

CITY OF OAKLAND

AGENDA REPORT

2011 DEC 22 AM 10: 21

TO: Office of the City Administrator
ATTN: Deanna J. Santana
FROM: Finance and Management Agency
DATE: January 10, 2012

RE: **Informational Report and Possible Action on the Status of Implementation of ACS State and Local Solutions, Inc. Parking Citation Administration and Revenue Reconciliation System Including Revenues Realized and a Performance Evaluation As Compared to the Previous Vendor.**

SUMMARY

At the October 13, 2011 Rules and Legislation Committee meeting, Council directed staff to submit an informational report regarding the status of implementation of the ACS State and Local Solutions, Inc. agreement.

On February 16, 2010, Council authorized the City Administrator to negotiate and execute a three year Professional Services Agreement between the City of Oakland and ACS State and Local Solutions to provide a Parking Citation Administration and Revenue Reconciliation System (CARRS) at an estimated cost of Nine Hundred Thousand Dollars (\$900,000) per year beginning on April 2, 2010 and ending on April 2, 2013 with two one-year options to renew.

On June 14, 2010, system conversion and implementation of many new features occurred which included issuance of electronic citations, new pay-by-web and phone options, on-line residential permit parking renewals, and citation payment kiosks.

ACS has been a good partner implementing the entire system conversion in record time and has provided system solutions that contribute to the program's success. In addition, ACS staff has been supportive by working with City staff and providing good training and outreach.

FISCAL IMPACT

This is an informational report; negative fiscal impacts are not anticipated. However, by selecting ACS over Duncan Solutions, the City realized a saving to the program by approximately \$138,841 in FY 2010-11 (\$0.36 net savings per citation multiply by 385,670 citations written). In addition, a \$300,000 inducement payment to the City was made by ACS at the start of the contract. Furthermore, ACS will make additional inducement payments of \$100,000 for each of the contract extensions. In FY 2009-10, a total of 451,240 tickets were

issued while in FY 2010-11, 385,670 tickets were issued. This reflects a decrease of 15 percent or 65,570 in number of tickets issued due to the economic conditions.

BACKGROUND

In the first year of implementation, ACS in partnership with City staff, moved from a manual, backlogged citation processing system to one that has streamlined the parking citation processing program.

New Features and Enhancements

Below is a chart that lists all the features of the ACS system and the positive benefits these features have contributed to improving customer service:

Feature	Impact
<p>1. One hundred (100) new handheld ticket writers and printers were issued to staff with digital photography capabilities.</p>	<ul style="list-style-type: none"> • Increase of 13 percent in Off-the-Windshield payments which are payments that are made by motorists prior to the accrual of additional penalties. This increase is attributed to the printing of the violation picture on the citation, as well as providing motorists access to additional pictures on the web site. Furthermore, a reduction in the number of appeals has occurred which has reduced staff time being spent on processing the appeals. • Decrease in City postage costs of approximately \$150,000 due to less violation notices mailed. • Up to 75 percent of previously issued citations were hand written which took approximately 6-8 weeks to enter into the legacy system. Currently, only 2 percent are hand written citations. The new system downloads all electronic citations into the computerized system on the same day that the citations are issued. This has increased collections, reduced errors, and enabled faster citation processing.

Feature	Impact
2. On-line Residential Permit Parking (RPP) program combined with new mail processing equipment.	<ul style="list-style-type: none"> The online RPP process has enabled permits to be issued faster in addition to a quicker turnaround on answering customer correspondence due to the on-line renewal option. By eliminating the manual process, staff resources have been redeployed to other key customer service functions such as answering phones, processing appeals and providing in person customer service.
3. Interactive Voice Response (IVR) System – implemented to provide citizens quick and accurate information without the need to be transferred to a customer service representative. The IVR offers service in Spanish, Chinese and English.	<ul style="list-style-type: none"> Today, over 70 percent of all calls are handled by the IVR, lowering citizen wait time on the phone and freeing up Parking Division staff for handling contested citations. In most cases, the Parking Division is responding to contested citations within 10 business days but not exceeding 30 days due to mandated work furloughs. Previously the response time took several months.
4. Citation payments/collections have increased	<ul style="list-style-type: none"> Since ACS has taken over the contract services, citations paid/collected have increased from 67 percent in FY 2009-10 to 73 percent in FY 2010-11.

Customer Service Improvements

Enhanced Customer Service was a top priority of the department. Our goal has been achieved through the implementation of a better system, business processes, and operational efficiencies.

- On October 28, 2011, the Customer Service Portal was implemented. Pay-by-Web was implemented June 14, 2010. This is a new customer service friendly, tri-lingual option that enables citizens to conveniently and securely view and pay parking tickets on-line at no additional cost or convenience fee. In July of 2010, web payments were at an all time low of 8 percent. However, with the new ACS system, web payments have increased to over 25 percent since fewer motorists are contesting citations due to their ability to view the pictures of the violation on the website. Furthermore, citizens can sign up for automatic e-mail alerts should they receive a citation allowing them the opportunity to pay citations in a timely manner and avoid additional penalties for late payments.

