

2010 FEB -4 PM 5:13

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

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: FMA/Parking Operations  
DATE: February 9, 2010

**RE: RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A CONTRACT BETWEEN THE CITY OF OAKLAND AND ACS STATE & LOCAL SOLUTIONS, INC., INCLUDING A REVENUE GUARANTEE STRUCTURE THROUGH WHICH THE CITY WOULD REALIZE THE ANNUAL COLLECTION OF \$30.4 MILLION OR HIGHER IN PARKING CITATION REVENUE, TO PROVIDE A PARKING CITATION ADMINISTRATION AND REVENUE RECONCILIATION SYSTEM (CARRS) AT AN ESTIMATED COST OF NINE HUNDRED THOUSAND DOLLARS (\$900,000) PER YEAR FOR A TERM OF THREE YEARS BEGINNING MARCH 1, 2010 WITH TWO ONE-YEAR OPTIONS TO RENEW**

---

**SUMMARY**

On January 12, 2010, the Finance and Management Committee considered the adoption of a Resolution Authorizing the City Administrator to negotiate and execute a contract between the City of Oakland and ACS State and Local Solutions, Inc. (ACS) to provide a parking Citation Administration and Revenue Reconciliation System (CARRS) at an estimated cost of \$900,000.

Since additional options were presented by the two companies who responded to the Request for Proposals (RFP) for the CARRS services, ACS and Duncan, the Committee directed staff to seek "best and final offers" on pricing and revenue generation from both vendors. Staff sought and received such supplemental offers on January 29, 2010, and evaluated them in conjunction with the initial proposals from the two companies. This report recommends the award of the CARRS contract to ACS State and Local Solutions.

**FISCAL IMPACT**

The current fiscal year budgeted revenue for parking citation fines is \$27.7 million. The cost of the CARRS contract is incurred as a per-citation processing fee for an estimated volume of 525,000 citations plus additional costs for other operating expenses such as postage and fees for special collection efforts. The costs paid to a contractor are budgeted as an expenditure in the Parking Division budget and are anticipated to be \$900,000 annually. The expected cost of citation management is budgeted in the General Purpose Fund (1010), Parking Citation Assistance Center organization (08921), Data Processing Services account (54211). The City

Item: \_\_\_\_\_  
Finance and Management Committee  
February 9, 2010

currently contracts with the City of Inglewood on a month-to-month basis for its citation management system and paid \$876,000 in Fiscal Year 2008/2009 under that contract.

The two proposals for the CARRS service also include a revenue guarantee that could increase parking citation revenue received by the City to a level between \$30.4 million and \$33 million annually.

**BACKGROUND**

On January 12, 2010 the Parking Division requested a final price and revenue guarantee proposal from both ACS and Duncan. The initial deadline for the proposals was set for January 19, 2010. The City received questions from both proposers as a follow-up to the City’s request, including a request for additional citation and financial information covering a period of four years. Due to the scope of the data requests, which required time for the current contractor, City of Inglewood, to compile and the proposers to analyze, the due date for final proposals was extended to January 29, 2010. The requested data were provided to both companies on January 22, 2009. The data came directly from the current provider, Inglewood, and City staff was not able to verify or audit the data.

Both companies submitted final price and revenue guarantee proposals by the January 29, 2010 deadline. However, ACS expressed “serious concerns regarding the accuracy of the data provided” and indicated that their “efforts [to provide a revenue guarantee] have been hampered by the apparent inaccuracies of the data provided, the timeframe, and the process.” Copies of both companies’ proposals – as well as supplemental information from Duncan clarifying their revenue guarantee proposal – are provided in *Attachment “A”*.

**KEY ISSUES AND IMPACTS**

The following table summarizes the final price and revenue guarantee proposals received from ACS and Duncan. Dollar figures represent the amount *in excess of budgeted revenue* that each vendor guarantees:

	ACS	Duncan Solutions
Per citation Price	<ul style="list-style-type: none"> <li>• \$0.99 per citation</li> <li>• \$0.93 per citation if City uses web-based “eTIMS” model. Staff <b>does not recommend</b> this option because it may be less reliable and data retrieval slower, thereby increasing the risk of errors and delays.</li> </ul>	\$1.29 per citation
Revenue Guarantee	<ul style="list-style-type: none"> <li>• <b>\$500,000</b> one-time upfront payment</li> <li>• <b>10 percent (\$2.7 million annually above the budget)</b>, over life of contract, with the following conditions:</li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$33 million (\$5.3 million annually above the budget)</b>, over the life of the contract, with the following statements as conditions:</li> </ul>

