

**CITY OF OAKLAND**  
**AGENDA REPORT**

TO: Office of the City Administrator  
ATTN: Deborah A. Edgerly  
FROM: Finance and Management Agency  
DATE: January 23, 2007

RE: **A Supplemental report from the Finance and Management Agency for Awarding A Contract To Cale Parking Systems USA, Inc., To Purchase and Install Approximately Five Hundred (500) Multi-Space Pay And Display Parking Meters In Accordance With Specification No. 06-550-38-1, And Authorize The Execution Of A Lease To Finance The Multi-Space Pay and Display Parking Meters In An Amount Not To Exceed Four Million, Five Hundred Thousand Dollars (\$4,500,000)**

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**SUMMARY**

At the January 11, 2007 Rules and Legislation Committee, the Committee directed staff to provide additional information in regards to the following issues about the Cale multi-space pay and display parking meters:

- What else could the \$4.5 million be used for, if not the multi-space pay and display parking meters?
- What are the pros and cons of the Cale multi-space pay and display parking meters?
- What are the reasons for replacing single-space parking meters with multi-space pay and display parking meters?
- Effectiveness of the multi-space system
- What impact will these new systems have on maintenance costs, labor, and cost of repair?

**FISCAL IMPACT**

This is an informational report. Fiscal impacts are not included.

**BACKGROUND**

Over the past five years, staff has conducted pilot tests of products from multiple meter companies to find the best solution for the City's parking meter issues. Testing was conducted in the following areas: Piedmont Lot, Grand Lot, Chinatown and Webster Street.

- The pay stations that were installed in the Piedmont Lot were not user friendly and staff received complaints that these machines required pushing a button to the desired time at

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increments of three minutes, which meant pushing the button up to 40 times for 120 minutes or two hours.

- The pay stations in the Grand Avenue lot went into a sleep mode, which made the users believe the machines were out of order.
- The pay stations in Chinatown were constantly breaking down and required excessive routine servicing. The City of Berkeley reported that they experienced similar types of problems with the identical machine brand during their pilot program.
- On Webster Street, citizens reported that they experienced between 30-50 seconds of wait time to complete a credit card transaction, which they felt was an excessive amount of time.

As the use of meters has increased, the City has received an increasing number of complaints regarding the number of broken and/or vandalized single-space meters.

## **KEY ISSUES AND IMPACTS**

At the January 11, 2007 Rules and Legislation Committee, the Committee requested the staff to expand on the following issues:

### **1. \$4.5 million Lease Transaction**

The Committee asked, "What else could the \$4.5 million be used for if not the multi-space pay and display parking meters?"

The \$4.5 million in expenditures will be funded by the increased revenues from the multi-space meters. If the City does not buy the multi-space meters, no additional revenues will be generated.

### **2. Cale multi-space pay and display meters Pros & Cons**

The committee directed staff to expand on the pros and cons of Cale multi-space pay and display meters. Cale meters offer improved maintenance, which means that City maintenance personnel will be able to use Cale's wireless communications and the self-diagnostics system to identify any meter problems and dispatch city personnel. Therefore, meter repair will occur much faster than the current method employed with single-space meters. Currently, the Parking Division relies on City Maintenance, Enforcement or Collections staff and/or concerned citizens to identify and report out-of-order meters.

Cale multi-space pay and display meters will not only decrease the number of appeals, it will also create a more accountable and transparent appeals process. The new meters will print out a receipt for every transaction, which includes purchase date and time and the expiration date. The receipt serves as proof of payment.

Although the Cale proposal was not the least costly of the proposals considered, Cale was the most responsible bid. Cale is the midrange cost proposal, approximately \$250,000 more than the least costly proposal considered. Cale, however, met all minimum specifications and exceeded several that are critical in improving customer service, meter management, and maintenance. These critical areas are discussed in the original staff report for this item. In addition, multi-space meters are more costly than the single-space meters, yet the additional revenues generated by the multi-space meters will offset the higher purchase cost.

### **3. Replacing current single-space meters with Cale multi-space meters**

The Committee asked the reasons for replacing the single-space meters with multi-space pay and display meters. The current single-space meters were installed during FY 98-99 and are 8 to 9 years old. The current meters are past their life expectancy and will need to be replaced in the next year. Currently the city is experiencing vandalism and breakage with its single-space meters at a rate of 5% per year. Because of vandalism, the City loses revenue on non-functional parking meters. When vehicles are parked at a vandalized/broken meter, vehicles can park free for the posted time limit of that meter and revenue is not collected. As the use of meters has increased, the City has received an increasing number of complaints regarding the number of broken and/or vandalized single-space meters.

Staff determined that approximately 500 multi-space meters should be installed in the high-yield revenue generating areas as the revenue from these multi-space pay and display meters represents approximately 80 percent of the projected parking meter revenue for FY 06-07. From experiences shared by other cities that have implemented this system, staff projects additional revenue in the amount of \$1,430,000 from these new meters annually. All multi-space pay and display meters are projected to be installed within six months, by July 2007, and the table below summarizes the roll out plan:

Month	Route Number	No. of Multi-Space Meters Required (Approx.)	No. of Single-Space Meters Currently (Approx.)
Feb.	2	87	866
Mar.	1	58	576
Mar.	Grand Lot	7	77
Mar.	5	35	350
Apr.	5	42	421
Apr.	7	40	408
May	4	17	170
May	4	34	339
May	8	31	314
June	8	39	396
June	10	24	198
July	6	45	389
July	9	29	290
July	Piedmont Lot	12	126
<b>Total</b>		<b>500</b>	<b>4,920</b>

