

CITY OF OAKLAND

2011 JUN 16 AM 10:58 **SUPPLEMENTAL AGENDA REPORT**

TO: Office of the City Administrator
ATTN: P. Lamont Ewell
FROM: Parking Administration
DATE: June 28, 2011

RE: Adopt A Resolution Authorizing The City Administrator To Negotiate And Execute
A Contract Between The City Of Oakland And Parkmobile To Provide A Pay-By-
Phone Pilot Program For Parking Meter Fees For A 12-Month Period

SUMMARY

Parkmobile USA, Inc. ("Parkmobile") has submitted a proposal to the Parking Division to conduct a 12-month pilot program of its Pay-by-Phone parking services in the City of Oakland, *at no cost to the City*. The service allows parking customers to use cell phones (and other wireless devices with phone functions) to pay parking fees at on-street parking meters, including both single-space and multi-space meters. Users of this service pay a \$0.35 fee per transaction in addition to the ordinary parking fees. Through a phone menu system, users are also provided options such as phone call or text message reminders and flexible payment methods.

Parkmobile is one of a handful of companies providing such services to cities and public agencies. Its clients include the New York City Metropolitan Transit Authority, the Massachusetts Bay (Boston) Transit Authority and the Cities of Miami Beach, Atlanta, Pasadena and Sausalito.

While the primary purpose of the pilot program is added convenience for parking customers, according to Parkmobile, the City also stands to benefit from the Pay-by-Phone service. Based upon experience in other jurisdictions, Parkmobile estimates that the City could realize approximate \$250,000 in net additional meter revenue, due to higher compliance and longer average length of stay at metered spaces for pay by phone users. The pilot program would provide data to determine the extent to which revenues would increase.

If the one-year pilot program is successful, the City will engage in a competitive bidding process to select a permanent vendor for a pay-by-phone service for parking meters. Parkmobile has been advised and has acknowledged that the implementation of the pilot program will not influence the selection of a permanent vendor for this service.

FISCAL IMPACT

The primary purpose of the Pay-by-Phone service is added convenience for parking customers, and use of the service is entirely optional. Parkmobile has provided information that indicates that parking meter usage increases with the availability of Pay-by-Phone because of the

Item: _____
Finance and Management Committee
June 28, 2011

P. Lamont Ewell – Pilot Program for “Pay by Phone” Parking

convenience factor, and that the average length of stay for Pay-by-Phone customers is longer than the average parking customer. Parkmobile estimates that these factors could generate in excess of \$250,000 of additional net parking meter revenues to the City.

The implementation of the pilot program will require no out-of-pocket investment on the City's part. Parkmobile will pay for setting up and operating the Pay-by-Phone system, advertising its availability and providing the numbered stickers to be placed on meters. The stickers are required for identifying the meter being used by a particular parking customer. Parking division personnel will apply the stickers during regular rounds.

BACKGROUND

The Pay-by-Phone system allows parking customers to use their phones to pay their parking time by calling a toll free phone number or using their mobile applications. After a first quick registration the system will recognize the caller and all the customer needs to do is identify the location (a number on a sticker placed on the meter) where he or she wants to park and hang up. To stop parking the customer calls the toll free number again (or via the mobile app) and confirms a stop parking command. Parking customers can review transactions and e-bills on a personal homepage and use this for expenses or tax deduction purposes. Parkmobile provides a fully staffed US based 24/7 customer support center to insure quality and quick resolutions to any issues that may arise.

Parkmobile charges the parking customer a convenience fee of \$0.35 cents per transaction. Parking fees and convenience fees are directly transferred to the city's merchant account. At the end of each month Parkmobile will charge the city for the convenience fees paid by pay by phone users based on the number of transactions. The city will have direct access to user report data through a secure website.

Key features of the pilot program are:

- ✓ 12 months pilot at no costs for the city
- ✓ The pilot will be citywide including all 7,400 paid spaces
- ✓ Parkmobile will market the service at no cost to the city
- ✓ Parkmobile will assist in assignment of meter numbers, the implementation and marketing
- ✓ Direct deposit of meter and transaction fees in City's account (within 24 hours)
- ✓ End users will be charged 0.35 cents per transaction
- ✓ Parkmobile will invoice the city for transaction fees paid by the customers monthly
- ✓ The City of Oakland will install decals on the meters

Key potential benefits of the pilot program are:

- ✓ Convenience of pay by phone parking for Oakland's parking customers
- ✓ Increased parking revenues because of higher compliance by customers and longer parking transactions

P. Lamont Ewell – Pilot Program for “Pay by Phone” Parking

- ✓ Less operational costs (less theft, vandalism, less coin handling, no new equipment needed)
- ✓ Zero cost to the city
- ✓ iPhone and other smart phone applications

SUSTAINABLE OPPORTUNITIES

Economic: Potential benefit to the City from increased parking meter revenues.

Environmental: No impact.

Social Equity: No impact.

DISABILITY AND SENIOR CITIZEN ACCESS

The program would have no impact on disability or senior citizen access.


RECOMMENDATION AND RATIONALE

Staff recommends implementation of the pilot program for Pay-by-Phone service. The program offers a convenient service to parking customers and potential for increased parking meter revenue. As a pilot program it will provide the City the opportunity to evaluate its efficacy for customer service and its impact on meter revenues.

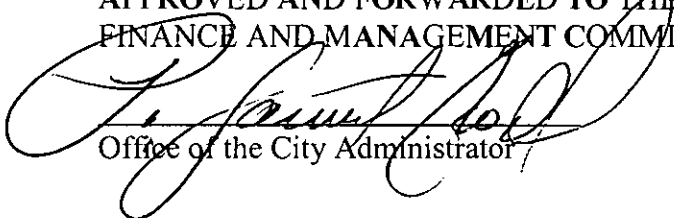
ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council adopt the attached resolution that authorizes the City Administrator to enter into a Professional Services Agreement with Parkmobile to provide a Pay-by-Phone pilot program.

Respectfully submitted,


(For) Noel Pinto
Director, Parking Division

**APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:**


Office of the City Administrator

FILED
OFFICE OF THE CITY CLERK
OAKLAND

Ally A. Kosuth
City Attorney

2011 JUN 16 AM 10:00 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 PARKMOBILE USA, INC. TO PROVIDE A PAY BY PHONE PILOT PROGRAM FOR PARKING METER FEES FOR A 12-MONTH PERIOD

WHEREAS, the City of Oakland wishes to enter into an agreement with Parkmobile USA, Inc. ("Parkmobile") for a Pay-by-Phone pilot program for a 12-month period, allowing parking customers to use cell phones (and other wireless devices with phone functions) to pay parking fees at on-street parking meters; and

WHEREAS, the City Council finds that it is in the best interests of the City to enter into an agreement with Parkmobile to provide the Pay by Phone pilot program for a 12-month period at no cost to the City, 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 Parkmobile USA, Inc. to provide a Pay by Phone pilot program for a 12-month period; 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; and be it

FURTHER RESOLVED: That this action is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines sections 15301 and 15061(b)(3), because the project provides for the use of existing parking spaces and involves no expansion of an existing use of existing facilities, and it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment; and be it

FURTHER RESOLVED: That the Environmental Review Officer shall cause to be filed appropriate Notices of Exemption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

- AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID
- NOES -
- ABSENT -
- ABSTENTION -

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