	ACS	Duncan Solutions
	<ol style="list-style-type: none"> <li>1. Number of citations not lower than FY 2008-09 levels.</li> <li>2. Citation fines and penalties will not be decreased.</li> <li>3. Dismissal rates will remain at FY 2008-09 levels or lower.</li> <li>4. City continues to aggressively manage and maintain booting program.</li> <li>5. ACS will be allowed to use all collection techniques (outbound calling, credit bureau marking, collection noticing, FTB/DMW liens and other sanctions allowed by State law).</li> </ol>	<p>“conditions include the accuracy of the information and operating environment described in the City’s RFP, the City’s own budget document, the City’s answers to questions during the ‘Final Proposal’ process, and the City meeting its own performance standards as committed to Council. Based on the above, we are comfortable guaranteeing the City \$33,000,000.</p> <p>Further details of the guarantee, as with other aspects of our proposal, will be the subject of negotiations if the City Council directs staff to negotiate and execute a contract with Duncan.”</p>

The final ACS cost proposal provides a \$0.30 lower per citation processing cost, \$0.99 versus \$1.26. The final Duncan revenue guarantee proposal offers an annual revenue guarantee of \$5.3 million versus \$2.7 million proposed by ACS.

Although Duncan’s final revenue guarantee exceeds the revenue guarantee proposed by ACS, **staff has concerns about Duncan Solutions’ ability to perform to the expectations outlined in the RFP.**

- The City’s experience with the current system in which Duncan Solutions acts as the prime sub-contractor under the City’s contract with the City of Inglewood has been that, on several occasions, meaningful revenue collection efforts have been delayed or forgone – at great cost to the City.
- Parking Citation staff has experienced numerous issues with the existing system and its functionality which have hindered effective customer service and have resulted in costly errors. *Attachment “B”* identifies system requirements and which features are currently available in the ACS system versus the Duncan system.
- The lack of real time access to reports has been an obstacle in conducting timely analysis of citation data and makes it difficult to monitor the contract effectively.
- Of particular concern with Duncan’s proposal is their claim that they can guarantee a 20 percent increase, or \$5.3 million annually, in parking fines revenue collected on behalf of the City. Under the current contract for which Duncan is the prime sub-contractor, the collection

rate for parking citation fines is 67 percent. If Duncan is capable of the greater collection rate, it is difficult to understand why the City has not realized a significant increase in its collection rate since Duncan became Inglewood's subcontractor. Additionally, in the past two years, DMV and FTB liens were filed late, resulting in a total loss of approximately \$4 million in revenue to the City of Oakland. Duncan has not indicated how they could attain a 20 percent increase from current collection levels, nor why these changes haven't been implemented under the current contract.

- The revenue guarantee submitted by Duncan was not clear, so staff followed up asking that Duncan clarify what they were proposing and what conditions, if any, would apply to the revenue guarantee. In response to staff's request for clarification of the revenue guarantee, Duncan responded that "certainly any guarantee will have conditions including the accuracy of the information and operating environment described in the City's RFP, the City's own budget document, the City's answers to questions during the "Final Proposal" process, and the City meeting its own performance standards as committed to Council. Based on the above, we are comfortable guaranteeing the City \$33,000,000. Further details of the guarantee, as with other aspects of our proposal, will be the subject of negotiations if the City Council directs staff to negotiate and execute a contract with Duncan."

The lack of clarity in defining the conditions associated with the revenue guarantee create concerns that during contract negotiations conditions will be requested by Duncan on their proposed revenue guarantee to which the City is unable or unwilling to agree.

On the other hand, the RFP proposal submitted by ACS, the independent panel scoring related to the interview and system demonstration, and reference checks conducted by staff support the conclusion that ACS can fulfill the requirements of the RFP.

- The software demonstration and review of the ACS system provided by ACS showed that their system meets the functional requirements requested by the City and is superior to the current Duncan system.
- ACS has a proven track record of providing citation administration and revenue collection services to the largest municipal clients in California and through the United States.
- ACS has a proven track record of increasing revenue collection to a level of 80 percent and above.
- The conditions on the revenue guarantee proposed by ACS are clear and reasonable.

