

**CITY OF OAKLAND  
COUNCIL AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2003 JUN 26 PM 2: 24

TO: Office of the City Manager  
ATTN: Robert C. Bobb  
FROM: Financial Services Agency  
DATE: July 8, 2003

RE: RESOLUTION AUTHORIZING AN AGREEMENT WITH THE CITY OF INGLEWOOD TO PROVIDE CITATION ADJUDICATION AND PROCESSING SYSTEMS (CAPS) AND ASSOCIATED SERVICES

**SUMMARY**

A resolution is being reintroduced to authorize the City Manager to enter into a new contractual agreement with the City of Inglewood's Information Technology Division ("Inglewood") to provide Citation Adjudication and Processing Systems ("CAPS") and associated services. The contract would be for a three-year period, with two additional one-year extensions at the City's option.

**FISCAL IMPACT**

The cost of CAPS services is directly related to the total amount of citations issued and processed per year. At the current volume of parking citations – 480,000 tickets per year – the new bid from Inglewood would cost the City approximately \$652,333 for each of the first three years (includes \$150,000 per year for equipment upgrades), and \$499,200 each year thereafter. This cost is within the current budget for CAPS services (General Fund 1010, Org. 08921, Account 54211).

**BACKGROUND**

Following a Request for Proposals and an extensive selection process for a provider of CAPS services, a staff report and a proposed resolution (both attached) were submitted to the City Council on November 19, 2002, recommending the selection of Inglewood for the new contract period. At that time, the resolution was not adopted, as the result of a 3-3 vote. Subsequently, the closest competitor to Inglewood – Affiliated Computer Services – has withdrawn its proposal.

**KEY ISSUES AND IMPACTS**

As described in detail in the November 19, 2002, staff report, the proposal from the City of Inglewood is significantly less expensive than any alternative, and its costs are within the amount incorporated in the City budget for CAPS services. Furthermore, since Inglewood is also the City's current contract, entering into a new agreement with Inglewood eliminates the need for additional costs that would be required to convert to a new system.

4  
FINANCE & MANAGEMENT CMTE.  
JUL 8 2003

**SUSTAINABLE OPPORTUNITIES**

Economic: There are no direct economic opportunities resulting from this proposal.

Environmental: All computer equipment to be purchased will be energy-star compliant.

Social Equity: There are no social equity impacts related to this contract.

**DISABILITY AND SENIOR CITIZEN ACCESS**

The recommended Citation Adjudication and Processing Systems will comply with all related requirements of the Americans with Disabilities Act (ADA).


**RECOMMENDATION AND RATIONALE**

Based on the proposers' pricing offers, staff recommends that the City Council authorize the City Manager to enter into an agreement with the City of Inglewood to provide Citation Adjudication and Processing Systems (CAPS) and associated services for a term of three years, with two additional one-year extensions at the City's option.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council approve the resolution.

Respectfully submitted,



**DEBORAH EDGERLY**  
Director, Financial Services Agency

Prepared by:  
Noel Pinto  
Manager, Parking Division

APPROVED AND FORWARDED  
TO THE CITY COUNCIL

  
**OFFICE OF THE CITY MANAGER**

**4**  
**FINANCE & MANAGEMENT CMTE.**  
**JUL 8 2003**

*Michelle Smith*

**REVISED**

**OAKLAND CITY COUNCIL**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2003 JUN 26 PM 2:24

**RESOLUTION NO. \_\_\_\_\_ C.M.S.**

**RESOLUTION AUTHORIZING AN AGREEMENT WITH THE CITY OF INGLEWOOD TO PROVIDE CITATION ADJUDICATION AND PROCESSING SYSTEMS (CAPS) AND ASSOCIATED SERVICES**

WHEREAS, in July of 1997 the City Council authorized the Financial Services Agency to enter into an agreement with the City of Inglewood to use Inglewood's Parking Management Information System for the automated processing of parking citations; and

WHEREAS, the initial three-year agreement with the City of Inglewood has been extended on a month-to-month basis until the present; and

WHEREAS, the City issued a Request for Proposals (RFP) for CAPS providers in July 2001; and

WHEREAS, the City has exercised its option to reject all of the four proposals received in response to the RFP; and

WHEREAS, the City Manager has negotiated an acceptable proposal and agreement from the City of Inglewood and is hereby returning to Council for approval of the agreement and for authorization to execute the contract with the City of Inglewood; and

WHEREAS, the total amount of the contract with the City of Inglewood will depend upon the number of citations issued per year and is projected to be \$652,333 for each of the first 3 years of the agreement, and \$499,200 for each year thereafter; and

WHEREAS, the City Council finds that the service is professional, scientific, or technical; and

