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OFFICE OF THE CITY CLERK
OAKLAND

2018 JAN 31 AM 9:40

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Director of Finance

SUBJECT: Report on RFQ for Parking Citation
Management Services

DATE: January 3, 2018

City Administrator Approval

Date:

1/30/18

RECOMMENDATIONS

Adopt A Resolution Authorizing The City Administrator, Or Designee, To Execute An Agreement With Conduent State & Local Solutions, Inc. To Provide Parking Citation Management Software And Parking Enforcement Hardware, Leasing, Installation, Maintenance, Support And Related Professional Services For An Initial Five-Year Term At Approximately \$497,870 Per Year, For A Total Of \$2,489,350, With Two One-Year Options, For A Grand Total Amount Not To Exceed \$3,485,095.

EXECUTIVE SUMMARY

In January 2017, the Department of Finance of the City of Oakland released an Request for Qualifications ("RFQ") for a comprehensive Parking Citation Management Solution, Parking Enforcement Equipment, and Special Services. The City received eight proposals in response to the RFQ, all of which met Finance Department's requirements and implementation deadline, and proposers were invited to continue to through the selection process. A cross-functional evaluation team, comprised of 10 knowledgeable members representing the Revenue Management, Treasury, and Controller Bureaus and the Departments of Information Technology and Transportation, was created to fairly, objectively and systematically evaluate all aspects of the proposals. In addition to the 10-member evaluation team, there were 11 Subject Matter Experts ("SMEs") who participated in the evaluation process and provided feedback to the evaluation team.

After a thorough and complete evaluation of proposals from the final three companies and careful analysis of the Best and Final Offer of each finalist, staff recommends the City Council to award the contract to Conduent State & Local Solutions, Inc. ("Conduent") and authorizes the City Administrator, or her designee, to negotiate and execute an Agreement with Conduent, who submitted the most advantageous proposal to the City, to provide the Parking Citation Management System, Parking Enforcement Equipment and accessories, and Document Production and Mailing Services for a maximum compensation not to exceed \$3,485,095 (\$2,451,744 during an initial fixed five-year term and \$1,033,351 for the two one-year options).

The Agreement will include provisions to authorize Conduent to pursue special collection services for citations that remain unpaid on an average of about 60 days from the issuance date of the citation. The 30% fee is added to the outstanding charges the parking offender has already incurred up to the assignment date and entirely contingent upon Conduent's successful of

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Finance and Management Committee
February 13, 2018

collecting of the revenue.

BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland parking compliance program enforces posted parking regulations on a citywide basis in an effort to improve compliance with local and state parking regulations. Parking may be restricted for safety reasons, such as near a crosswalk, intersection, and on narrow or high-volume roadways. There may be limits on the amount of time a vehicle may park to support the needs of businesses, or parking may be reserved for special uses, such as individuals with disabilities and bus zones. When vehicles are parked in violation of posted regulations, a parking citation, as authorized by the City of Oakland's Municipal Code and the California Vehicle Code, may be issued.

The City issues approximately 300,000 electronically-generated parking citations, 3,000 hand-written parking citations and 15,000 combined residential and business parking permits per year. The annual adopted budget forecast of the revenue from the parking compliance program ending June 30, 2019 is approximately \$22 million.

The Parking Citation Assistance Center ("PCAC"), a division within City's Revenue Management Bureau, is responsible for the collection of parking violation fines, which are established and codified under Oakland Municipal Code Title 10 and the California Vehicle Code. PCAC is also responsible for issuing residential and business parking permits, conducting the initial Administrative Review of contested parking violations and coordinating for the formal Administrative Hearing.

The City Parking Enforcement Section ("PES"), a division within the City's Department of Transportation, currently uses handheld ticketing devices, with built-in citation issuance application and separate Bluetooth printers. There are currently 61 authorized Parking Control Technician positions¹ responsible for issuing approximately 300,000 electronically-generated parking citations annually. The approximate 3,000 hand-written citations are mostly issued by sworn personnel. PCAC issues and renews approximately 15,000 residential and business parking permits annually, and this number is increasing as the City approves additional parking permit areas.