## **RECOMMENDATION AND RATIONALE**

Based on the initial evaluation of the two proposals by an independent panel, the superiority of ACS' technology and its track record in other cities, lower price per citation offered by ACS, and the concerns about Duncan's ability to provide good customer service and achieve high cost recovery, staff is recommending that the City Council authorize the City Administrator to

negotiate a contract with ACS. Such contract negotiation should include a requirement that ACS guarantee a higher amount of revenue than the 10 percent proposed in the "best and final offer" submitted on January 29, 2010.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that Council adopt a resolution authorizing the City Administrator to negotiate and execute a three-year contract between the City of Oakland and ACS State & Local Solutions, Inc., with two one-year options to renew, including a revenue guarantee structure through which the City would realize the annual collection of \$30.4 million or more in annual parking citation revenue.

Respectfully submitted,



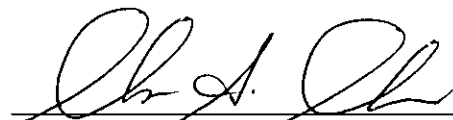
---

Noel Pinto, Parking Operations Manager  
FMA/Parking Operations Division

Prepared by:  
Thomas DiSanto, Administrative Services Manager II  
FMA/Parking Operations Division

Attachments: A. Final Proposals from ACS and Duncan  
B. CARRS System Functionality

APPROVED AND FORWARDED TO  
FINANCE AND MANAGEMENT COMMITTEE:



---

Office of the City Administrator

Item: \_\_\_\_\_  
Finance and Management Committee  
February 9, 2010



expertise in action

Parking and Safety Solutions  
Affiliated Computer Services, Inc.  
12410 Milestone Drive, Suite 400, Germantown, MD 20876  
Telephone (301) 820-4202

January 29, 2010

Mr. Thomas DiSanto,  
Administrative Manager  
City of Oakland, Parking Operations  
250 Frank H. Ogawa Plaza, Suite 6300  
Oakland, CA 94612

RE: Parking Citation Administration and Revenue Reconciliation System (CARRS) BAFO Response

Dear Mr. DiSanto:

This letter is in response to a request from the City of Oakland to submit a best and final offer for the CARRS contract. Once again, we would like to thank the selection committee for recommending ACS as the clear winner in this procurement. However, despite two strong staff recommendations, on October 29, 2009 and December 22, 2010, the city has reopened the procurement to request a new per citation price and a revenue guaranty. In making its recommendation, staff chose ACS, a service provider with a proven track record delivering superior collections performance, a preferred technical solution that will better provide authorized users with access to valuable parking data, improve service to the City's public, and a price that is nearly 30% less than our competitor.

ACS has abided by the City's procurement rules and complied with each and every RFP requirement. We have also answered any and all questions throughout this process. Conversely, our competitor has sought to marginalize staff's recommendation, persuade the City to change its evaluation criteria, and delay a Council vote. We have clearly stated our concerns to you and members of the City Council regarding the CARRS procurement in our letter dated January 14, 2010. As this process concludes, we sincerely hope that the City remembers why it initiated this procurement in the first place; due to the poor service and revenue generation performance demonstrated by the same vendor that is now aggressively working to minimize its past failures in Oakland.

Because we are not the incumbent and do not have critical data with which to make an informed revenue guaranty, we asked to be provided with current and historical data from the City's current vendor. Unfortunately the data we received in your January 22, 2010 letter is not complete and, by the City's own admission, has neither been verified nor audited—placing ACS at a tremendous competitive disadvantage because the incumbent is in a position to validate the data or know by what magnitude it is inaccurate. ACS has tried to reach out to the City with our concerns regarding the integrity of the data, however we were asked to contact Inglewood directly. This is the same Inglewood who is currently part of the Duncan team and an ACS competitor in the parking ticket processing market. To require ACS to base its bid on information solely provided by this vendor ignores the inherent conflict and is unfair. Despite these concerns, ACS will continue to respect the Council's request to submit a final revised pricing proposal and revenue guaranty. We expect that the City will adhere to the procurement evaluation criteria for the final short listed companies, as stated in the City's RFP: Presentation 25 pts/ Response to RFP 15 pts/ Interview/Questions 40 pts/ and CARRS pricing, 20 pts.

