

CITY OF OAKLAND

AGENDA REPORT

OFFICE OF THE CITY CLERK

2007 JAN 23 PM 7:41

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

RE: **Resolution 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)**

SUMMARY

At the April 25, 2006 meeting of the Finance and Management Committee, the Committee directed staff to issue a Request for Proposal (RFP) for the purchase of multi-space parking meters. Responses to the RFP were received the summer of 2006 and staff assembled a panel of internal and outside experts to review and rate the responses. A resolution has been prepared authorizing the City Administrator to award a contract to Cale Parking Systems USA, a non-local business enterprise, for the purchase and installation of approximately 500 multi-space pay and display parking meters, in accordance with Specification No. 06-550-38-1.

The resolution also authorizes the execution of a lease finance agreement for the purchase and installation of the approximately 500 multi-space pay and display meters in amount not to exceed \$4,500,000. It is projected that the additional revenues generated from the new multi-space pay and display meters will fund the debt service payments of the lease transaction.

The Finance and Management Agency, Parking Division has requested the purchase of this multi-space meter system for installation throughout the City per the direction of City Council.

FISCAL IMPACT

Staff has projected that additional parking meter revenue will offset the operating costs and debt service payments for the purchase and installation of approximately 500 multi-space pay and display meters. The proposed multi-space meters will replace approximately 5,000 single-space parking meters.

Approval of this resolution will authorize a budget increase for Fiscal Year 2006 / 2007 of \$357,000 in the General Purpose Fund (1010) of the Parking Meter Operations Section (08931) to cover the three month debt-service payment of \$180,000 and approximately \$177,000 for ongoing operational costs (communications, paper, credit card fees). The total increase in

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expenditures will be offset by a \$357,000 increase in parking meter revenue as a result of the more reliable and efficient multi-space system

Staff will also be requesting a budget increase for the following years of \$1,430,000 in the General Purpose Fund (1010) of the Parking Meter Operations Section (08931) to cover the annual \$720,000 debt-service payment for a 7-year agreement and approximately \$710,000 for ongoing operational costs (communications, paper, credit card fees). At the end of the debt-service agreement, those funds would go to the General Purpose Fund (1010). The total increase in expenditures will be offset by a \$1,430,000 increase in parking meter revenue as a result of the more reliable and efficient multi-space system.

BACKGROUND

Specification No. 06-550-38-1 for multi-space pay and display parking meters was advertised in the City's official newspaper and sent to ten prospective bidders, all non-local business enterprises.

Five proposals were received and opened by the City Clerk on July 31, 2006. In accordance with the specifications, an initial screening was conducted. In the initial screening, two of the five responses were screened out and deemed non-responsive for failure to meet one or more of the following criteria: responsibility, responsiveness, proposed product and services, and past performance. Three proposals were chosen to participate in Phase II of the evaluation process.

Those vendors that passed on to Phase II were provided the opportunity to demonstrate the functions and features of their pay and display parking meter station to the evaluation committee. The evaluation committee included the following Agencies and Departments:

- City of Oakland / Finance and Management Agency: Purchasing Division, Parking Division and the Office of Information Technology.
- The City of Berkeley: Office of Transportation
- The City of Sacramento: Department of Transportation

At the conclusion of the vendor presentations, the proposals were evaluated and ranked based on the criteria outlined in the specifications. In addition, the meters were tested on the approximate amount of time it took to process a purchase transaction and for a collection transaction.

Pay and Display Meter	Purchase Transaction Time	Collection Transaction Time
Cale	7 – 9 seconds	18 seconds
Parkeon	7 – 9 seconds	22 seconds
MacKay	10 – 15 seconds	20 – 25 seconds

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Two references per vendor were contacted regarding the following factors. References were asked if any issues were experienced in dealing with the vendors. The references included the cities of Martinez, CA, Portland, OR, San Fernando, CA, San Diego, CA and Seattle, WA. Portland, OR had experience with two of the vendors. A summary of the results of the interviews are presented below:

Factors	Billing	Collections	Maintenance
Cale	No issues	No issues	Receipt paper jams
Parkeon	No issues	Issues were experienced with the credit card readings	Problems with credit card modems, electronic downloads, and programming.
MacKay	No issues	Only accepts coins	No issues

The respective companies have corrected the collections and maintenance issues.

