

CITY OF OAKLAND
AGENDA REPORT

2009 OCT 29 PM 5: 27

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: FMA/Parking Operations
DATE: November 10, 2009

RE: **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 Three Years with Two One-Year Options to Renew**

SUMMARY

Staff has prepared a resolution to authorize 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) for three years with two one-year options to renew.

A Request For Proposals (RFP) was issued earlier this year and two companies responded with viable proposals, ACS State & Local Solutions, Inc. (ACS), and Duncan Solutions (Duncan). Both are national, experienced companies that bring knowledge of citation administration and expertise related to parking operations. Both were fully responsive to the RFP. The two companies had the opportunity to present their proposal to a 5-member panel of external and internal experts and were evaluated based on the responsiveness of their proposals, the quality of the services they would provide, and their pricing structures.

After an analysis of the proposal evaluations provided by the external panel and an internal review, staff is recommending that the City contract with ACS to provide CARRS. The ACS proposal provides increased service and efficiencies that should contribute to the City's ability to meet its revenue goals for parking citation fines.

FISCAL IMPACT

The budgeted revenue for citation fines is \$27.7 million and represents the net revenue to the City after citation management fees have been deducted. The cost of the CARRS contract is incurred as a per-citation processing fee for an estimated volume of 525,000 citations plus additional fees for special collection efforts. The fees charged by ACS are anticipated to cost up to \$900,000 annually. The expected cost of citation management is budgeted in the General Purpose Fund (1010), Parking Citation Assistance Center organization (08921), Data Processing Services account (54211). The City currently contracts with the City of Inglewood on a month-to-month basis for its citation management system and paid \$876,000 in Fiscal Year 2008/2009 under that contract.

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In the RFP, vendors were asked to present and support claims for revenue enhancement ideas. ACS' proposal included an estimated increase to the City's citation fine revenue of 18% over current collections. Staff considers this estimate to be ambitious but does expect revenue collections to increase under the new and comprehensive system offered by ACS.

BACKGROUND

In order to meet the changing demands of the City's parking citation management needs and to explore appropriate and available technologies, staff issued a Request for Proposals (RFP) in August 2009 to provide a Citation Administration and Revenue Reconciliation (CARRS) system. There were a total of two respondents to the RFP: ACS State & Local Solutions, Inc. (ACS) and Duncan Solutions (Duncan). Both are national, experienced companies that bring a deep knowledge of citation administration and expertise related to parking operations. Both were fully responsive to the RFP. The current vendor, The City of Inglewood, subcontracts to Duncan to provide Oakland with its existing parking citation management system.

KEY ISSUES AND IMPACTS

A. Comparison of Proposals

The following table provides a side-by-side overview of the proposals received by each company.

ITEM	ACS	DUNCAN <i>(Currently subcontracts with Inglewood)</i>	CURRENT SYSTEM (Inglewood)
Overall presentation of proposal materials	Professional presentation, articulate narrative, sufficient and effective graphics, well-organized	Professional presentation, fair narrative, sufficient quantity but poor quality graphics, organized	n/a
Executive Summary	Captures the essence of the proposal and effectively describes its responsiveness	Relies on an assumption that their experience in Oakland is an advantage	n/a
Project Teams	High quality, experienced professionals	Strong team members	n/a
Relevant Experience	High	High	n/a
Project Approach	Section describes collaboration with City, integration of local resources, high quality software systems, strong customer support	Section emphasizes smooth transition from existing system and Duncan's advantage as subcontractor of current provider	n/a

ITEM	ACS	DUNCAN <i>(Currently subcontracts with Inglewood)</i>	CURRENT SYSTEM (Inglewood)
Electronic Citation Issuance & Reporting System (ECIS) Enforcement Management System (EMS) Parking Citation Processing System (PCPS)	ACS' technology is more modern, more sophisticated, and more thoroughly described and illustrated than Duncan's. All systems build on existing capabilities and appear to be user-friendly. Networking and hardware requirements are clear and compatible with the City's systems.	Duncan's technology seems outdated and while it offers many of the same features as ACS, the interfaces are more difficult to navigate and screens are not user-friendly. Networking and hardware requirements are clear and compatible with the City's systems.	Inglewood is currently contracting with Duncan to provide the City's citation management. Staff are critical of the user interface, lags in processing time, and difficulty of multi-tasking.
Payment Processing	Offers professional, timely, accurate, and secure payment processing	Offers professional, timely, accurate, and secure payment processing	Offers professional, accurate, and secure payment processing
Data Management	Offsite, secure data storage (NJ); efficient backup processes and archival data retrieval	Offsite, secure data storage (WI); efficient backup processes and archival data retrieval	Data retrieval can be cumbersome and not timely
Training and Staffing	Training approach is hands-on, live training with hard copy manuals and documentation provided	Training approach is hands-on, live training with hard copy manuals and documentation provided	Inglewood no longer provides training or manuals
System Conversion	Clearly mapped, thorough process	Simplified process due to vendor's current access to City data	n/a
Marketing and Revenue-Generating Program	Discussed viable marketing and promotions ideas; potential revenue gain based on City's acceptance of promotional programs.	Response expressed enthusiasm for the program; anticipated \$25-\$50,000 new income.	None
Hardware Equipment provided	<ul style="list-style-type: none"> - 34 PCs - 22 printers - 100 Handheld citation writers w/printers - 4 payment kiosks - 4 cashiering systems 	<ul style="list-style-type: none"> - 38 PCs - 26 printers - 100 Handheld citation writers w/printers - 4 payment kiosks - 4 cashiering systems 	None
Revenue Enhancement Techniques	18% increase due to stepped up collections efforts and efficiencies	10% additional collections through greater efficiency	None

