

CITY OF OAKLAND

FILE FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2016 FEB 25 AM 10:10

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Margaret O'Brien  
Interim Revenue and Tax  
Administrator

**SUBJECT:** ACS/Xerox Contract Extension

**DATE:** February 22, 2016

City Administrator Approval

Date:

2/24/16

## RECOMMENDATION

**Resolution Waiving The Request For Qualifications ("RFQ"), Competitive Selection Advertising And Competitive Bidding Requirements And Authorizing The City Administrator To Execute A Fourth Amendment To The Agreement With ACS State And Local Solutions Inc. ("ACS/Xerox"), To Extend The Term Of The Agreement For A Period Not To Exceed Two-Years, Starting April 2, 2016 And Terminating April 1, 2018 To Provide A Parking Citation Administration And Revenue Reconciliation ("CARR") System And To Compensate ACS/ Xerox Under The Current Terms Of The Existing Contract In An Amount Not To Exceed \$900,000 Per Year.**

## EXECUTIVE SUMMARY

The Revenue Management Bureau (RMB) and the Information and Technology Department (ITD) recommend Council authorize an extension to the current ACS/Xerox Agreement for a two-year term beginning April 2, 2016 and expiring on April 1, 2018. With the requested authorization from the City Council, the City will continue to receive the benefits of the CARR system provided by the Contractor ("ACS/Xerox"), and will receive additional time for the CARR system to be fully integrated with Oracle R12.2 E-Bias Business Suite R12.2 ("Oracle R12.2"), which is the City's citywide financial management system. The RMB was prepared to advertise a CARR RFQ, but ITD requested to postpone advertising the RFQ until completion of the ongoing implementation of Oracle R12.2. The City expects to issue a CARR system RFQ during 2016, and will award a contract within 2017 and the CARR system will be fully implemented, operational, and integrated into Oracle R12.2 by April 1, 2018.

## BACKGROUND / LEGISLATIVE HISTORY

On February 16, 2010, the City Council authorized Resolution No.82531 C.M.S.<sup>1</sup>, authorizing the City Administrator to negotiate and execute a contract between ACS/Xerox to provide the

<sup>1</sup> Reso. 82531 C.M.S. Resolution Authorizing the City Administrator to negotiate and execute a contract between the City of Oakland and ACS State & Local Solutions, Inc., to provide a Parking Citation Administration and Revenue Reconciliation System (CARRS) at an estimated cost of Nine Hundred Thousand Dollars (\$900,000) per year for a term of three years beginning March 1, 2010 with two one-year options to renew.

Item: \_\_\_\_\_  
Finance and Management Committee  
March 8, 2016

City a CARR system for an initial term of three years with two one-year options for renewal. The initial three-year contract term expired April 1, 2013, and the City exercised both one-year options for renewal. Council authorized Resolution No. 85479 C.M.S.<sup>2</sup> to approve an additional one-year contract extension with the expiration of April 1, 2016 to allow additional time to finalize the preparation of the CARR RFQ, which the RMB completed and was prepared to issue and advertise. However, ITD requests to postpone advertising the CARR RFQ until Oracle R12.2 implementation is complete.

### ***The CARR System***

The City benefits from the ACS/Xerox's eTIMS CARR system, as the system provides a cost effective way to process parking citations from citation issuance, through enforcement, processing, and revenue collections. Furthermore, the CARR system also provides parking operation analytics, which aids in the development of the City's parking program. In addition to the processes related to parking citations, the CARR system also provides cost effective processing guidelines to the issuance and processing of residential and business parking permits.

The main components to the CARR system are listed below:

#### ***1. Citation Issuance and Parking Enforcement***

The Electronic Citation Issuance and Reporting System (ECIRS) is used to issue and process parking citations with image enabled handheld devices. The benefit of having these devices is to provide photographic evidence to support that a violation occurred and to verify the violating vehicle. Having this information reduces the rate of parking citation appeals. The issued citation data and photographic images are transferred to and loaded into the CARR system for processing. With the assistance of eTIMS, the City easily has real-time access to the State of California Department of Motor Vehicle database that provides motor vehicle registration documentation and ownership, which is critical to processing parking citations.