On February 16, 2010, the City Council approved Resolution 82531 authorizing the City Administrator to negotiate and execute a Professional Service Agreement between the City and ACS State & Local Solutions, Inc. ("ACS") to provide a Parking Administration and Revenue Reconciliation System at an estimated cost of \$900,000 per year, excluding the reimbursable expenditures, such as costs for postage to mail notices, toll-free phone line expenses, transaction fees, and special collection services. Soon after the contract was executed, Xerox State & Local Solutions, Inc. ("Xerox") acquired ACS and assumed ACS' contract responsibilities. In February 2017, Xerox changed its name to Conduent State & Local Solutions, Inc. The current Agreement will expire on April 1, 2018.

An Executive Steering Committee was formed to provide leadership for this project, and includes representation from the Departments of Contracts and Compliance, Information Technology, Transportation and RMB. The purpose of the Steering Committee was to review and validate the

¹ Breakdown of the number authorized Parking Control Technician positions: 27 Full-time, 13.75 Permanent Part-time, 20.29 Part-time

RFQ evaluation process and staff recommendations.

In addition, a cross-functional 10-member evaluation team, with assistance from 11 SMEs, from the bureaus of Revenue, Treasury, Controller and Departments of Information Technology and Transportation was created to fairly, objectively and systematically evaluate all aspects of the proposals.

ANALYSIS AND POLICY ALTERNATIVES

RFQ Structure:

In January 2017, the Department of Finance released an RFQ for Parking Citation Management Solution, Parking Enforcement Equipment and Special Services through the City's e-Procurement system, iSupplier, with the objectives of evaluating and selecting:

- The Software Solution that best meets the technical, functional and business requirements of the City. The City's intent was to select a Proposer that has experience in implementing the Software Solution comparable in size, scope and complexity to the City's requirements and supporting future changes in parking citation enforcement and management program, as mandated by City, State and Federal law.
- The Hardware Solution that reflects current mobile device capabilities and can be easily configured to integrate with the Software Solution and meet emerging enforcement data exchange requirements.
- The Special Service provider that offers a full-service approach to meet the required document production and mailing services and/or a collection of unpaid citation service that will increase program revenues through effective collection processes.

In addition to the posting on iSupplier, the RFQ was also advertised in print-media, including the Oakland Tribune, Oakland Post, the San Francisco Chronicle, published throughout the period when the RFQ was open on trade publication called Parking Today and on the California Parking Industry Association's website.

To encourage proposers to present and offer the latest software and hardware technology and capabilities that would help the City modernizing its way of doing business, with standardized processes and system, and, to every extent possible, help reducing operation costs, the RFQ allowed independent proposals for either stand-alone Software Solution, stand-alone Hardware Solution, a combination of Software and Hardware Solutions, or an Integrated Solution, which combines software, hardware and special services as a single proposal. All cost proposals, different type of software delivery models (hosted, Software as a Service, cloud-based, on premise), single or multi-unit hardware equipment were all accepted. Independent software and hardware proposers were also encouraged to team-up with either document production or collection services companies, or both, to offer an Integrated Solution, which was the City's preference. Four of the eight proposals were in fact a result of companies collaborating and submitting joint proposals, with a single proposer assuming financial and legal responsibility for providing an Integrated Solution.