Of those proposals that were evaluated in Phase II, the Cale Parking Systems USA proposal received the highest ranking by exceeding the minimum specifications and offering the following features and capabilities:

- A Batch System that allows the meter to accept credit card payments if wireless communication is disrupted
- An Electronic Collection Key that has the highest degree of security and access for meter cash collection and maintenance among the proposals.
- Warehouse and Support personnel located in the City of Oakland
- The Web based programmable kiosk provides and allows custom messaging
- Set up and parameters can be changed via the Web access

The Cale automated multi-space pay and display meters are also equipped with state-of-the art wireless communication and include the following features:

- A self-diagnostics system to identify any meter problems. This feature will notify City maintenance personnel and enable dispatch and repair in a timelier manner
- A printed receipt is processed for every transaction as proof of payment, and will improve the appeals process
- Downloadable financial reporting and audit trails that can be compared to funds collected
- Programmable card keys for absolute controlled access for cash collections
- Credit card accessible, providing citizens with an alternate method of payment

In addition to the evaluation of the proposals responding to the RFP, the City had 18 Cale multi-space meters operating as a pilot program since September 15, 2005. Statistics indicate that 50 rolls of paper have been changed out, over 149,000 transactions have been recorded, and over

\$194,000 collected. With an average of \$11,000 in collections per meter, the collections could have recovered the cost of the meters. Of the total collections, credit card revenue totaled \$96,000, and coin collections were \$98,000. Repairs that took place during this time required replacement of the main board in three systems; Under Cale's system, these repairs would be at no expense to the City. In addition, the systems are very durable as one system was hit by a truck but remained operative. To better understand the product and Cale service, the Parking Division researched the Cale meters by contacting the cities of Berkeley, CA and Portland, OR as they have more than two years of experience with this vendor.

The City of Berkeley reported that its contract with Cale multi-space meters began with 31 units in March 2004; each replacing 8-9 single-space meters. During the second phase, 33 additional systems were purchased. Recently, they received approval for twelve additional units for their surface lots. Revenue has increased over 40%, with credit card use averaging at 30%. Berkeley initially had sticky-back receipt rolls, but there were problems with condensation and adverse weather conditions, which meant these receipts would get stuck in the machine and caused jams. When used on the windshield in hot weather, the stickiness gave way; receipts became dislodged and fell from the windshield. Receipt rolls have since been replaced with a non-sticky product. Berkeley's statistics indicate a truck hit one system and another was vandalized and pulled out of the ground. However, the machines remained operative, even when lying on their sides. It was reported that the citizen fed and received receipts from the downed machines. On two other machines, the solar panels were vandalized, but the machines continued to operate.

Portland was authorized to purchase up to 500 multi-space Cale meters in 2004. Portland has indicated that they are very pleased with Cale's multi-space meters, response to machine malfunctions, requests for enhancements, web-office, real-time authorization components, and *quality of management reports*.

Based on the proposals in their entirety, the proposal submitted by Cale Parking Systems USA, received the highest ranking and their multi-space meters exceeded the minimum specifications. Cale is the midrange proposal for cost and the lowest responsible bidder per the specifications in the RFP. Therefore, based on the equipment and service analysis, the vendor specification requirements, vendor references, and the demonstration of the meters and testing, the evaluation committee recommended that the contract to purchase and install approximately 500 multi-space pay and display parking meters in accordance with Specification No. 06-550-38-1 be awarded to Cale Parking Systems, USA.

The proposal submitted by Cale Parking Systems, USA and the demonstration of the equipment satisfies all the requirements of the specification and the award of the contract as set forth in the Oakland Municipal Code 2.04.060-Lowest Responsible Bidder.

KEY ISSUES AND IMPACTS

Each multi-space pay and display meters will serve approximately 10-12 single parking metered spaces. These multi-space pay and display meters will replace the aging single space meters that are losing revenue due to vandalism or breakage.

The multi-space pay and display meters are equipped with automatic coin shutters that open for coin insertion, but not for foreign objects, and are difficult to vandalize, therefore less likely to be rendered inoperable. The multi-space pay and display meters will require only one pass for violations, instead of the current two passes by staff, to determine vehicles that are over the time limits and therefore, will improve time zone enforcement efficiency. In addition, if a multi-space meter is out of order, the vehicle operator has the option to pay at another station and obtain a receipt.

The City will enter into a lease transaction with a financial institution to finance the purchase of the multi-space pay and display parking meters. The multi-space pay and display meters are expected to generate additional revenue compared to the existing single-space meters, therefore, the additional revenue will offset the operating costs and debt service payments, and there is no anticipated budgetary impact to the City's General Fund. In order to maximize flexibility, the lease would be structured with the option of refinancing or prepayment before the end of the lease.