#### ***2. Citation Processing, Permitted Parking Tracking, and Revenue Collections***

A Parking Citation Processing System (PCPS) that is browser-based, Web-enabled, and a fully automated, self-sufficient, and modular parking management system, that provides solutions to assist the City with the collection of parking revenue, parking permit tracking, collections noticing, boot and tow noticing. The PCPS collects parking citation payments by various means, Pay-by-Phone, Pay-by-Web, Pay-by-Mail, and payments made thru the ACS/Xerox processing lockbox.

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<sup>2</sup> Reso.85479 C.M.S. Resolution Waving the request for qualifications ("RFQ"), complete selection advertising and competitive bidding requirements and authorizing the City administrator to execute a third amendment to the agreement with ACS State and Local Solutions, Inc., ("ACS/Xerox"), extending the term of the agreement for a period not to exceed one-year, starting April 2, 2015 and terminating April 1, 2016 to provide a parking citation administration and revenue reconciliation ("CARR") system; and compensate ACS/Xerox under the current terms of the existing contract in an amount not to exceed \$900,000.

3. Enforcement Management System

The Enforcement Management System (EMS) combined with the PCPS component of the CARR system, the City has the ability to accurately record citations and document a citation's information. The CARR system provides the City with valuable real-time parking analytics and statistical tools for report generation, status reports, and performance dashboards.

**ANALYSIS AND POLICY ALTERNATIVES**

As the expiration of the current one-year ACS/Xerox extension approaches, the RMB and ITD recommend Council extend the current agreement for a two-year term, which will provide sufficient time for ITD to implement Oracle R12.2 and a CARR system to be fully integrated with Oracle R12.2. Therefore, a replacement RFQ should not be released at this time.

The City, with the City Council's authorization to extend the Agreement with ACS/Xerox, will continue to receive the benefits of the CARR system provided by the Contractor at the current terms and conditions of the Agreement. Section 3 of the originating ACS/Xerox Agreement, authorized by Resolution No. 82531, "Time of Performance," allows for the continuation of the Agreement after the expiration of the "Option Terms," which staff recommends to exercise for this two-year extension.

Compensation to the Contractor will continue to comply with the approved funding for services provided in Resolution No. 82531 that established the necessary spending authority required to fulfill the City's contractual fiscal responsibilities between the City and ACS/Xerox for the CARR system. The financial terms of the Agreement will continue as directed during the two-year extension term. Funding for the contract extension is provided in General Purpose Fund account: 1010.08921.54211.IP60.

Staff recommends that based on the reasons and circumstances set forth above, the City Council, pursuant to Oakland Municipal Code (O.M.S.) Sections 2.04.050.I and 2.04.051.B, find and determine that it is in the best interests of the City to waive the formal advertising and competitive bidding of the RFQ process and requirements, and authorize the City Administrator to execute a fourth amendment to the Agreement for a period not to exceed two-years.

**FISCAL IMPACT**

The contract extension will comply with the terms and conditions of the contract requirements established by Resolution No. 82531. The City will compensate ACS/Xerox at an estimated cost of under \$900,000 per year (based on 0.99 cents per citation issued), for the use of eTIMS system application, software and hardware, and citation handhelds.

Resolution No. 82531 stipulates a collection fee of equal to 30 percent will be imposed by ACS/Xerox in addition to the citation fee of each successful parking citation collected. Specifically, to maintain adherence to generally accepted accounting practices, the Agreement requires ACS/Xerox to remit all collected funds to the City, including their collection fee, and

then invoice the City separately for the collection fee and for the use of the CARR system. The collection fee is dependent upon successful collection of delinquent parking tickets. The approval of this Resolution, to extend the agreement for a two-year period, has negligible fiscal impact, as it only requires the use of City resources (the sunk costs of staff time and supplies) to process two additional invoices per Agreement year.