RFQ Responses:

Eight proposals were received by the April 3, 2017 deadline and listed below:

- Aims (Syracuse, NY)
- Complus (Tarrytown, NY)
- Conduent (Fairfax, VA)
- Gtechna (Plattsburgh, NY)
- iParq (San Diego, CA)
- Passport (Wilmington, DE)
- Paylock (Somerville, NJ)
- Turbo Data Systems (Tustin, CA)

RFQ Evaluation Process:

The RFQ evaluation process consisted of four phases with only the highest scoring proposals advancing to each successive phase. After each phase, the scores from the previous phase were converted to new weight for each subsequent phase. The evaluation criteria and respective weights for each scoring phase are summarized in Table 1 below:

Table 1: Evaluation Criteria and Respective Weights

Evaluation Criteria		Weight by Phase			
		Phase 1	Phase 2	Phase 3	Phase 4
Minimum Qualifications	Pass Fail				
Experience		87.50%	44.00%	19.00%	19.00%
Technical Capabilities			43.50%	22.50%	22.50%
Oral/Solution Demonstrations				46.00%	23.00%
Cost					23.00%
Local/Small Local Business Enterprise		5%	5%	5%	5%
100% Oakland Resident Workforce		5%	5%	5%	5%
25 Years of More in Oakland		2.5%	2.5%	2.5%	2.5%
TOTAL		100%	100%	100%	100%

Evaluation Team: The proposals were evaluated by a 10-member team from the bureaus of Revenue, Treasury, Controller and Departments of Information Technology and Transportation. Each team member independently evaluated and scored the proposals and oral presentations. In addition to the core 10-member evaluation team, 11 SMEs also participated in the process and provided value input to the evaluation team. Each member of the evaluation team and all SMEs were required to sign a Conflict of Interest and Confidentiality Statement prior to reviewing any proposal and/or participating in the evaluation process.

Minimum Qualifications: In the initial pass/fail review of stated minimum qualifications, staff determined that all proposals were responsive to the requirements. All proposals passed this test and advanced to Phase 1 for further evaluation.

Phase 1, Experience: Proposer's experience, including number of years providing the solution(s) and services, quality of references, staff qualifications, and project approach were evaluated. All eight proposers' experience were deemed acceptable and advanced to Phase 2 for further consideration.

Phase 2, Technical Capabilities: This evaluation phase consisted of a thorough review of each company's technical proposal, management approach, deliverables, implementation and technical capabilities that included criteria such as, customer service, customer web/online access, citation processing, citation adjudication and parking permit modules, hardware types and operation, billing, payment processing, collection processing, accounting, reporting/queries, implementation, data conversion/migration, training, testing, final acceptance, go-live activities, technical support/maintenance, and system security. Phase 2 scores were deemed acceptable, and all eight Proposers were invited to the oral presentation and solution demonstration phase of the evaluation process.

Phase 3, Oral Presentation & Solution Demonstration: The Proposers were required to demonstrate their solution(s) and services. Each proposer was provided a detailed agenda addressing corporate overview, product(s) functionality overview, customer service, web/on-line portal, billing, payment processing, collection processing, accounting, reporting & queries, technical overview, implementation approach and services overview.

Phase 4, Cost: Proposers were required to submit comprehensive cost of ownership that included all required offered Solution(s) and related professional services for project management, configuration, installation, interfaces, implementation, testing, training, initial warranty, and maintenance and support. It should be noted that cost proposals were kept sealed until the first three phases of the evaluation process were completed. The objective was to ensure cost was not the influential factor in evaluating the proposals by the evaluation team.

Best and Final Offer:

The completion of the initial evaluation process resulted in staff decision to issue a request to the top three ranked proposers for a Best and Final Offer ("BAFO"). The BAFO, as outlined in the RFQ, allowed proposers to revise their original technical and/or cost proposals only on areas the City sought for clarification. In other words, the BAFO did not allow proposers to make changes to areas where the City did not seek for clarification. After receipt of the BAFO, the scores were adjusted based on the new information received in the BAFO.

