

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION

(A) AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO PROFESSIONAL SERVICES AGREEMENTS WITH (1) PAYBYPHONE US INC., (2) PASSPORT INC., (3) PARKMOBILE LLC, (4) HONKMOBILE USA LTD., AND (5) IPS GROUP, INC., FOR FIVE YEARS, IN AN AMOUNT NOT TO EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000) EACH PER YEAR, FOR A TOTAL NOT TO EXCEED TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) FOR EACH AGREEMENT, WITH THE AUTHORITY TO EXTEND EACH AGREEMENT FOR TWO ADDITIONAL ONE-YEAR PERIODS FOR A TOTAL OF SEVEN YEARS AT A TOTAL NOT TO EXCEED COST OF THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) FOR EACH AGREEMENT, TO COLLECT TRANSACTION FEES FROM PARKERS; AND

(B) ACCEPTING AND APPROPRIATING A ONE TIME PAYMENT OF UP TO SIX THOUSAND DOLLARS (\$6,000) EACH FROM (1) PAYBYPHONE US INC., (2) PASSPORT INC., (3) PARKMOBILE LLC, (4) HONKMOBILE USA LTD., AND (5) IPS GROUP, INC., FOR A TOTAL OF, THIRTY THOUSAND DOLLARS (\$30,000), AND ANNUAL PAYMENTS OF UP TO FIVE THOUSAND DOLLARS (\$5,000) FROM (1) PAYBYPHONE US INC., (2) PASSPORT INC., (3) PARKMOBILE LLC, (4) HONKMOBILE USA LTD., AND (5) IPS GROUP, INC., FOR A TOTAL OF TWENTY-FIVE THOUSAND DOLLARS (\$25,000) ANNUALLY FOR PARKING SIGNAGE INSTALLATION AND MAINTENANCE.

WHEREAS, pay-by-app services provide parkers with the option to pay for their parking session through a website or mobile phone app, instead of paying at the meter; and

WHEREAS, the pay-by-app system expands the available payment options for parkers and, as a result, increases the convenience and ease of parking in the City of Oakland (City), as called for by the City's Parking Principles (Resolution No. 84664 C.M.S.); and

WHEREAS, parking payments made through the current pay-by-app provider, have historically comprised between 11% to 13% of the City's total on-street parking revenue; and

WHEREAS, on July 5, 2011, the City Council approved Resolution No. 83463, C.M.S and authorized a contract between the City and ParkMobile LLC (ParkMobile) for a pilot program to provide mobile parking payment (pay-by-app) services, which would allow motorists to use their cell phones, and other wireless devices with phone functions, to pay for their time at on-street parking meters; and

WHEREAS, during the pilot program, the transaction fee charged by ParkMobile to the parker was \$0.35 per transaction; and

WHEREAS, since July 2011, the ParkMobile app in the City has provided convenience to Oakland parkers by enabling them to use their mobile phones by simply downloading an application (app) to pay or extend parking time; 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) in October 2014 to ensure continued fair and equitable contracting of this program; and

WHEREAS, in 2015, a total of four (4) proposals for pay-by-phone parking services were submitted to the City, and all four (4) proposals were found to be qualified and meet the requirements specified in the City's request for proposal; and

WHEREAS, after reviewing the proposals, interviews, reference checks, and pricing submitted by each proposer, ParkMobile, was found to be the most qualified proposer and was selected to provide pay-by-phone services for the City; and

WHEREAS, on April 19, 2016, the City Council approved Resolution No. 86119, C.M.S., which authorized a professional services agreement between the City and ParkMobile to continue providing pay-by-phone services for the City's on-street parking meters; and

WHEREAS, in this agreement, the transaction fee charged by ParkMobile to the parker was reduced to \$0.30 per transaction from 2016 to 2021; and

WHEREAS, in 2020, responsibility for managing pay-by-phone services, including the agreement between the City and ParkMobile, was transferred from the Finance Department to the Oakland Department of Transportation's (OakDOT) Parking and Mobility Division; and

WHEREAS, in July 2021, Park Mobile's contract was temporarily extended for one (1) year on a month-to-month basis in an amount not to exceed \$250,000 in reimbursement to ParkMobile for parking fees charged to parkers in the City; and

WHEREAS, staff negotiated with ParkMobile to secure more favorable terms for the City and ParkMobile users in the City, resulting in a reduced user fee of \$0.25 per transaction, promotional offers, and marketing campaigns; and

WHEREAS, ParkMobile recovers its costs by charging the parker a fixed transaction fee of \$0.25 cents for every transaction, which the parking app user agrees to pay and is in addition to the City's parking meter fee charged to the parker; and

WHEREAS, the agreement extension with ParkMobile expired on July 31, 2022; 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 RFP to ensure continued fair and equitable contracting of this program; and

WHEREAS, in March 2022, OakDOT issued an RFP to procure the enhanced mobile parking payment system, followed by two amendments; and

WHEREAS, the City's Contract Compliance Team performed an Availability Analysis, which determined that there were zero certified firms in Oakland under the appropriate North American Industry Classification System (NAICS) codes 522320, 518210, and 561440, and Contract Compliance staff waived the RFP's L/SLBE requirement from 50% to 0%; and

WHEREAS, in April 2022, a total of seven (7) proposals were submitted to the City by the submission deadline, and six (6) proposals were found by Contract Services to be Responsive, including (1) PayByPhone US Inc., (2) Passport Inc., (3) ParkMobile LLC, (4) Honkmobile USA LTD, and (5) IPS Group Inc.; and (6) Oakland Parking Solutions

