fees when issuance increases. To this point, in the initial twelve-month period of the contract from May 2020 – April 2021, the City issued 53,754 parking citations. In comparison to the last twelve months, from April 2023 to March 2024, the City issued 119,190 parking citations, which is an indication that parking activity has increased post-pandemic, therefore leading to increased processing and collections expenses.

Since the implementation of the contract and the beginning of collections efforts, Data Ticket has assisted the City collect more than \$3,236,476. Collection fees of 19% are applied when delinquent citations are collected, which has resulted in additional contract expenses of \$614,930.

In addition to Data Ticket's collection efforts, the City also began using the State of California's Franchise Tax Board (FTB) intercept program via the Data Ticket contract as an additional delinquent citation recovery tool. Participating in the FTB program has allowed the City to collect an additional \$600,442. Data Ticket's fees for utilizing the FTB program is 15% and has resulted in additional contract expenses of \$90,066.

The initial contract award secured spending authority with Data Ticket for the essential services of a parking citation and permit management system for a five-year term. At that time, annual contract expenses were expected to range from \$230,000-\$265,000. The purchase of the vehicles early in the contract term reduced the amount of contract spending available for the primary services with Data Ticket. The current contract spending limit of \$2,236,665 including contingency will be exhausted using the contract spending authority in the fourth year of a five-year service contract. Increasing the contract spending authority by \$650,000 will allow the City to maintain services for the remainder of the five-year contract term without interruption to the public for online purchase of parking permits and citation payment.

COUNCIL POLICY CONSIDERATION:

This action is consistent with the City Council's goals to maintain fiscal responsibility and stability, increase conservation and sustainability, and to support and promote the quality of life and the local economy.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein, authorizing staff to enter into a contract to continue receiving a web-based Parking Citation and Permit Management System, is an organizational or administrative governmental activity that does not result in physical changes to the environment, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The cost of the recommended action is \$650,000 for a revised total contract value of \$2,886,665. The Department will utilize existing FY25 budget appropriations in the General Fund (Fund 101).

Respectfully submitted,



for

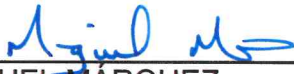
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MIGUEL MARQUEZ
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