RFQ Evaluation Results:

The final rankings of the top three ranked proposers are presented in Table 2 below:

Table 2: Final Rankings

Ranking	Proposer	Total Points
1	Conduent State & Local Solutions, Inc.	68.47
2	Passport Parking, Inc.	48.85
3	Turbo Data Systems, Inc	46.70

The breakdown of total points per Evaluating Criteria is presented in Table 3 below:

Table 3: Final Tabulation of Points

Evaluation Criteria	Max Points Possible	Points Awarded		
		Conduent	Passport	Turbo
Experience	19.00	15.56	10.63	11.88
Technical & Functional Capabilities	22.50	16.03	13.45	12.46
Oral Presentation & Demonstrations	23.00	13.88	12.93	14.42
Cost	23.00	23.00	11.84	7.94
Local/Small Local Business Enterprise	5.00	0	0	0
100% Oakland Resident Workforce	5.00	0	0	0
25 Years of More in Oakland	2.50	0	0	0
TOTAL	100.00	68.47	48.85	46.70

Special Collection Fee: The 30% Special Collection Fee is added to the outstanding charges the parking offender has already incurred up to the assignment date and entirely contingent upon Conduent's successful of collecting of the revenue. As a result, the fee is at 100% recovery level and therefore has a net-zero impact on the City's General Purpose Fund. However, for appropriate budgeting and accounting purposes, the entire 30% Special Collection Fee collected and remitted to the City is to be recorded as revenue and appropriated as offsetting liability expenditure equaling the same amount recorded.

Award Recommendation: Staff recommends the award of the contract to Conduent State & Local Solutions, Inc. as the best value based on the evaluation criteria set forth in the RFQ. The Conduent's proposal was found to have the following attributes:

- Over 30 years of industry leading parking management technology and services with extensive experience and expertise in the development, installation, and support of highly complex and large PCMS. Track record of successful implementations, reliability of installed systems and superior customer service, as validated through reference checks.
- Experienced local team who understands the City's requirements as demonstrated in their RFQ response, oral presentation and solution demonstrations, and more importantly, City's staff assessment of their performance during the last seven years.
- An enterprise-wide system that will allow staff to introduce future levels of automation (such as the automating of data delivery from lockbox service provider to eTIMS®) and re-engineering of business process without lengthy and risky customizations.
- Overall ease of use in the field and at the management server, including user-friendly functions for data analysis and reporting.
- A highly configurable solution that will facilitate workflow configuration (without costly customization) to improve efficiency and internal controls.
- A robust project management approach. It included an extensive on-site training and a comprehensive review of interfaces.
- Competitive pricing including all required interfaces to other City applications and up to 100 users.

Automated License Plate Recognition (“ALPR”) Systems:

Department of Transportation staff plans to bring the ALPR Systems to the Council during the FY 2018-19 Midcycle Budget Amendments for consideration. If approved, ALPR systems will be included as part of an optional purchase in the Conduent's agreement.

FISCAL IMPACT

1	Amount of Recommendation (7-Year Term)	\$3,485,095
2	Cost Elements (7-Year Term)	
	<ul style="list-style-type: none"> • Software as a Service Subscription² - eTIMS® <ul style="list-style-type: none"> ○ Year 1: \$120,000 ○ Year 2: \$122,400 ○ Year 3: \$124,848 ○ Year 4: \$127,356 ○ Year 5: \$129,900 ○ Year 6 (Option): \$132,492 ○ Year 7 (Option): \$135,144 ○ Interactive Voice Response System: \$21,000 	\$913,140
	<ul style="list-style-type: none"> • Hardware and Accessories (102 Devices) <ul style="list-style-type: none"> ○ Handheld – Panasonic Toughpad® FZ-X1 or equivalent: \$579,252 ○ Accessories - Belt clips, ruggedized cases, etc.: \$26,270 ○ Mobile Printer - Zebra iMZTM 320 or equivalent: \$150,478 	\$756,000
	• Document Production & Mailing Services, including postage ²	\$1,457,805
	• Lockbox Services (average \$28,307 ² per year for 65K transactions)	\$198,150
	• Implementation Services (integration, training, testing, etc.)	included
	• Technical Maintenance & Support	included
	• Special Collection Services (30% - paid by parking offenders)	\$0.00
	• Contingency ³ – Department of Finance	\$160,000
	Total Cost Elements	\$3,485,095
3	SOURCE OF FUNDING: The funding for Years 1 and 2 of the recommended action is already included FY 2017-2019 operating budget under Miscellaneous Contract 1.1010.08921.54919.IP60. Future funding will be part of the development of the bi-annual operating budget.	