WHEREAS, the City Council finds that the service is temporary in nature (being a three-year agreement, with two one-year extensions at the City's option); and

WHEREAS, the City Council finds that the contract shall not result in the loss of salary or employment by any person having permanent status in the competitive service; and

WHEREAS, the City Council finds that the service is exempt from competitive bidding pursuant to Section 2.04.050 I of the Oakland Municipal Code (if applicable); now therefore be it

RESOLVED: that the City Manager is authorized to execute an agreement with the City of Inglewood for the provision of Citation Adjudication and Processing Systems and associated services for a period of three years, with two one-year extensions at the City's option; and be it

4

**FINANCE & MANAGEMENT CMTE.  
JUL 8 2003**

FURTHER RESOLVED: that the agreement shall be approved as to form and legality by the City Attorney and placed on file in the City Clerk's Office.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 19\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES-CHANG, BRUNNER, NADEL, WAN, REID, QUAN, BROOKS AND PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
CEDA FLOYD  
City Clerk and Clerk of the Council  
of the City of Oakland, California

4

FINANCE & MANAGEMENT CMTE.

JUL 8 2003

**CITY OF OAKLAND  
COUNCIL AGENDA REPORT**

**FILED**  
OFFICE OF THE CITY CLERK  
OAKLAND  
NOV -6 AM 10:52

TO: Office of the City Manager  
ATTN: Robert C. Bobb  
FROM: Financial Services Agency  
DATE: November 19, 2002

RE: RESOLUTION AUTHORIZING AN AGREEMENT WITH THE CITY OF  
INGLEWOOD TO PROVIDE CITATION ADJUDICATION AND  
PROCESSING SYSTEMS (CAPS) AND ASSOCIATED SERVICES

---

**SUMMARY**

A resolution has been prepared authorizing the City Manager to enter into a new contractual agreement with the City of Inglewood's Information Technology Division ("Inglewood") to provide Citation Adjudication and Processing Systems (CAPS) and associated services. The contract would be for a three-year period, with two additional one-year extensions at the City's option.

**FISCAL IMPACT**

The cost of CAPS services is directly related to the total number of citations issued and processed per year (currently, about 5% of parking citation revenues). At the current volume of parking citations – 480,000 tickets per year – the new bid from Inglewood would cost the City approximately \$652,333 for each of the first three years (including equipment upgrades), and \$499,200 each year thereafter. This cost is within the existing budget for CAPS services (General Fund 1010, Org. 08921, Account 54211).

**BACKGROUND**

The City's Parking Citation Assistance Center operates on two levels: through customer service (walk-in service, lockbox receipts, and adjudication of appeals), and through an outsourced computerized system for parking-ticket processing and recordkeeping (Citation Adjudication and Processing Systems, or CAPS). City staff utilizes the CAPS system to process all parking citations, conduct administrative reviews, initiate collection activities and provide complete assistance to citizens in resolving parking complaints. Over \$14 million is generated per year in parking citation revenues.

Currently, Inglewood is providing this system along with associated services through a prior contract, entered into in October 1997. In 2001, when the contract was due to expire, the Financial Services Agency (FSA) issued a request for proposals ("RFP") for CAPS services in order to investigate what, if any, improved technologies were available in the marketplace. In addition, after 4+ years, some of the original computer hardware and handheld ticket-issuing units were likely to need replacement. On September 26, 2001, Council approved a contract extension with Inglewood while staff completed the RFP process.

**FINANCE & MANAGEMENT CMTE**

**JUL 8 2003**

Item: 21  
City Council  
November 19, 2002

In response to the RFP, four firms submitted proposals: Affiliated Computer Services, Inc. ("ACS" – a subsidiary of Lockheed-Martin), the Information Technology Division of the City of Inglewood, NetTech Solutions ("NetTech" – which proposed an outright purchase of their program), and Twisted Air Technologies (which proposed providing handheld instruments, but no recordkeeping services).

To identify the proposal that best addressed the City's needs, the proposals were reviewed by a team that included staff from the City Attorney's Office, the City Manager's Office, the Office of Information Technology (OIT), the Purchasing Division, and an outside IT professional (from the Port of Oakland). The review team considered each proposal based on the following criteria:

- Overall quality of proposal
- Functionality of proposed services
- Ability to perform required services
- Proposed system capabilities

In addition to the proposals themselves, the team conducted interviews with each of the bidders; following the interviews, OIT performed an in-depth evaluation of the technology aspects of the proposals. Finally, consideration was given to the costs of each proposal.