Overall, the general provisions of the ACS proposal were stronger than Duncan's -- especially with regard to the software and its user interface. Screen shots of Duncan's systems portrayed an outdated user module with difficult to read screens and non-intuitive processes. In contrast, images of ACS' product presented screens that were easy to read, simple to follow, and which integrated features in an intuitive and accessible way.

PROPOSAL PRICING STRUCTURES			
ITEM	ACS	DUNCAN	CURRENT SYSTEM (Inglewood)
Base Citation Rate (per citation; expected volume of 525,000 citations)	\$0.99	\$1.35	\$0.78
Base price includes:			
• Base systems and services	✓	✓	✓
• Citation writer support	✓	✓	✓
• Phone system upgrade	✓	✓	n/a
• Contract dedicated labor	✓	✓	✓
• Lockbox for mail-in	✓	✓	✓
• Data entry for manual citations	✓	✓	✓
• Kiosk equipment support	✓	✓	\$0.25
• Out of State DMV Processing	✓	✓	n/a
• Telephone/Internet Payments	✓	✓	\$0.98
• Technical Support	✓	✓	\$1.09
Postage (Current USPS rate)	Reimbursable	Reimbursable	Reimbursable
Mail Handling Fee <i>(per item in addition to postage)</i>	Included in base rate	Included in base rate	\$0.09
Special Collections	30%	30%	30%
Hourly Billing for Additional Consultation <i>(for consultation beyond project scope)</i>	\$23-75/hr	\$28-\$120/hr	n/a
Kiosk Transaction Fee <i>(passed on to user)</i>	\$1.00 per transaction	None	n/a
[OPTIONAL] Lockbox Processing (bank)	\$0.44 Wells Fargo	\$0.28 Bank of the West	n/a
[OPTIONAL] Lockbox Processing (vendor)	\$0.41	\$0.26	n/a
Estimated Annual Cost	\$890,000	\$1,071,000	\$1,020,000 <i>(FY09/10 Projected)</i>

The pricing structure for the two proposals clearly favors ACS as the vendor providing the lowest cost. Consulting time, particularly in the first year, could result in incurring costs not anticipated here.

Duncan offered a second pricing proposal that would reduce their per citation fee to \$0.73 if the City removed the restriction of excluding payments collected by the Department of Motor Vehicles (DMV) or through the State Franchise Tax Board (FTB) from Special Collections. The City included this restriction for two reasons: if the vendor collects the 30% Special Collections fee on citations that are not paid before they are reported as liens to the DMV or FTB, there is no motivation for the vendor to pursue collections aggressively before that point; secondly, once citations are reported to DMV and FTB, the ratio of successful collection decreases significantly – by retaining the 30% Special Collections fee, the City mitigates the anticipated revenue loss for uncollectible tickets. Staff does not recommend the alternative pricing structure.

B. Anticipated Benefits of the ACS System

The first benefit of the ACS system is reduced cost through a more favorable pricing structure and increased efficiencies. Additional benefits include improved integration of various citation processing functions, a technologically advanced system, improved user interface, and more reliable reporting. For customers, improvements to the system will include faster processing times online, by phone, and in person. The integration of the system will also mean that staff will be much better equipped to respond to customer inquiries and to provide customers with more accurate and timely information.

SUSTAINABLE OPPORTUNITIES

There are no direct economic, environmental, or social equity opportunities resulting from action on this item.

DISABILITY AND SENIOR CITIZEN ACCESS

The proposed action does not impact disability and senior citizen access.

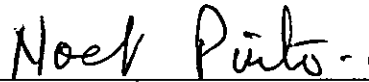
RECOMMENDATION(S) AND RATIONALE

After both an internal evaluation of the proposals and an analysis of the feedback provided by the external panel, staff is recommending that the City contract with ACS to provide CARRS.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that Council adopt a 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) for three years with two one-year options to renew.

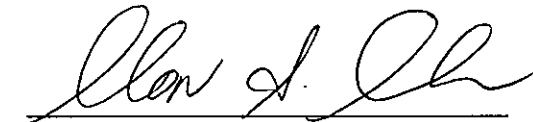
Respectfully submitted,



Noel Pinto
Parking Operations Manager

Prepared by:
Kip Walsh, Administrative Services Manager II
Finance & Management Agency

APPROVED AND FORWARDED TO THE
FINANCE COMMITTEE:



Office of the City Administrator

Quynh A. ...
City Attorney

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 OCT 29 PM 5:27

OAKLAND CITY COUNCIL

RESOLUTION No. _____ 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 NOVEMBER 20, 2009 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 [(OMC section 2.04.051(A)]; 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, 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 November 20, 2009 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.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

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