PUBLIC OUTREACH / INTEREST

In addition to the posting on iSupplier, the RFQ was also advertised through print-media, including the Oakland Tribune, Oakland Post, the San Francisco Chronicle, published throughout the period when the RFQ was open on trade publication called Parking Today and on the California Parking Industry Association's website.

² Include two-percent (2%) annual cost escalation.

³ The recommended action would establish a contingency of \$160,000 to provide funding for unanticipated work that may be necessary for the proper completion of PCMS.

COORDINATION

This report has been coordinated with Controller Bureau, Budget Bureau, Departments of Contract and Compliance, Information Technology, Transportation and the City Attorney's Office.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

Past Performance: The City has had a positive working relationship with Conduent State & Local Solutions, Inc since it acquired ACS State & Local Software Solutions in 2012.

Evaluation: The PCMS project will include direct oversight by an inter-departmental executive steering committee made up of representatives from RMB, Information Technology and Transportation Departments.

Follow-Up: This item will not require any follow-up from staff.

SUSTAINABLE OPPORTUNITIES

Economic: The roll-out of the improved and enhanced version of the Parking Citation Management System, the implementation of the new Parking Enforcement Equipment, and the new approach in service delivery and collection efforts will not only increase the possibility of generating additional revenue but will also lead to improve organization efficiencies and be in the strong position to meet upgrade and modification technology needs in the future.

Environmental: There are no environmental opportunity associated with this project.

Social Equity: The RMB will be able to provide higher level of service to the community with the implementation of the new PCMS. The City currently offers payment plans to parking offenders who are unable to pay their citation(s) in one payment. The Conduent software allows for easy management of these payment plans.

ACTION REQUESTED OF THE CITY COUNCIL

Staff is requesting authority to negotiate and execute an Agreement with Conduent State & Local Solutions, Inc. that will include fixed pricing for Software as a Service subscriptions, hardware leasing, and professional services, including the delivery of enhancements to the software, install and test the hardware, configure the integration between software, hardware and the City's Point-of-Sale Software (Active Network), training, maintenance and support services. The Agreement is for five years with options to extend the agreement for two additional one-year terms to provide ongoing licensing and support services. The Agreement will also include a detailed statement of work defining all new deliverables, enhancements and compensation schedule tied to the successful completion of key deliverables and to be paid upon the City's acceptance. The Agreement is to become effective on April 2, 2018.

For questions regarding this report, please contact Margaret O'Brien, Revenue & Tax Administrator, (510) 238-7480.

Respectfully submitted,

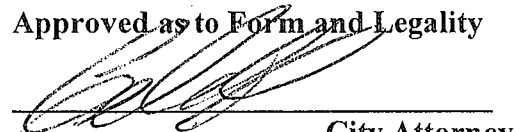


Katano Kasaine
Director of Finance
Finance Department

Reviewed by:
Margaret O'Brien
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Prepared by:
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Revenue Management Bureau

Prepared by:
Phil Lim
Revenue Operations Supervisor
Revenue Management Bureau



City Attorney

2018 JAN 31 AM 9:41

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR, OR DESIGNEE, TO EXECUTE AN AGREEMENT WITH CONDUENT STATE & LOCAL SOLUTIONS, INC. TO PROVIDE PARKING CITATION MANAGEMENT SOFTWARE AND PARKING ENFORCEMENT HARDWARE, LEASING, INSTALLATION, MAINTENANCE, SUPPORT AND RELATED PROFESSIONAL SERVICES FOR AN INITIAL FIVE-YEAR TERM AT APPROXIMATELY \$497,870 PER YEAR, FOR A TOTAL OF \$2,489,350, WITH TWO ONE-YEAR OPTIONS, FOR A GRAND TOTAL AMOUNT NOT TO EXCEED \$3,485,095.