Route No.	Streets within Routes
1	Piedmont Ave: (Macarthur - Pleasant Valley) College Avenue – Broadway - Alcatraz
2	Police Station: (6 <sup>th</sup> – 10 <sup>th</sup> Street) Court House
4	Chinatown: (Broadway Harrison) & (7 <sup>th</sup> – 14 <sup>th</sup> Street)
5	Webster – Harrison: (14 <sup>th</sup> – 21 <sup>st</sup> Street) Broadway/Franklin: (14 <sup>th</sup> St. – W. Grand Avenue)
6	Pill Hill & 34 <sup>th</sup> : (Telegraph – Webster)
7	Upper Grand & Lakeshore
8	Montclair, Lasalle, Medau Place & International (23 <sup>rd</sup> – 38 <sup>th</sup> Avenue)
9	Grand Lot, Upper Park Blvd: (4 blocks) Broadway: (23 <sup>rd</sup> – 27 <sup>th</sup> St. & Mosswood area – 30 <sup>th</sup> St.) 40 <sup>th</sup> – 45 <sup>th</sup> : (8 blocks) Telegraph: (63 <sup>rd</sup> – Alcatraz) East 18 <sup>th</sup> : (Park Blvd. - Lakeshore) Grand Avenue: (Broadway – Harrison) 21 <sup>st</sup> Street: (Webster – Harrison)
10	Lower Grand Ave/Harrison to Lakepark/11 <sup>th</sup> thru 16 <sup>th</sup> /Broadway to Castro/Telegraph/36 <sup>th</sup> to 57 <sup>th</sup> and MLK

#### **4. Effectiveness of the multi-space pay and display system**

The Committee requested staff shed light on the effectiveness of the Cale multi-space meters. Cale is recognized as the meter manufacturer that solved the issue of parking meter vandalism in the City of Berkeley. The Parking Division is currently conducting a pilot program with Cale Parking systems, USA (Cale) multi-space pay and display meters. About 12 multi-space meters are installed on 12<sup>th</sup> Street, Clay Street, and Jefferson Street, four multi-space meters are installed on Webster Street and two multi-space meters are in Chinatown. Staff has received positive feedback from both citizens and employees regarding the Cale meters. Based on comments from the citizens, Cale multi-space meters are user friendly, receipts print outs are bold and easy to read, and the machines accept credit cards, as well as coins.

#### **5. Cale multi-space meters maintenance**

Staff will install the Cale meters, alongside Cale support staff, and receive comprehensive training on the multi-space pay and display meters. Staff will continue to perform the maintenance on the remaining 2,700 single-space meters and will perform preventive maintenance of the approximately 500 multi-space meters. Other cities have reported that meter repair and collection staffing levels were basically unchanged after switching to multi-space meters. The Parking Division is asking for an eighteen-month period to determine the impact the Cale pay and display meters will have on Meter Repair staffing. The eighteen months would include six months for the rollout plan and one year of maintenance activity.

Based on the information shared by the City of Berkeley repair staff about the maintenance of these pay and display meters, they have only replaced two credit card readers and two displays in the past two years.

Cale will provide the City with free maintenance for the first year; thereafter, the City has an option to either pay for the cost of maintenance in advance or pay the cost of parts. In the last year, Cale only needed to replace three parts from the 18 machines in the pilot program.

#### **SUSTAINABLE OPPORTUNITIES**

Economic: Parking meter revenue is projected to increase by about \$1,430,000 annually.

Environmental: No environmental opportunities are anticipated.

Social Equity: The multi-space pay and display meters will maximize short-term parking availability, which should benefit merchants and their customers.

#### **DISABILITY AND SENIOR CITIZEN ACCESS**

The multi-space pay and display meters will create greater sidewalk accessibility by reducing the number of poles on City sidewalks and providing more open space.

**RECOMMENDATION (S) AND RATIONALE**

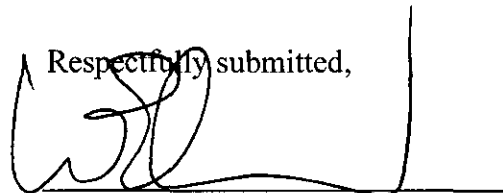
Staff recommends that the City Council authorize the City Administrator to award a contract to Cale Parking Systems USA, Inc., for the purchase and installation of approximately 500 multi-space pay and display parking meters in accordance with Specification No. 06-550-38-1.

In addition, staff also recommends that the City Council authorize the execution of a lease finance agreement for the purchase and installation of the approximately 500 multi-space meters in an amount not to exceed \$4,500,000. It is projected additional revenues generated from the new multi-space meters will fund the debt service payments of the lease transaction.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that the City Council approve the resolution authorizing the City Administrator to award a contract to Cale Parking Systems USA, and execute a lease finance agreement to purchase and install approximately 500 multi-space pay and display parking meters in accordance with Specification No. 06-550-38-1.

Respectfully submitted,

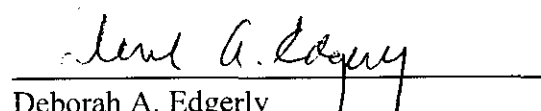


WILLIAM E. NOLAND

Director, Finance and Management Agency

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Parking Division Manager

APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE:



Deborah A. Edgerly  
Office of the City Administrator

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