Staff has held a number of meetings with representatives of Local 790 to discuss impacts and implementation of the new meters. A Local 790 representative from the City of Berkeley attended a meeting and discussed her city's positive experience with implementation of Cale multi-space meters. Management will continue to work with employee representatives from the parking meter collections, repair, and enforcement functions to ensure a successful implementation.

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.

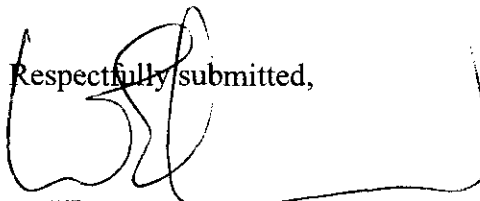
RECOMMENDATION (S) AND RATIONALE

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 that 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

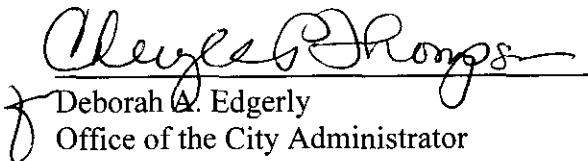
Staff requests that the City Council approve the resolution authorizing the City Administrator to award a contract to Cale Parking Systems USA, and execute a lease finance agreement to purchase and install approximately 500 multi-space pay and display parking meters in accordance with Specification No.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

Respectfully submitted,


WILLIAM E. NOLAND
Director, Finance and Management Agency

Prepared by: Jimmie D. Jackson
Purchasing Supervisor

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:


Deborah A. Edgerly
Office of the City Administrator

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Wanda...
City Attorney

OFFICE OF THE CITY CLERK
OAKLAND CITY COUNCIL

2007 JAN 11 RESOLUTION No. _____ C.M.S.

RESOLUTION AWARDDING 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 IN AN AMOUNT NOT-TO-EXCEED FOUR MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000.00), AND AUTHORIZING THE CITY ADMINISTRATOR TO AWARD A FINANCE LEASE AGREEMENT (SELECTED PURSUANT TO A COMPETITIVE PROCESS) TO FINANCE THE FOREGOING PURCHASE AND INSTALLATION AN AMOUNT NOT-TO-EXCEED FOUR MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000.00, WITHOUT RETURN TO COUNCIL

WHEREAS, bids for Multi-Space Pay and Display Parking Meters, Specification No. 06-550-38-1 were received and opened by the City Clerk on July 31, 2006; and

WHEREAS, the current expense budget will be increased by three hundred fifty seven thousand dollars (\$357,000) in the General Purpose Fund (1010) of the Parking Meter Operations Section (08931) to cover the three month debt-service payment of one hundred eighty thousand dollars (\$180,000) and approximately one hundred seventy seven thousand dollars (\$177,000) for ongoing operational costs (communications, paper, credit card fees); and

WHEREAS, future budget increases of one million four hundred thirty thousand dollars (\$1,430,000) in the General Purpose Fund (1010) of the Parking Meter Operations Section (08931) to be required to cover the annual seven hundred twenty thousand dollar (\$720,000) debt-service payment and approximately seven hundred ten thousand dollars (\$710,000) for ongoing operational costs (communications, paper, credit card fees); and

WHEREAS, the bid submitted by Cale Parking Systems USA was evaluated and qualifies as the lowest responsible bidder; now be it

RESOLVED: that a contract to purchase and install approximately five hundred (500) multi-space pay and display parking meters in the City of Oakland in an amount not to exceed four million, five hundred thousand dollars (\$4,500,000) in accordance with Specification No. 06-550-38-1 and the general conditions therefore on file in the Purchasing Section is hereby awarded to Cale Parking Systems USA, Inc., according to its bid filed with the City Clerk on July 31, 2006; and, be it

FURTHER RESOLVED: that the City Council authorize, an increase in the current budget of three hundred fifty seven thousand dollars (\$357,000) within in the General Purpose Fund (1010) of the Parking Meter Operations Section (08931); and, be it

FURTHER RESOLVED: That the City Administrator, or her designee, is authorized to award a financing lease agreement and related documents to a financial institution selected pursuant to a competitive Request for Proposal/Qualification process to finance the multi-space parking meters and eligible cost for the parking meter replacement project and any cost related to the financing, in an amount not-to-exceed four million five hundred thousand dollars (\$4,500,000.00) and, be it

FURTHER RESOLVED: The City Administrator is hereby authorized to award and execute the finance lease agreement on behalf of the City of Oakland without return to Council; and, be it

FURTHER RESOLVED: That the contract shall be approved for form and legality by the City Attorney and copies shall be on file in the City Clerk's Office.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California