The financial cost implication of not adopting the resolution will be the disruption of the collection of parking permit and citation revenue. Based on the revenue collected in FY 2014-15, the average monthly revenue was approximately \$1.6 million. FY 2014-15 the CARR system assisted the City in generating approximately over \$20 million in parking citation revenues and approximately \$100,000 in residential parking permits. With the adoption of the Resolution, there will be no disruption in parking and citation revenue.

### **PUBLIC OUTREACH / INTEREST**

This item does not require any additional public outreach other than the required posting on the City's Website.

### **COORDINATION**

This report was prepared by the Revenue Management Bureau in coordination with the City Attorney's Office and the Controller's Bureau.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** No economic opportunities have been identified.

***Environmental:*** There are no environmental impacts associated to this report

***Social Equity:*** There are no social equity issues associated to this report.

### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That City Council Adopt a Resolution Waiving The Request For Qualifications ("RFQ"), Competitive Selection Advertising And Competitive Bidding Requirements And Authorizing The City Administrator To Execute A Fourth Amendment To The Agreement With ACS State And Local Solutions Inc. ("ACS/Xerox"), To Extend The Term Of The Agreement For A Period Not To Exceed Two-Years, Starting April 2, 2016 And Terminating April 1, 2018 To Provide A Parking Citation Administration And Revenue Reconciliation ("CARR") System And To Compensate ACS/ Xerox Under The Current Terms Of The Existing Contract In An Amount Not To Exceed \$900,000 Per Year.

For questions regarding this report, please contact MARGARET O'BRIEN, INTERIM REVENUE AND TAX ADMINISTRATOR, at 238-7480.

Respectfully submitted,



MARGARET O'BRIEN  
Interim Revenue and Tax Administrator  
Revenue Management Bureau

Prepared by:  
Andy Best, Principal Revenue Analyst  
Revenue Management Bureau

*Attachments (2):*

- A Resolution No. 82531 C.M.S.
- B Resolution No. 85479 C.M.S.

Attachment A

Approved as to Form and Legality

*[Signature]*  
City Attorney

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 FEB 25 PM 2:41

**OAKLAND CITY COUNCIL**

RESOLUTION No. 82531 C.M.S.

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A CONTRACT BETWEEN THE CITY OF OAKLAND AND ACS STATE & LOCAL SOLUTIONS, INC., TO PROVIDE A PARKING CITATION ADMINISTRATION AND REVENUE RECONCILIATION SYSTEM (CARRS) AT AN ESTIMATED COST OF NINE HUNDRED THOUSAND DOLLARS (\$900,000) PER YEAR FOR A TERM OF THREE YEARS BEGINNING MARCH 1, 2010 WITH TWO ONE-YEAR OPTIONS TO RENEW**

**WHEREAS**, the City of Oakland wishes to enter into an agreement with ACS State & Local Solutions, Inc. to Provide a Parking Citation Administration and Revenue Reconciliation System (CARRS); and

**WHEREAS**, the City's Purchasing Ordinance, Oakland Municipal Code ("OMC") Chapter 2.04, requires that the City conduct a competitive process (Request for Proposals/ Request for Qualifications) for professional services agreements in excess of \$25,000; and

**WHEREAS**, a competitive Request for Proposals was issued August 7, 2009 and two companies submitted proposals responsive to the City's request; and

**WHEREAS**, upon the City's request, the two companies submitted their "best and final offers" on January 29, 2010; and

**WHEREAS**, through both an internal and external rating process the proposal submitted by ACS State & Local Solutions, Inc. was determined to best meet the needs of the City; and

**WHEREAS**, ACS State & Local Solutions, Inc., is qualified and able to provide an integrated parking citation management system for the City of Oakland within the requirements set forth by the City; and

**WHEREAS**, the City Council finds that the service is professional in nature; and

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

**WHEREAS**, funds for the agreement are available in the Finance and Management Agency Parking Administration adopted FY 2009-2011 budget in the General Purpose Fund (1010), Organization (08911); now, therefore, be it

**RESOLVED:** That the City Administrator is hereby authorized to negotiate and execute a Professional Service Agreement between the City of Oakland and ACS State & Local Solutions, Inc., to provide a Parking Citation Administration and Revenue Reconciliation System (CARRS) at an estimated cost of Nine Hundred Thousand Dollars (\$900,000) per year for a term of three years beginning March 1, 2010 with two one-year options to renew; and be it

**FURTHER RESOLVED:** That the agreement authorized hereunder is subject to City Attorney approval for form and legality and shall be placed on file in the Office of the City Clerk.