WHEREAS, prior to the adoption of this Resolution, the Finance Director of the City of Oakland, in accordance with contracting rules, procedures and requirements, as outlined in the Oakland Municipal Code Title 2, Chapter 2.04, prepared and a released a Request for Qualifications (“RFQ”) for a comprehensive Parking Citation Management Solution, Parking Enforcement Equipment and Special Services; and,

WHEREAS, the RFQ strongly encouraged competition and collaboration among the parking and non-parking related industries to submit proposals that would allow the City to gain broad knowledge and select a contractor to not only enhance the capabilities of systems and field service applications but also assist the City to transform the knowledge into key points of information that are needed to refine operations, improve customer service, improve revenue, and reduce costs; and,

WHEREAS, the City received eight proposals, all of which met proposal requirements and implementation deadline, and were invited to the continue through the selection process; and,

WHEREAS, a cross-functional evaluation team, comprised of 10 knowledgeable members with assistance from 11 Subject Matter Experts, representing the Revenue Management, Treasury, and Controller Bureaus and the Departments of Information Technology and Transportation, was created to fairly, objectively and systematically evaluate all aspects of the proposals; and,

WHEREAS, after a thorough and complete evaluation of proposals from eight companies, including an all-day product demonstration from each company and careful analysis of the Best and Final Offer requested of the top three ranked companies; and,

WHEREAS, there is no costs to the City to refer unpaid citations to specialized service provider to pursue collection, and the ongoing use of such service provider continues to yield positive results year over year; and,

WHEREAS, the referral of such service authorizes the specialized service provider to add a Special Collection Fee of 30% to the outstanding charges at the time of referral and that the fee is entirely contingent upon specialized service provider’s successful of collecting of the revenue; and,

WHEREAS, the Special Collection Fee is at 100% recovery level and therefore has a net-zero impact on the City's General Purpose Fund. However, for appropriate budgeting and accounting purposes, the entire Special Collection Fee collected and remitted to the City is to be recorded as revenue and appropriated as an offsetting liability expenditure equaling the same amount recorded; and,

WHEREAS, the funds for all expenditures for years one and two of the Agreement are already included in the Finance Department's Fiscal Years 2017-2019 Operating Budgets. Future changes will be incorporated in future baseline bi-annual budgets; and,

WHEREAS, the Agreement will also include a detailed statement of work, which defines all new deliverables, enhancements and compensation schedule tied to the successful completion of key deliverables and to be paid upon the City's acceptance; and,

WHEREAS, the City Administrator has determined that the PCMS project is of a temporary, professional and technical nature and therefore shall not individually or cumulatively has an adverse effect on any person or persons having permanent employment status in the competitive system.

NOW THEREFORE BE IT:

RESOLVED: that the City Council does hereby authorize the City Administrator to negotiate and execute a Specialized Products and related Professional Services Agreement between the City of Oakland and Conduent State & Local Solutions, Inc. to provide Parking Citation Management Software as a Service, Parking Enforcement Hardware, Document Production, Mailing and Special Collection Services, including installation, implementation, training, taxes, maintenance, support and related professional services for a five-year (5) term with two (2) one-year option in an amount not to exceed Three Million, Four-Hundred Eighty-Five Thousand, Ninety-Five Dollars (\$3,485,095); and be it

FURTHER RESOLVED that the funds for all expenditures for years one and two of the Agreement are already included in the Finance Department's Fiscal Years 2017-2019 Operating Budgets under Miscellaneous Contract. Future funding will be part of the development of the bi-annual operating budgets and approval from the City Council; and be it

FURTHER RESOLVED that the City Council does hereby authorize the City Administrator the option to exercise the two (1) one-year options without returning to the City Council for approval as long as the City Administrator determined that it is in the best interest of the City to do so; 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.

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
PASSED BY THE FOLLOWING VOTE:**

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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