## ACS Best and Final Offer (BAFO)

### Citation Processing Pricing and Up-Front Offer

Per Citation Fee	\$ 0.99 per citation
Per Citation Fee	\$ 0.93 per citation (Internet access to eTIMS®)

This \$0.99 price allows us to provide the high level of service that City staff has recognized and recommended. All other elements of our initial pricing submission, including our pricing assumptions, remain as submitted.

To demonstrate our recognition of Oakland's economic situation and our interest in partnering with the City, we are offering an **upfront payment of \$500,000 to the City within 30 days of contract signing in lieu of discounting our per-ticket price over the life of the program. Over the life of the contract, this is in effect a 20-cent reduction to our current ticket price of \$0.99.**

### Contractual Performance Commitment

Providing the City with the highest possible revenue generation requires considerable due diligence regarding the quality of existing debt, including the accuracy of all data elements. Due to the fact that we have not been provided with this historical information related to the incumbent's performance, ACS is limited in our ability to thoroughly evaluate the City's parking citation receivable in conjunction with the City's request for a revenue guaranty. We have attempted to put together a responsible BAFO in response to the City's request, but our efforts have been hampered by the apparent inaccuracies of the data provided, the timeframe, and the process.

In our proposal to the City, we cited the substantial improvements that ACS systems and solutions delivered to collection rates and program revenues in cities throughout California, including the City of San Francisco, and throughout the U.S. We are confident that our proposed solutions and expertise will yield similar improvements to City of Oakland revenues. In fact, five of ACS' California clients have collection rates that exceed 80%—considerably higher than the 67% rate achieved by the City's current vendor on behalf of the City of Oakland.

ACS offers a contractual commitment to achieve a **10% increase in collection rates over the current net budgeted amounts**. ACS will structure a service level agreement that will pay the City up to \$2.7M in performance related penalties should these collections rate targets not be met.

This commitment is predicated on all volumes remaining consistent with historical volumes, which include but are not limited to the following:

- Parking citation issuance will meet or exceed FY2009 levels (as reported in City's letter dated January 22, 2010)
- Citation fines and penalties will not be decreased
- Dismissal rates will remain at FY2009 levels or lower (as reported in City's letter dated January 22, 2010)
- The City will continue to aggressively manage and maintain its booting program
- ACS will be authorized to utilize its full complement of collection techniques, including: outbound calling, credit bureau marking, collection noticing, FTB tax intercept, DMV hold, and other sanctions as provided for by California State Law

### Software Updates

ACS was recently awarded a patent for our innovative handheld parking enforcement application, PocketPEO™ which is the ticket writing software currently in use in the City of Oakland. PocketPEO™ was carefully designed to maximize parking enforcement efficiency and effectiveness and can be loaded to any handheld unit that utilizes the Windows Mobile operating system. Patent number 7,617,120 B2 was granted to ACS for this innovative application

and covers thirteen aspects of our powerful enforcement product, which we have continued to enhance based on client input and evolving client needs. This patent recognizes the innovative approach utilized by ACS' ticket issuance software, currently deployed in municipalities throughout the U.S. ACS offers to provide the City of Oakland with expanded functionality through its newest version of PocketPEO™ as part of our proposed solution.

We continue to enhance other products included in our bid, including:

**Dashboard Reporting**—this flexible tool provides management with a "dashboard" overview of parking program metrics and is currently being expanded to include parking collections performance data.

**Customer Web Service Portal**—The ACS' web portal provides the public with convenient access to parking data and ability to establish parking accounts, receive email notifications, schedule hearings, and complete other functions online. ACS continues to make enhancements to this public-facing tool.

Our valued existing customers have been the beneficiaries of these software enhancements at no additional cost.

#### Experience Updates, Competitive Bids, and ACS News

ACS continues to hold an undisputed leadership position in the parking ticket processing and collections marketplace—processing more citations and collecting more revenue than any other firm. ACS' eTIMS® system is specifically designed to handle sophisticated, high volume parking citation processing. In fact, ACS currently serves six clients which, like the City of Oakland, issue at least 500,000 citations annually including Boston, Denver, Los Angeles, Philadelphia, San Francisco, and Washington, DC. By comparison, the City's current vendor supports a client base with an average annual issuance of only 30,000 parking citations, and boasts one other client (Milwaukee, where its U.S. headquarters is located) with citation volumes as large as Oakland's.