**FEB 16 2010**

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

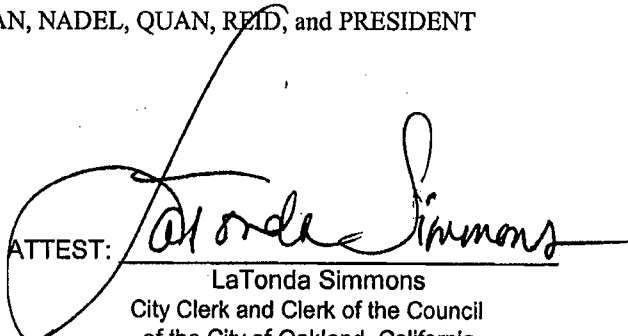
AYES - ~~Brooks, De La Fuente~~, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER - 6

NOES - Brooks, De La Fuente - 2

ABSENT - 0

ABSTENTION - 0

ATTEST:

  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

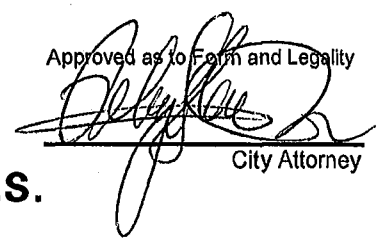
Attachment B

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2015 MAR 12 PM 10:01

# OAKLAND CITY COUNCIL

Approved as to Form and Legality

  
City Attorney

RESOLUTION No. 85479 C.M.S.

Introduced by Councilmember \_\_\_\_\_

**RESOLUTION WAIVING THE REQUEST FOR QUALIFICATIONS (“RFQ”), COMPETITIVE SELECTION ADVERTISING AND COMPETITIVE BIDDING REQUIREMENTS AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A THIRD AMENDMENT TO THE AGREEMENT WITH ACS STATE AND LOCAL SOLUTIONS INC. (ACS/XEROX), EXTENDING THE TERM OF THE AGREEMENT FOR A PERIOD NOT TO EXCEED ONE-YEAR, STARTING APRIL 2, 2015 AND TERMINATING APRIL 1, 2016 TO PROVIDE A PARKING CITATION ADMINISTRATION AND REVENUE RECONCILIATION (“CARR”) SYSTEM; AND COMPENSATE ACS/XEROX UNDER THE CURRENT TERMS OF THE EXISTING CONTRACT IN AN AMOUNT NOT TO EXCEED \$900,000**

WHEREAS, at the February 16, 2010 regular meeting of the City Council of the City of Oakland, the City Council adopted Resolution 82531 C.M.S., authorizing the City Administrator to negotiate and execute a Contract between the City and ACS/Xerox, to provide a CARR system; and

WHEREAS, the Contract was for a three-year term commencing April 2, 2010, with two one-year options to renew; and

WHEREAS, the initial three-year term expired April 1, 2013, and the City exercised a one-year renewal option beginning April 2, 2013 through April 1, 2014; and

WHEREAS, the City exercised the final one-year renewal option beginning April 2, 2014 through April 1, 2015; and

WHEREAS, the City desires to maintain ACS/Xerox services to provide a CARR system by extending the existing Agreement for a period not to exceed one-year in accordance with “Section 3. Time and of Performance” of the contract, as this extension will provide sufficient time to finalize a RFQ and award a replacement contract; and

