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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Margaret L. O'Brien
Interim Revenue and Tax
Administrator

SUBJECT: Supplemental Report Contract Award
and Spending Authority to Parkmobile
USA, Inc.

DATE: March 18, 2016

City Administrator Approval

Date:

3/31/16

RECOMMENDATION

Staff Recommends that the City Council Adopt a Resolution Authorizing the City Administrator to Award a Professional Services Agreement to Parkmobile USA, Inc. ("Parkmobile") in an Amount Not to Exceed Seven Hundred Fifty Thousand Dollars (\$750,000) for Three (3) Years (\$250,000 Per Year) with Two (2) One-Year Renewal Options, to Provide Pay-By- Mobile Services to Motorist's Parking Meter Fee in an Amount not to Exceed Two Hundred Fifty Thousand Dollars(\$250,000) for Reimbursement to Parkmobile Under an Agreed Upon Professional Services Agreement.

REASON FOR INFORMATIONAL REPORT

At the September 15, 2015 meeting of the Finance and Management Committee (FMC), the Committee asked for additional analysis to be presented prior to final consideration of a resolution to authorize the City Administrator to award a professional services agreement to Parkmobile for pay-by-mobile parking space services. FMC instructed staff to provide information for the following items:

- Proposal submissions from other vendors;
- Analysis of costs to provide the service;
- Comparison of rates charged in other jurisdictions; and
- Information regarding any geographic limits of the program, and whether the program applies to any City-owned parking garages or lots.

The City's goal is to create convenience to motorists by allowing them to use mobile cellular phones (and other wireless devices with phone functions capability) to pay or extend parking meter time at on-street parking meters; including both single-space and multi-space meters. The per transaction fee for this service will be 0.30 cents.

Item: _____
Finance and Management Committee
April 12, 2016

Proposals

The City received four responses to the pay-by-mobile request for proposals (RFP).

- Mobile Now, 42-40 Bell Blvd., Suite 604, Bayside, NY 11361
- Parkmobile USA, Inc., 3200 Cobb Galleria Parkway SE, Suite 100, Atlanta, GA 30339
- Passport Parking, Inc., 1300 S. Mint St., Suite 200, Charlotte, NC 28203
- paybyphone, 48 Wall St. 11th Floor, New York, NY 10005

Analysis of Costs to Provide the Service

The criteria used to select a vendor were:

- Relevant Experience and Qualification;
- Technology and Organization;
- System Interface with Parking Collection's Systems and Ticket Writing Systems;
- Customer Service;
- Reference Check; and
- Pricing.

Based on the specifications of the RFP and the proposed Agreement, Parkmobile will provide the following services at no cost to the City:

- All technical, operational, integration, implementation, and functional responsibility.
- Responsibility for all expenses related to the implementation and installation of the system including, i.e., signage, decals, etc.
- Training to City staff relating to the system.
- A mobile payment phone system that allows the parking customer to initiate a parking transaction by voice, text, or mobile application.

Transaction Costs

Currently, the transaction fee charged to the parking customer by Parkmobile is 0.35 cents per transaction, and under the proposed Agreement, the transaction fee was reduced to 0.30 cents per transaction.

Parkmobile is proposing to charge the parking customer a fixed transaction fee of 0.30 cents for every transaction conducted at a parking meter, which is in addition to the \$2.00 per hour parking meter fee charged to the parking customer for parking at a metered space. Under the current agreement and in accordance with generally accepted accounting principles (GAAP), all parking meter revenues generated through the Parkmobile's system including the 0.30 cents transaction fees are deposited into the City's bank account on a daily basis, and the transaction fee is then expensed to Parkmobile.

Comparisons of Rate Charged in Other Jurisdictions

Table 1: Parkmobile Comparison Rates

Agency	Launch Date	Price
City of Oakland	New Contract	\$0.30
City of Oakland	12/1/11	\$0.35
City of Sausalito	9/1/10	\$0.35
City of Santa Cruz	12/1/10	\$0.35
City of Long Beach Trial	5/1/11	\$0.35
City of Newport Beach	8/1/11	\$0.35
University of Southern CA	9/1/11	\$0.35
Santa Monica, Off Street Beach Lots	9/1/11	\$0.35
City of Riverside	4/1/12	\$0.35
The LA Express Program	5/1/12	\$0.35
Private Lots in San Diego	5/1/12	\$0.35
Private Lots of San Diego	3/1/13	\$0.35
Private Lots of Los Angeles	4/1/13	\$0.35
City of Redondo	5/1/13	\$0.35
City of Sacramento	6/1/14	\$0.35
Stanford University	1/1/14	\$0.35
City of Stockton	4/1/15	\$0.35
City of San Diego	7/1/15	\$0.40

The impact of the program on reducing parking citations

As the City begins to replace all coin meters with smart meters, the acceptance of credit cards has created a more convenient way for parking payments, which allows the user the ability to pay for longer periods and avoid receiving citations for expired meter (old coin meters required having several coins available for immediate use).

When the pay-by-mobile program was implemented, the ability to extend your stay through the payment mobile application app added another convenience, which also contributed to reduction in expired meter citations.

Although the acceptance of credit cards have a noticeable impact on the reduction of parking citation issuance, there are other variables that have also contribute and continue to impact parking behavior, which continue to the reduction in citation issuance. A few examples to be accounted for are: increased popularity of Transportation Network Companies such Uber and Lyft, which reduce the demand for parking; the expansion in hours and geographic reach of public transportation; incentives for bike and car sharing programs; and the expansion of the City's Residential Parking Permit program.

Table 2 below shows the reduction in meter citations since 2011.

Expired Meter Citations*

Year	Annual Citations	Annual Revenue
2011	91,748	\$7,586,735
2012	74,024	\$6,254,734
2013	51,636	\$4,374,884
2014	46,186	\$3,909,328
2015	42,338	\$3,569,689
Total	305,932	\$25,695,370

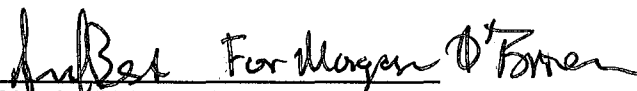
*OMC 10.36.050

Information regarding any geographic limits of the program and whether it applies to any city owned parking garages or lots.

The program has no geographic limitation and can be expanded to Garages, as well as parking lot. The issue with the garages is the "pay gate" would have to be upgraded to bar code readers in order to read the "pay-by-mobile" receipt.

For questions regarding this report, please contact MARGARET O'BRIEN, INTERIM REVENUE AND TAX ADMINISTRATOR, at 238-7480.

Respectfully submitted,


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