#### Recent ACS Contract Awards

- Los Angeles County Sheriff—parking tickets and collections (competitive rebid)
- San Francisco Street Sensors—on street parking sensor (new business)
- Wilmington, DE—parking tickets and collections (current client renewal)
- Macon Court Collections—court debt collection (competitive rebid)
- Cambridge, MA—parking tickets and collections (competitive rebid)
- Philadelphia Code Enforcement—violation tracking and collections (competitive rebid)

ACS also signed contract extensions with Boston, New Orleans, and Washington DC for parking ticket processing and collections.

#### Xerox Sale

ACS State and Local Solutions has been in the parking business since the early '80s with nearly 30 years of parking management experience. Our last transition from Lockheed Martin to ACS was transparent to our customers. As part of the Xerox Corporation, ACS will have access to one of the largest Research and Development divisions in the technology sector. We look forward to using Xerox's R&D to develop new products for our transportation clients.



Summary

In the Executive Summary of their response to the City of Oakland's RFP for the CARRS contract, the City's incumbent vendor, Duncan Solutions, mentioned ACS 14 times—half the number of times they mentioned the City of Oakland, their second largest client and prospective client for this bid. As the industry's leading provider of parking solutions, ACS appreciates that competitors will periodically attempt to compare their systems and solutions to ours. It is flattering, but ultimately unrealistic, for any competitor to argue that by hiring former ACS employees and using institutional knowledge of proprietary systems they can re-build our system and sell it under a different name:

ACS, in partnership with many of the most sophisticated local government parking agencies in the country, has invested over 25 years and millions of dollars to build and continuously enhance our eTIMS® system. The system was created through the hard work and vision of hundreds of dedicated employees and client users. Hiring a dozen ex-employees in an attempt to recreate eTIMS® will never lead to more than a system that will always be at least one generation behind our own.

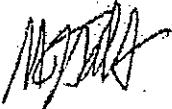
It is noteworthy that our competitor's previous performance in Oakland has been repeatedly criticized by both staff and Council, having achieved a collection rate of less than 67 percent on behalf of the City—a rate that is twenty percentage points lower than the collection rates currently achieved by ACS clients in California. Today they propose to continue to serve the City with the same deficient system promising new results. The Oakland staff's initial evaluation findings stated that:

*"ACS Technology is more modern, more sophisticated, user friendly. Duncan technology seems outdated, interfaces difficult to navigate... Overall the general provisions of the ACS proposal were stronger than Duncan's—especially with regard to the software and its user interface." (Oakland Staff Recommendations, November 2009).*

Staff's recommendations succinctly illustrate some of the shortcomings of high volume processing from less robust, server-based systems. ACS has submitted an exceptional, fully compliant proposal for the City's consideration built upon the industry's premier CARRS system, supported by local and national subject matter experts, and backed by a Fortune 500 company.

Staff has twice recommended our selection in this procurement. Our proposed price was fully compliant with RFP requirements and 30 percent lower than our competitors. ACS proposed solutions that will further elevate the City of Oakland's parking program in meaningful ways: implementing a state-of-the-art system; delivering innovative enhancements that will responsibly maximize program revenues and operational efficiencies; providing new equipment and services; and bringing the highest level of service to the City's public. We anxiously await Council's decision and look forward to beginning a partnership that delivers exceptional service to the City and its public.

Sincerely,



Mark Talbot  
Senior Vice President and Managing Director

cc: Noel Pinto, Parking Administrator  
Marianna Marysheva-Martinez, Assistant City Administrator  
Alix Rosenthal, City Attorney's Office



Gary Smith, President  
Professional Account Management, LLC  
a duncan solutions company  
633 W. Wisconsin Avenue, Suite 1600  
Milwaukee, WI 53203  
Phone: (414) 847-3700 | Fax: (414) 847-6700  
Email: gsmith@duncansolutions.com

## HAND DELIVERY

January 29, 2010

Thomas DiSanto, Administrative Manager  
City of Oakland, Parking Operations  
250 Frank H. Ogawa Plaza, Suite 6300  
Oakland, CA 94612

Re: Final Pricing/Revenue Generation Proposal

Dear Mr. DiSanto:

In response to your request for a final proposal, we are pleased to present the following:

- A per citation price of \$1.29
- A revenue guarantee of \$33,000,000.

Furthermore, we believe that key elements of our experience, software and technical proposal were not accurately evaluated during the initial review, and we appreciate the opportunity to provide information so that the evaluation of our original proposal can be properly amended to reflect these facts.

- 1) While the RFP did not require a local office, a local office is clearly technically superior versus not having one. Duncan committed to opening an office in Oakland, and our technical score should reflect this aspect of our proposal. Conversely, the Supplemental Report falsely state that ACS's corporate headquarters are in San Francisco. Their score should be downgraded appropriately.
- 2) While not an RFP requirement, utilization of certified LSLBE firms is clearly technically superior to not using them. Duncan committed to meet the City's 20% LSLBE goals despite the removal of this RFP requirement after the issuance of the RFP. Our technical score should reflect the superiority of this aspect of our proposal. While the Supplemental Report states that ACS will use Local Business Enterprises, City staff at the Finance and Management Committee meeting on January 12 correctly noted that ACS's proposed use of certified local LSLBE firms was 0%. Their score should be downgraded appropriately.
- 3) The Supplemental Report asserts that ACS has an experiential advantage because Duncan has only "10 years experience." In fact, Duncan has been processing parking citations for California cities for over 23 years. Our technical score should reflect this fact.
- 4) The City's letter dated January 12 stated that "evaluators will take into account the demonstrations and reference checks conducted during the initial process." Additionally, the Supplemental Report states that "Software demonstrations were provided by both proposers to the review panel. The demonstrations revealed that some of the functionality that was available in the ACS program was not currently available in the Duncan software program." Both of these

statements are false, and any technical scoring differential based on these statements is invalid and must be reevaluated. Initial bidder presentations were limited to 30 minutes, and no time was set aside for Duncan to provide a system demonstration.

Furthermore, the 10 elements of functionality listed in the Supplemental Report table were not identified as system requirements in the RFP. Only after the Committee's November 10 hearing was a list of desired functions compiled. By any reasonable standard, such functional requirements cannot be used outside of the RFP document and after the submission of proposals to establish new requirements.

Notwithstanding this fact, Duncan provided written corrective clarification indicating that most of the functionality was already available in the Duncan system but since they differ from Oakland's current business rules it requires customization, not reprogramming, in order to demonstrate it. During discussions with the City about scheduling a demonstration of the desired functionality, we were abruptly advised that no such demonstration would be permitted. As we were denied the opportunity to establish these system capabilities, the technical evaluation cannot downgrade our scoring based on this denial. Further, we believe that ACS's system could not demonstrate 3 of the 10 elements of functionality nor could it demonstrate other key functionality that was originally required in the RFP. ACS's scoring should be amended to reflect these deficiencies.

- 5) The City's letter dated January 12 stated that "evaluators will take into account the demonstrations and reference checks conducted during the initial process." Duncan's references were not contacted during the "initial process" which represents a clear process deficiency. It was not until after the November 10 Committee hearing at which ACS was recommended for award that our references were contacted, therefore it is necessary that Duncan's reference scores include the results of these checks even though they occurred after the initial process.

Furthermore, the Supplemental Report's table summarizing recent parking citation enforcement RFPs misleadingly suggests that Duncan and ACS have a similar track record in recent head-to-head bidding competitions for citation processing contracts. Two of the three ACS "wins" listed on the table are irrelevant: Duncan did not compete for the Cambridge contract, and Long Beach (which uses Duncan's citation processing system) was a collections-only contract. In fact, the market is clearly selecting Duncan as the preferred provider of citation processing services: In the four most recent head-to-head procurements between Duncan and ACS - all of which involved bids to existing ACS clients - three of those four chose to change vendors and selected Duncan. The one client which selected ACS, the Los Angeles County Sheriff, awarded Duncan a higher technical score. Our experience and reference check scores should clearly reflect this industry differential.

- 6) Duncan has a track record of outcollecting ACS and winning head-to-head bidding competitions on the merits.
  - a. In 2007, Duncan took over ticket collections from ACS in Washington, DC. Duncan collected 36% of assigned tickets compared to 21% under ACS.
  - b. In 2008, Duncan took over ticket processing from ACS in Montgomery County, MD. While ticket issuance increased 10% in the first nine months of the contract, revenues increased 15%.
  - c. In 2009, Duncan took over ticket processing from ACS in Somerville, MA. While Duncan has only been operating the program for a few months, the City's revenues have increased and the City has enjoyed its two highest revenue months in over 20 years.

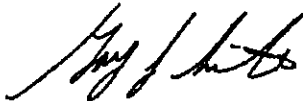
- d. Duncan's team was recently awarded a contract to take over Detroit's ticket processing and collections program from ACS. In both Detroit and Somerville, Duncan was selected over ACS despite bidding a higher price.
- 7) On November 10, ACS misrepresented its conversion experience to the Committee and their evaluation scores should not reflect this error. San Francisco's parking program was converted over 10 years ago, and most key staff have since left ACS (including many who have joined Duncan). Further, as noted above, Long Beach is not an ACS ticket processing contract so there was no system conversion. It is a collections contract requiring a simple data interface to Long Beach's existing ticket processing system which is provided and supported by Duncan. ACS's last ticket processing system conversion was over 5 years ago. The evaluation of the risks of undergoing a system conversion should reflect the staleness and limitations of ACS's experience.
- 8) ACS is being acquired by Xerox in February. ACS's citation processing business will represent less than one-half percent (0.5%) of Xerox's business. The evaluation scores for corporate stability need to reflect the risks associated with a corporate ownership change.

Documentation for every factual correction offered in this letter is available upon request. We expect these facts to be shared with the full Council when your final report is released.

Should you have any questions or concerns regarding this matter, please do not hesitate to contact me. I can be reached by phone at (414) 847-3700 or by e-mail at [gsmith@duncansolutions.com](mailto:gsmith@duncansolutions.com).

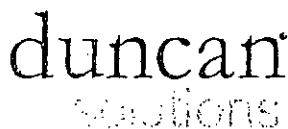
We look forward to hearing from you soon and to servicing the City of Oakland's CARRS program for years to come.

Sincerely,



Gary Smith  
*President, Professional Account Management, LLC*  
*A Duncan Solutions Company*

cc: Noel Pinto, Director, Parking Operations  
Marianna Marysheva-Martinez, Assistant City Administrator  
Alix Rosenthal, City Attorney's Office



Gary Smith, President  
Professional Account Management, LLC  
a duncan solutions company  
633 W. Wisconsin Avenue, Suite 1600  
Milwaukee, WI 53203  
Phone: (414) 847-3700 | Fax: (414) 847-6700  
Email: gsmith@duncansolutions.com

Via Email

February 1, 2010

Thomas DiSanto, Administrative Manager  
City of Oakland, Parking Operations  
250 Frank H. Ogawa Plaza, Suite 6300  
Oakland, CA 94612

Re: Response to Jan. 29<sup>th</sup> "Proposal Clarification Request"

Dear Mr. DiSanto:

Duncan is pleased to provide the following clarification to our revenue guarantee.

*1. Is this an annual guarantee over the life of the contract?* Yes, as long as conditions remain the same during the life of the contract.

*2. What happens if Duncan fails to generate \$33,000,000 annually? For example, would Duncan write a check to the City for the difference?* Yes, we would be prepared to write a check for the difference.

*3. Are there any conditions on the revenue guarantee? 4. Are there any conditions that the City would need to meet regarding the revenue guarantee?* Certainly any guarantee will have conditions including the accuracy of the information and operating environment described in the City's RFP, the City's own budget document, the City's answers to questions during the "Final Proposal" process, and the City meeting its own performance standards as committed to Council. Based on the above, we are comfortable guaranteeing the City \$33,000,000.

Further details of the guarantee, as with other aspects of our proposal, will be the subject of negotiations if the City Council directs staff to negotiate and execute a contract with Duncan.

Should you have any questions or concerns, please contact me at gsmith@duncansolutions.com or at (414) 847-3700. However, I will be out of the office and may be difficult to reach until Thursday.

Sincerely,

Gary Smith  
President, Professional Account Management, LLC  
A Duncan Solutions Company

cc: Noel Pinto, Director, Parking Operations  
Marianna Marysheva-Martinez, Assistant City Administrator  
Alix Rosenthal, City Attorney's Office  
Zach Wasserman, Wendel Rosen Black & Dean

## Attachment B

### CARRS System Functionality

Based on staff experience with using different systems for processing parking citations, Parking Operations staff developed a list of key functionalities that a new system should have to address processing timeframes, consistency, accurateness and service delivery to clients. Software demonstrations were provided by both proposers to the review panel during the original review process. The demonstrations revealed that some of the functionality that was available in the ACS program was not currently available in the Duncan software program. In following up with Duncan Solutions on this, Duncan has indicated that, although their software does not currently offer these features, they would make the necessary customization changes to provide these functionalities. The following table outlines those key functionalities and their availability in the systems that would be provided by the two proposers.