WHEREAS, the Contract annual cost is not to exceed \$900,000 and is for the CARR system and is inclusive of, (i) per citation processing costs, (ii) reimbursable costs, (iii) lock box payment processing, (iv) mail processing equipment, and (v) as needed consultation services; and

WHEREAS, the Collection Fee is imposed by ACS/Xerox, is separate from and in addition to the cost of the citation and is calculated by multiplying the citation fee by 30 percent (30%), and



**WHEREAS**, ACS/Xerox collects and remits all collected parking citation fees, including the Collection fee to the City and then invoices the City separately for (i) CARR system services rendered and (ii) the collection fee in accordance with the Contract, and

**WHEREAS**, the annual value of the Collection Fee is fluid and dependent upon successful collection of delinquent parking tickets by ACS/Xerox; and

**WHEREAS**, funds for the Contracted CARR system are available in the Revenue Management Bureau FY 2014-15 adopted budget in in the General Purpose Fund account:1010.08921.54211.IP60; and

**WHEREAS**, funds collected for the Special Collection Fee will be received as revenue into the General Purpose Fund (1010), appropriated as an offsetting expenditure in an amount equal to the collection fee received, not to exceed \$2,800,000 annually, and remitted to ACS/Xerox; and

**WHEREAS**, the City Council finds that the services are professional, scientific or technical and the one-year extension is temporary and will not result in the loss of salary or employment by any person having permanent status in the competitive service; now, therefore, be it

**RESOLVED:** That pursuant to O.M.C 2.04.050.I. and for the reasons stated above and in the City Administrator’s report accompanying the item, the City Council finds that is it in the best interests of the City to waive advertising and bidding requirements for this contract and so waives the requirements; and be it

**FURTHER RESOLVED:** That pursuant to OMC 2.04.051.B and for the reasons stated above and in the City Administrator’s report accompanying this item, the City Council finds that it is in the best interests of the City to waive the Request for Proposal/Qualifications requirements for this contract and so waives the requirements; and be it

**FURTHER RESOLVED:** That the City Council of the City of Oakland hereby authorizes the City Administrator to execute a Third Amendment to the Agreement with ACS State and Local Solutions Inc., (ACS/XEROX), extending the term of the Agreement one-year ending April 1, 2016 in an amount not to exceed \$900,000, continuing with same payment and other terms stated in the current Second Amended to the Agreement.

**MAR 31 2015**

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

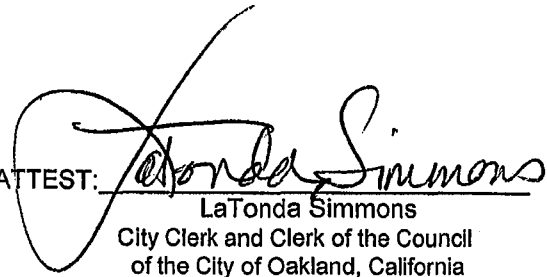
**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY - 8

NOES - 0

ABSENT - 0

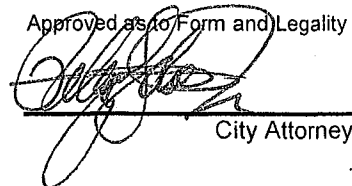
ABSTENTION - 0

ATTEST:   
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

FILED  
CLERK OF THE CITY OF OAKLAND  
016 FEB 25 AM 10:10

# OAKLAND CITY COUNCIL

Approved as to Form and Legality



City Attorney

RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**RESOLUTION WAIVING THE REQUEST FOR QUALIFICATIONS (“RFQ”), COMPETITIVE SELECTION ADVERTISING AND COMPETITIVE BIDDING REQUIREMENTS AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A FOURTH AMENDMENT TO THE AGREEMENT WITH ACS STATE AND LOCAL SOLUTIONS INC. (“ACS/XEROX”) TO EXTEND THE TERM OF THE AGREEMENT FOR A PERIOD NOT TO EXCEED TWO-YEARS, STARTING APRIL 2, 2016 AND TERMINATING APRIL 1, 2018 TO PROVIDE A PARKING CITATION ADMINISTRATION AND REVENUE RECONCILIATION (“CARR”) SYSTEM AND TO COMPENSATE ACS/XEROX UNDER THE CURRENT TERMS OF THE EXISTING CONTRACT IN AN AMOUNT NOT TO EXCEED NINE HUNDRED THOUSAND DOLLARS (\$900,000) PER YEAR.**