WHEREAS, all respondents' proposals were also reviewed by staff and were found to be qualified, met the requirements outlined in the RFP and cover letter, met the City's strict selection criteria, scored above the cutoff of 70 points; and offered a unique strength to the mobile parking payment system in Oakland regarding user data privacy protection measures, registration requirements, marketing and outreach approach, transaction fees, promotional offers, and, together, maximize choice and convenience to parkers; and

WHEREAS, one (1) proposed provider, Oakland Parking Solutions, has since declined to participate; and

WHEREAS, OakDOT has pursued an enhanced multi-vendor pay-by-app system in order to: (1) increase the convenience of this service to parkers, (2) promote the use of this contactless payment method with City-branded signs in the public right of way, (3) to support the active management of the parking system, and (4) increase privacy protections for parkers and their data in Oakland; and

WHEREAS, when contracting with multiple vendors is in the City's best interests because it maximizes the potential benefits of the enhanced system by fostering competition to provide the best experience to City customers, especially residents, through sign-up promotions and transaction fees; and

WHEREAS, the City is requiring an initial one-time combined payment of \$30,000, or \$6,000 per vendor, from all five (5) selected vendors to contribute to the costs of establishing the new mobile parking payment system, including installation of new signage; and

WHEREAS, the remaining sign funding for parking sign replacement is not currently secured, OakDOT is committed to identifying funds for this 3-year project through a combination of the upcoming mid-cycle budget process, Fiscal Year 2025-27 two-year budget cycle, and eligible competitive grant opportunities; and

WHEREAS, all selected vendors will be required to share 10% of their ongoing user transaction fee revenues with the City up to \$5,000 per vendor annually, unless they are a Local and Small Local Business Enterprise (L/SLBE) in which case they receive a 25% discount on the initial fee; and

WHEREAS, existing ParkMobile signs are in a severe state of disrepair in the City's public right of way, and new City-branded signs, installed and maintained by OakDOT staff, will be vital to communicating all of the available payment options and the block-specific pay-by-app zones to parkers; and

WHEREAS, single-space and multi-space parking meters will continue to be an option for the foreseeable future due to California Vehicle Code Section 22508.5(d), which requires a physical payment option, so parkers will not be required to use a smartphone to pay for parking; and

WHEREAS, an agreement will be signed with each vendor to implement this pay-by-app system, which will require upfront payment of the vendors' proportion of the initial fee; and

WHEREAS, the City Council finds and determines that the City lacks the equipment and qualified personnel to perform the necessary work, that the performance of this contract is in the public interest because of economy or better performance, and that this contract is of a professional, scientific or technical nature; and

WHEREAS, the City Council finds and determines, based on the representations set forth in the City Administrator's report accompanying this Resolution, that the contract approved hereunder is temporary in nature; and

WHEREAS, the City Council finds and determines that the performance of this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive service; and

WHEREAS, in accordance with generally accepted accounting principles (GAAP), all parking revenues generated through the pay-by-app system, including the transaction fees, will be deposited into the City's bank account on a daily basis, and the transaction fee then reimbursed to the appropriate vendor, and no other fees will be paid by the City to mobile parking payment providers; and

WHEREAS, staff anticipate that other qualified vendors will be added to the mobile parking payment system in phases, and parkers will not experience any interruption in paying for parking using the mobile parking payment system; and

WHEREAS, in June 2022, the City Council considered and authorized an extension of the ParkMobile contract should it lapse during the procurement of the new pay-by-app system; and

WHEREAS, in August 2023, OakDOT created the City Data Addendum (Exhibit A), the Anticipated Impact Report (Exhibit B), and the Use Policy (Exhibit C); and

WHEREAS, in September 2023, the Privacy Advisory Commission voted to accept the Anticipated Impact Report and the Use Policy of the mobile parking payment system; now, therefore, be it

RESOLVED: That for the reasons stated above, the City Council finds that it is in the City's best interest to approve staff recommendation to enter into an agreement with each of the five (5) proposers; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to enter into professional services agreements with (1) PayByPhone US Inc., (2) Passport Inc., (3) ParkMobile LLC, (4) Honkmobile USA LTD, and (5) IPS Group Inc., for five years, in an amount not to exceed five hundred thousand dollars (\$500,000) each per year, for a total not to exceed two million five hundred thousand dollars (\$2,500,000) for each agreement, with the authority to extend each agreement for two additional one year periods for a total of seven years at a total not to exceed cost of three million five hundred thousand dollars (\$3,500,000) for each Agreement; to collect transaction fees from parkers and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to make any amendments, except to any increases in compensation, to the Professional Services

Agreements consistent with the furtherance of this resolution and approved as to form and legality by the Office of the City Attorney, without returning to City Council; and be it

FURTHER RESOLVED: That the City Data Addendum, the Anticipated Impact Report, and Use Policy are hereby approved and incorporated into the professional services agreements with each vendor; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to accept and appropriate a one-time payment of up to six thousand dollars (\$6000) each from (1) PayByPhone US Inc., (2) Passport Inc., (3) ParkMobile LLC, (4) Honkmobile USA LTD, and (5) IPS Group Inc. and annual payments of up to five thousand dollars (\$5,000) from (1) PayByPhone US Inc., (2) Passport Inc., (3) ParkMobile LLC, (4) Honkmobile USA LTD, and (5) IPS Group Inc., for a total of twenty-five thousand dollars (\$25,000) annually for parking signage installation and maintenance; and be it

FURTHER RESOLVED: That the agreements shall be reviewed and approved as to form and legality by the Office of the City Attorney, and a fully executed copy of the agreements shall be placed on file with the Office of the City Clerk without returning to City Council.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

Exhibits (3):

A: City Data Addendum

B: Anticipated Impact Report

C: Use Policy