Item: _____

- On June 30, 2010, Pay-by-Phone was launched. This new automated interactive voice response (IVR) system enables citizens to get the information they need to pay a violation by phone without having to be transferred to a customer service representative. This option, similar to the Pay-by-Web, is available in three languages: English, Spanish, and Chinese. The new system increased the previous number of phone payments – from 4 percent to 9 percent.
- On June 14, 2011, four payment kiosks were deployed throughout Oakland for citizens to pay citations using cash, check or credit/debit cards. The payment kiosk allows access for in-person payments during off hours and in more convenient locations for citizens for a nominal fee of \$1.00 per transaction. Furthermore, the kiosk offers Chinese and Spanish language options. Offering different payment options has reduced walk-in payments from 15 percent to 9 percent resulting in significantly shorter wait times in the Parking Division's lobby.

KEY ISSUES AND IMPACTS

The following highlights some of the key functionalities and their availability in the ACS systems that were not available in the previous system:

- The ACS system will recognize a duplicate payment and prevent a second payment from being processed on the same citation when the citation is paid in full;
- The ACS system automatically reverses all penalties (including collection fees) so that the new owner does not inherit the prior owner's citation liabilities when a vehicle ownership change occurs;
- Staff members can automatically issue a letter advising the citizen of the outcome of their appeal in a one-step process as compared to a seven-step process in the legacy system when reviewing citation appeals; and
- The ACS system allows Administrative Hearing disposition entries into the system only at the date and time of the Administrative Hearing, not before or after. This allows the citizen to understand that unbiased decisions are independently made by the Hearing Officers and entered into the system in their presence.

In addition, the ACS contract has incorporated several performance commitments. The following is a summary of the criteria and conditions and the performance commitments of the ACS contract:

1. Contract Inducement – The contract with ACS specified that ACS will pay City \$300,000 within thirty (30) calendar days of executing the Agreement for the initial three-year term of the contract and ACS has made this payment on May 3, 2010.
2. Collection Assignment Criteria – The contract with ACS specified the Collection Assignment criteria and that ACS will remove the 30 percent collection fee prior to

Item: _____

Finance and Management Committee

January 10, 2012

sending the citations to Franchise Tax Board for tax intercept marking. ACS has met this criterion.

- Collection Rate Target – Per the contract, ACS is committed to increase the City’s previous collection rate from 68% to 80% as follows:

All citations issued updated to database:	Evaliated as of:	Minimum Collection Rate Targets:	Actual Collection Rate
Starting in operating month three (3)	After 6 months	72%	<ul style="list-style-type: none"> The 6 month measurement could not be accurately measured because there was a lag time of 40 to 60 days in entering hand written citations into the ACS system. We are how current with citation inputting into the ACS system.
	After 12 months	74%	71%
	After 18 months	78%	N/A
	After 24 months	80%	N/A

- Collection program – The collection rate targets presented specifies conditions that the City must meet and the City is currently in compliance with this collection program. The City will continue to work with ACS to use all available collection techniques.
- Credit Assessments for Contractor’s Failure to meet Collection Rate Targets - ACS shall provide a credit to the City if they do not meet the Collection Rate Target. To-date, credit assessments have not been imposed; however, starting the 12 month, Collection Rate Target credit assessment will be imposed if ACS has not met the established minimum Collection Rate Targets.
- Communication Lines – The City already has the T-1 communication line.
- General Liquidated Damages – The contract specifies that if ACS does not meet Performance Standards, ACS will Pay City a penalty not to exceed 10% of total monthly citation processing fees invoiced to the City. The City has not found any deficiency within the contractor’s performance as specified in Section 4.9 of the RFP and the Contractor’s proposal to impose any liquidated damages.
- Kiosks – ACS was to provide four payment kiosks as offered in their proposal. These four kiosks have been provided and installed in June 2011.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

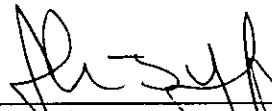
Environmental: There are no environmental opportunities associated with this report.

Social Equity: There are no social equity opportunities associated with this report.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no ADA or senior citizen access issues associated with this report.

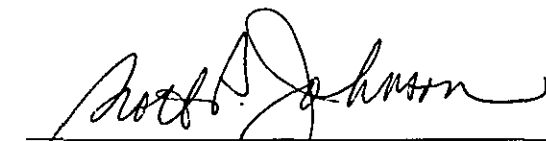
Respectfully submitted,



Joseph T. Yew, Jr.
Finance Director/City Treasurer,
Finance and Management Agency

Prepared by:
Noel Pinto, Parking Manager
Finance and Management Agency

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator