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OAKLAND

2015 MAR 13 AM 5:24

AGENDA REPORT

TO: JOHN A. FLORES
INTERIM CITY ADMINISTRATOR

FROM: David McPherson

SUBJECT: Contract Award and Spending
Authority to IPT LLC "PayLock"

DATE: February 27, 2015

City Administrator
Approval

Date

3/12/15

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to (1) Award a Professional Services Agreement to IPT LLC ("PayLock") for a Total Compensation not to Exceed Six Hundred Ninety Thousand Dollars (\$690,000) for Three (3) years (\$230,000 per year) with Two (2) One-Year Renewal Options, to Provide Vehicle Immobilizer/Boot Release Services ; and (2) Authorizing Collection and Appropriation of Transaction Fees Imposed Upon Release of the Vehicle Immobilizing Boot in Addition to the Motorist's Outstanding Citation in an Annual Amount not to Exceed Two Hundred Thirty Thousand Dollars (\$230,000) for Payment to PayLock Under Such Professional Services Agreement.

OUTCOME

Adoption of this resolution will authorize the City Administrator to enter into a three year Professional Services Agreement with two additional one-year options to renew with PayLock, to provide the City with a Mobile License Plate Recognition Systems (MLRP) and Self-Release SmartBoot ("SmartBoot") to facilitate efficient identification of scofflaw vehicles and to provide convenience to the motorists/parking violators by immobilizing a scofflaw's vehicle with a SmartBoot instead of immediately towing the vehicle.

BACKGROUND/LEGISLATIVE HISTORY

Since July 2009, PayLock has been in contract with the City to provide a SmartBoot and MLRP program. The SmartBoot program, utilized by the City's Police Services Technicians (PST), allows motorists to unlock the boot device using a code provided over the phone upon payment of applicable fines and service charges. The booting services provided make it convenient for parking violators, whose vehicles have been "booted", to pay their unpaid citations using credit

Item: _____
Finance & Management Committee
March 24, 2014

cards, debit cards or check by calling an 800 number 24 hours per day, seven days per week. The PayLock system makes it possible and convenient for motorists to release the vehicle immobilization device/boot from their vehicles without incurring towing and storage charges, and saving them a trip to the Parking Citation Assistance Center. The existing contract expires April 14, 2015. In accordance with the City's purchasing policies and procedures, staff initiated a formal Request for Proposals (RFP) to ensure continued fair and equitable contracting of this program.

ANALYSIS

On July 1, 2014, the Revenue Management Bureau, working with the Contract and Compliance Division, initiated a formal RFP, soliciting proposals from qualified firms for an automatic boot release program and devices to immobilize scofflaw vehicles. The RFP was advertised in the Oakland Tribune, San Francisco Chronicle, Parking Today Magazine, Parking International Institute, California Public Parking Association papers, their websites and as well as the City of Oakland's website. Staff held a pre-proposal meeting on July 8, 2014. The RFP submission deadline was July 15, 2014. The City received only one proposal to the RFP, which was from PayLock.

The PayLock SmartBoot program is provided at no cost to the City. PayLock is proposing to recover its costs by charging the motorist a fixed transaction fee of \$177 for every vehicle that has been immobilized, which is in addition to the motorists' citation fees. PayLock will be acting as the City's agent in the collection of all parking citation fines prior to the release of the SmartBoot. Under the proposed agreement, PayLock is required to provide the City with a detailed report showing the breakdown of parking citations and transaction fees collected on a monthly basis. Furthermore, to maintain adherence to Generally Accepted Accounting Practices (GAAP), the Agreement requires PayLock to remit all revenues collected to the City including PayLock's transaction fee, and then invoice the City for reimbursement of the transaction fee.

Under the proposed agreement, PayLock will provide the following services:

- A supply of SmartBoots necessary to perform the program at optimal levels.
- Repair and replacement of damaged or stolen SmartBoots.
- Five MLPR systems with the capability of receiving electronic updates of scofflaw listings on a daily basis.
- Five Dodge Caravans used to patrol, identify and immobilize scofflaw vehicles.
- Custom boot racks to be used in the vendor provided Dodge Caravans enforcement vehicles.
- An 800-phone number (Help Center), which is answered 24 hours per day, seven days per week to assist motorists with payment and questions regarding booted vehicles.

Item: _____
Finance & Management Committee
March 24, 2015

- Telephone payment processing via the Help Center of outstanding citation fines from motorists and depositing of the collected revenues into the City's bank account on a daily basis.
- PayLock will charge a \$177 transaction fee directly to the motorist, which includes any credit card bank charged processing fees.
- Supply, design and print three-part seizure notices for placement on booted vehicles.
- License to operate PayLock's web-based BootView software application.
- Integration with the City's parking ticket processing and collections vendors.
- Performance and financial reports for all types of transactions related to booted/towed vehicles.

The City's PSTs will operate the vendor provided Dodge Caravans and utilize the MLPR cameras. MLPR cameras read vehicle license plates as a PST is driving and notifies the PST with an audible sound upon identifying a parked scofflaw vehicle. The PST will then boot the identified scofflaw vehicle and continue on his or her assigned route. Under the proposed agreement the City is responsible for all vehicle operating costs, including maintenance and secured storage.

PUBLIC OUTREACH/INTEREST

The RFP was advertised in the Oakland Tribune, San Francisco Chronicle, Parking Today Magazine, Parking International Institute, California Public Parking Association papers and their websites. In addition, it was made available on the Contract Compliance Webpage and the City's iSupplier in order to encourage participation by the local entities.

COORDINATION

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

COST SUMMARY/IMPLICATIONS

Parking citation revenues and the transaction fees collected by PayLock are dependent upon the number of vehicles booted. Therefore, the transaction fees collected by PayLock are fluid and vary from year-to year. The revenues collected from parking citations on behalf of the City by PayLock and the total amount collected from PayLock's transaction fee will be deposited into the designated City's bank account on a daily basis. The revenues collected will be deposited into the City's General Purpose Fund (1010), Treasury Organization (08721), Fines and Penalties Account (43112) and Program No. (IP60). Upon receipt of invoice from PayLock, the City will reimburse the transaction fee to PayLock in an annual amount not to exceed \$230,000. To ensure adherence with GAAP, staff is requesting to establish annual spending authority in an amount

Item: _____
Finance & Management Committee
March 24, 2015

not to exceed \$230,000 in the City's General Purpose Fund (1010), Parking Citation Assistance Center (08921) Miscellaneous Contracts (54919.0000000.IP60).

SUSTAINABLE OPPORTUNITIES

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

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

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

For questions regarding this report, please contact David McPherson, Revenue & Tax Administrator, at (510) 238-6650.

Respectfully submitted,


David McPherson
Revenue & Tax Administrator
Revenue Management Bureau


Reviewed by:
Margaret O'Brien - Principle Revenue Analyst
Revenue Management Bureau

Prepared by:
Shahla Azimi - Revenue Analyst
Revenue Management Bureau

Item: _____
Finance & Management Committee
March 24, 2015

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL


City Attorney

2015 MAR 13 AM 5:25 RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO (1) AWARD A PROFESSIONAL SERVICES AGREEMENT TO IPT LLC ("PAYLOCK"), IN AN AMOUNT NOT TO EXCEED SIX HUNDRED NINETY THOUSAND DOLLARS (\$690,000) FOR THREE (3) YEARS (\$230,000 PER YEAR) WITH TWO (2) ONE-YEAR OPTIONS TO RENEW, TO PROVIDE VEHICLE IMMOBILIZATION/BOOT RELEASE SERVICES FOR THE CITY OF OAKLAND; AND (2) AUTHORIZING COLLECTION AND APPROPRIATION OF TRANSACTION FEES IMPOSED UPON RELEASE OF THE VEHICLE IMMOBILIZING BOOT IN ADDITION TO THE MOTORIST'S OUTSTANDING CITATION IN AN ANNUAL AMOUNT NOT TO EXCEED TWO HUNDRED THIRTY THOUSAND DOLLARS (\$230,000) FOR PAYMENT TO PAYLOCK UNDER SUCH PROFESSIONAL SERVICES AGREEMENT.

WHEREAS, since July 2009, PayLock has been in contract with the City to provide Self-Release SmartBoot ("SmartBoot") and Mobile License Plate Recognition systems (MLPR); and

WHEREAS, the SmartBoot program, utilized by the City's Police Services Technicians ("PST"), allows motorists to unlock the vehicle immobilization or "boot" device using a code provided via the telephone upon payment of applicable fines and service charges; and

WHEREAS, the PayLock system makes it possible and convenient for motorists to release the vehicle immobilization device/boot from their vehicles without incurring towing and storage charges, and saving them a trip to the Parking Citation Assistance Center; and

WHEREAS, the existing contract expires on April 14, 2015; and

WHEREAS, in accordance with Oakland Municipal Code, Section 2.04.051, Competitive Process and Qualification-Based Awards for Professional Services, and the City's purchasing policies and procedures, staff initiated a formal Request for Proposals (RFP) to ensure continued fair and equitable contracting of this program; and

WHEREAS, on July 1, 2014, the Revenue Management Bureau, working with the Contract and Compliance Department, initiated a formal RFP, soliciting proposals from qualified firms for an automatic boot release program and devices to immobilize scofflaw vehicles; and

WHEREAS, the RFP was advertised in the Oakland Tribune, San Francisco Chronicle, Parking Today Magazine, Parking International Institute, California Public Parking Association papers, their websites and as well as the City of Oakland's website, submission deadline was July 15, 2014 and the City received only one proposal to the RFP, which was from PayLock; and

WHEREAS, PayLock will act as the City's agent in the collection of all parking citation fines prior to the release of the SmartBoot and providing the City with monthly detailed reporting regarding the collection of parking citations and transaction fees; and

WHEREAS, under the proposed agreement, PayLock will provide necessary program services including, (i) a supply of SmartBoots necessary to perform the program at optimal levels, (ii) repair and replacement of damaged or stolen SmartBoots, (iii) five MLPR systems with the capability of receiving electronic updates of scofflaw listings on a daily basis and five Dodge Caravans used to patrol, identify and immobilize scofflaw vehicles, and (iv) an 800-phone number ("Help Center"), which is answered 24 hours per day, seven days per week to assist motorists with payment and questions regarding booted vehicles; and

WHEREAS, the City's PSTs will operate vendor provided Dodge Caravans and utilize the MLPR cameras to identify scofflaw vehicles; and

WHEREAS, under the proposed agreement the SmartBoot program is provided at no cost to the City and PayLock proposes recovery of its costs by charging motorists a fixed transaction fee of \$177 in addition to the motorist citation fees for every vehicle that has been immobilized; and

WHEREAS, to maintain adherence to Generally Accepted Accounting Practices (GAAP), the agreement requires PayLock to remit all collected revenues, including PayLock's transaction fee, to the City and subsequently invoice the City for reimbursement of the transaction fee; and

WHEREAS, parking citation revenues and the transaction fee collected by PayLock are dependent upon the number of vehicles booted, the transaction fees are fluid and vary from year-to year; and

WHEREAS, funds collected for PayLock's transaction fee will be received as revenue in the General Purpose Fund, and appropriated to an offsetting expenditure account in an amount equal to the transaction fee received but not to exceed \$230,000 annually and remitted to PayLock; and

WHEREAS, the City Council finds that the services are professional, scientific or technical and awarding this agreement 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 the recitals set forth above are true and correct, and the City Council so finds and determines; and be it

FURTHER RESOLVED: that the City Administrator is hereby authorized to award a Professional Services Agreement to IPT LLC "PayLock", in an amount not to exceed Six Hundred Ninety Thousand Dollars (\$690,000) for three (3) years at \$230,000 per year with two (2) one-year options to renew to provide Vehicle Immobilizer/Boot Release Services for the City of Oakland; and be it

FURTHER RESOLVED: that the City Council of the City of Oakland hereby authorizes collection and appropriation of transaction fees in an amount not to exceed Two Hundred Thirty Thousand Dollars (\$230,000) annually for the term of the agreement starting Fiscal Year 2015 and ending in Fiscal Year 2018, as required under the professional services agreement and equal to the transaction fee collected and remitted to the City on all SmartBoot transactions, which is imposed by Contractor and is in addition to the motorist's outstanding citation; and be it

FURTHER RESOLVED: that this Resolution shall take effect immediately upon its passage.

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