**WHEREAS**, at the February 16, 2010 regular meeting of the City Council of the City of Oakland (“City”), the City Council adopted Resolution 82531 C.M.S, authorizing the City Administrator to negotiate and execute a Contract between the City of Oakland and ACS/Xerox to provide a (“CARR”) system; and

**WHEREAS**, the Contract was for a three-year term commencing April 2, 2010, with two one-year options to renew: and

**WHEREAS**, the initial three-year term expired April 1, 2013, and the City exercised a one-year renewal option beginning April 2, 2013 through April 1, 2014; and the City exercised the final one-year renewal option beginning April 2, 2014 through April 1, 2015; and

**WHEREAS**, there was an additional one-year renewal the City choose to exercise for the term of April 2, 2015 through April 1, 2016, approved by City Council with the adoption of Resolution 85479; and

**WHEREAS**, the City desires to maintain ACS/Xerox services to provide a CARR system by extending the existing Agreement for a period not to exceed two-years in accordance with “Section 3. Time and of Performance” of the contract, as this extension will allow the delay of issuing a replacement CARR system RFQ in order to provide the Information and Technology Department (“ITD”) with sufficient time to fully implement citywide technologies, enhancements, and systems installations for which the CARR system must be fully integrated with Oracle E-Business Suite R12.2 (“Oracle R12.2”); and

**WHEREAS**, to accommodate ITD's citywide technologies implementation schedule and the full integration of the CARR system into Oracle R12.2, the City expects to issue a replacement CARR system RFQ during 2016, and will award of a replacement CARR systems contract within 2017 and the CARR system will be fully implemented, operational, and integrated into Oracle R12.2 by April 1, 2018; and

**WHEREAS**, the Contract annual cost is not to exceed \$900,000 and is for the CARR system and is inclusive of, (i) per citation processing costs, (ii) reimbursable costs, (iii) payment processing, (iv) mail processing equipment, and (v) as needed consultation services; and

**WHEREAS**, ACS/Xerox collects and remits all collected parking citation fees, including the Collection fee to the City and then invoices the City separately for (i) CARR system services rendered and (ii) the collection fee in accordance with the Contract; and

**WHEREAS**, the annual value of the Collection Fee is fluid and dependent upon successful collection of delinquent parking tickets by ACS/Xerox; and

**WHEREAS**, funds for the Contracted CARR system are available in the Revenue Management Bureau FY 2016-17 adopted budget in in the General Purpose Fund account:1010.08921.54211.IP60; and

**WHEREAS**, the City Council finds that the services are professional, scientific or technical, and the two-year extension is temporary and will not result in the loss of salary or employment by any person having permanent status in the competitive service; now, therefore, be it

**RESOLVED:** That pursuant to O.M.C 2.04.050.I. and for the reasons stated above and in the City Administrator's report accompanying the item, the City Council finds that is it in the best interests of the City to waive advertising and bidding requirements for this contract extension and so waives the requirements; and be it

**RESOLVED:** That pursuant to OMC 2.04.051.B and for the reasons stated above and in the City Administrator's report accompanying this item, the City Council finds that it is in the best interests of the City to waive the Request for Proposal/Qualifications requirements for this contract extension and so waives the requirements; and be it,

**FURTHER RESOLVED:** That by adoption of this Resolution, the City Council of the City of Oakland hereby authorizes the City Administrator to execute a Fourth Amendment to the Agreement with ACS/XEROX, extending the term of the Agreement two-years beginning April 2, 2016 and ending April 1, 2018 in an amount not to exceed Nine Hundred Thousand Dollars (\$900,000) per year for the two-year extension of the Contract for the CARR system.

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

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California