<b>Functionality</b>	<b>Available in Duncan System</b>	<b>Available in ACS System</b>
1. System should allow more than one session to be open at a time.	Yes	Yes
2. System should be able to generate only one citation per citation number, and not create duplicate citation with different information.	Not available in current system, but Duncan has indicated that their software could be programmed to provide this functionality	Yes
3. VIN number and license plate numbers should be linked in the system, so that all citations related to the same VIN and license plate should come up together separated by registered owner. The current system does not show citations that were issued to the same vehicle but issued under the VIN number, when the vehicle's history by license plate number is pulled.	Yes	Yes
4. If a citation is paid in full, the system should not be able to accept any other payment, except by someone with administrative rights to the system.	Not available in current system, but Duncan has indicated that their software could be customized to provide this functionality	Yes

Functionality	Available in Duncan System	Available in ACS System
5. When there is a vehicle ownership change, the system should automatically reverse penalties (including collections fees) and send the first Notice to the new owner entered.	Not available in current system, but Duncan has indicated that their software could be customized to provide this functionality	Yes
6. When processing a citation review, the system user should automatically be able to issue a letter citing the outcome of the review. The review process, decision and letter generated should be linked in the system. The current system requires a seven step process to generate a liable letter.	Not available in current system, but Duncan has indicated that their software could be customized to provide this functionality	Yes
7. System should automatically update at the time that a payment is processed, so that additional collection fees and late notices are not erroneously generated based on pre-programmed due dates in the system.	Yes	Yes
8. Citations entered into the system under 'Fast Add' should automatically link with DMV recorders to identify the registered owner.	Yes	Yes

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2010 FEB -4 PM 5:13

Approved as to Form and Legality

  
City Attorney

# 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 ACS STATE & LOCAL SOLUTIONS, INC., INCLUDING A REVENUE GUARANTEE STRUCTURE THROUGH WHICH THE CITY WOULD REALIZE THE ANNUAL COLLECTION OF \$30.4 MILLION OR HIGHER IN PARKING CITATION REVENUE, TO PROVIDE A PARKING CITATION ADMINISTRATION AND REVENUE RECONCILIATION SYSTEM (CARRS) AT AN ESTIMATED COST OF NINE HUNDRED THOUSAND DOLLARS (\$900,000) PER YEAR FOR A TERM OF THREE YEARS BEGINNING MARCH 1, 2010 WITH TWO ONE-YEAR OPTIONS TO RENEW**

**WHEREAS**, the City of Oakland wishes to enter into an agreement with ACS State & Local Solutions, Inc. to Provide a Parking Citation Administration and Revenue Reconciliation System (CARRS); and

**WHEREAS**, the City's Purchasing Ordinance, Oakland Municipal Code ("OMC") Chapter 2.04, requires that the City conduct a competitive process (Request for Proposals/ Request for Qualifications) for professional services agreements in excess of \$25,000; and

**WHEREAS**, a competitive Request for Proposals was issued August 7, 2009 and two companies submitted proposals responsive to the City's request; and

**WHEREAS**, upon the City's request, the two companies submitted their "best and final offers" on January 29, 2010; and

**WHEREAS**, through both an internal and external rating process the proposal submitted by ACS State & Local Solutions, Inc. was determined to best meet the needs of the City; and

**WHEREAS**, ACS State & Local Solutions, Inc., is qualified and able to provide an integrated parking citation management system for the City of Oakland within the requirements set forth by the City; and

**WHEREAS**, the City Council finds that the service is professional in nature; and

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



**WHEREAS**, funds for the agreement are available in the Finance and Management Agency Parking Administration adopted FY 2009-2011 budget in the General Purpose Fund (1010), Organization (08911); 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 ACS State & Local Solutions, Inc., including a revenue guarantee structure through which the City would realize the annual collection of \$30.4 million or higher in parking citation revenue, to provide a Parking Citation Administration and Revenue Reconciliation System (CARRS) at an estimated cost of Nine Hundred Thousand Dollars (\$900,000) per year for a term of three years beginning March 1, 2010 with two one-year options to renew; 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.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

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