After reviewing the submitted proposals, staff recommended exercising the City's option to reject all of the proposals received. On October 1, 2002, City Council adopted a resolution (No. 77453 C.M.S.) authorizing the City Manager to directly negotiate an agreement for the provision of CAPS services and to return to the City Council with his recommendation.

On October 16, 2002, the City Manager met separately with two of the RFP respondents – ACS and Inglewood – to negotiate contract terms. The revised bid from Inglewood was superior, and met the City's needs and budget.

## KEY ISSUES AND IMPACTS

**Evaluations:** On September 6 and 7, 2001, the review team conducted interviews with all 4 respondents. Initial findings were that ACS and Inglewood offered two essentially comparable mainframe systems (such as our current system); NetTech offered a more advanced Windows-based system, but the company's small size, limited experience, and high price were major drawbacks; the proposal by Twisted Air Technologies was disqualified, since it failed to address the ticket processing and recordkeeping services specified by the RFP.

An analysis of each bidder's cost of proposed services was carried out, combining the per-ticket processing charges and the costs for purchasing required hardware and software in an apples-to-apples comparison.

On October 16, 2002, the City Manager held negotiating meetings with representatives of ACS and of Inglewood, and received reduced bids from each. For the estimated volume of 480,000 parking citations per year, ACS's final pricing offer was \$744,000 per year (for hardware, services, and postage); their rate charged for special collections was 34%. For the same number of citations, Inglewood's final pricing was \$652,533 for each of the first three years (covering hardware, services, and postage), and \$499,200 for each subsequent year (for services and

postage; no additional costs for hardware); for special collections, Inglewood's rate is 30%. The cumulative costs of the respective bids, and the differences between them, are shown on the chart below:

	ACS	Inglewood	Variance
Total cost for 3 years	\$2,323,200	\$1,957,599	\$365,601
Total cost for 4 years	\$3,097,600	\$2,456,799	\$640,801
Total cost for 5 years	\$3,872,000	\$2,955,999	\$916,001

(The costs shown are for an estimated annual volume of 480,000 tickets; special collections are not included)

Based on the revised pricing offers, Inglewood is significantly less expensive than any alternative, and its costs are within the amount incorporated in the City budget for CAPS services.

**Further Conversion-related Cost Impacts:** Since Inglewood is also the City's current contractor, entering into a new agreement with Inglewood also eliminates the need to convert to a new system, thus providing the City with additional benefits that were not factored into the selection process. These benefits include eliminating \$36,000 in conversion-related contractor technical support. Retaining Inglewood also results in avoiding an estimated \$165,000 of in-house personnel costs, both at OIT and the Parking Division, for the implementation and training required by any new system, and it also eliminates any potential problems arising from the conversion of data on millions of prior parking tickets.

**Contract Compliance:** Contract Compliance Division staff reviewed the proposals for compliance with the City's Local / Small Local Business Enterprise (L/SLBE) requirements; none of the proposers exceeded 3% SLBE. Based on the very specialized and limited nature of the services required by the City for its CAPS function, there are no prospective responsible bidders who comply with the L/SLBE requirements.

**Living Wage Ordinance:** Each of the bidders stated that they would comply with the City's Living Wage Ordinance.

## SUSTAINABLE OPPORTUNITIES

**Economic:** There are no direct economic opportunities resulting from this proposal.

**Environmental:** All computer equipment to be purchased will be energy-star compliant.

**Social Equity:** There are no social equity impacts related to this contract.

## DISABILITY AND SENIOR CITIZEN ACCESS

The recommended Citation Adjudication and Processing Systems will comply with all related requirements of the Americans with Disabilities Act (ADA).

**RECOMMENDATION AND RATIONALE**

Staff recommends that the City Council authorize the City Manager to enter into an agreement with the City of Inglewood to provide Citation Adjudication and Processing Systems (CAPS) and associated services for a term of three years, with two additional one-year extensions at the City's option.

**ACTION REQUESTED OF THE CITY COUNCIL**

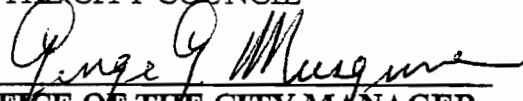
Staff recommends that the City Council approve the resolution.

Respectfully submitted,

  
\_\_\_\_\_  
**DEBORAH EDGERLY**  
Director, Financial Services Agency


Prepared by:  
Noel Pinto  
Manager, Parking Division

APPROVED AND FORWARDED  
TO THE CITY COUNCIL

  
\_\_\_\_\_  
**OFFICE OF THE CITY MANAGER**

<sup>4</sup>  
**FINANCE & MANAGEMENT CMTE.**

**JUL 8 2003**

  
Item: \_\_\_\_\_  
City Council  
November 19, 2002