



CITY OF GLENDALE CALIFORNIA
REPORT TO CITY COUNCIL

July 22, 2008

AGENDA ITEM

Report Regarding Award of Contract for Installation of Pay by Space Parking Meter Pay Stations.

- (1) Motion authorizing the City Manager to execute an Agreement with Digital Payment Technologies for the purchase of Fifty (50) Multi-Space Parking Meter Pay Stations in an amount not to exceed \$560,000 with an option to purchase an additional 30 Pay Stations over a two year period pursuant to budget approval and rejecting all other proposals.

COUNCIL ACTION

Public Hearing [ ] Ordinance [ ] Consent Calendar [x] Action Item [ ] Report Only [ ]
Approved for July 22, 2008 calendar

ADMINISTRATIVE ACTION

Submitted

Stephen M. Zurn, Director of Public Works

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Prepared

Jeff Brown, Assistant Parking Manager

[Handwritten signature]

Tad Dombroski, Parking Manager

[Handwritten signature]

Approved

James E. Starbird, City Manager

[Handwritten signature]

Reviewed

Jano Baghdanian, Traffic & Transportation Administrator

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Rebecca Granite-Johnson, Executive Analyst

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Christina Sansone, General Counsel-Public Works

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Lt. Carl Povilatis, Police Traffic Bureau

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RECOMMENDATION

It is recommended that the City Council approve a Motion authorizing the City Manager to execute an Agreement with Digital Payment Technologies for the purchase of Fifty (50) Multi-Space Parking Meter Pay Stations (Pay Stations) in an amount not to exceed \$560,000 with an option to purchase an additional 30 Pay Stations over a two year period pursuant to budget approval and rejecting all other proposals.

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## SUMMARY

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In response to the recently completed Mobility Study, prepared by Nelsen-Nygaard, and requests from downtown merchants, staff recently completed a Request for Proposal for the purchase and installation of Pay Stations. The Mobility Study provides detail of the benefits we, as a City, will experience through the installation of Pay Stations and parking programs along Brand Boulevard and surrounding areas. These benefits include:

- Achieve 85% occupancy at all on- and off- street public facilities
- Match demand with available supply
- Promote turn-over of short term parking spaces.

On May 2, 2008, the City Clerk received five proposals and the vendors were invited to take part in the interview evaluation. A six-member Vendor Selection Panel interviewed the following companies:

Duncan Solutions, Inc. – 633 W. Wisconsin Ave. Suite 1600, Milwaukee, WI  
Metric Parking – 22540 Route 130 Suite 114, Cranbury, NJ  
Digital Payment Technologies – 4105 Granview Highway, Burnaby, B.C.  
Parkeon – 40 Twosome Dr. Unit 7, Moorestown, NJ  
Pacific Parking Systems, Inc. – 216 C Technology Dr., Irvine, CA

The ranking of the vendors was based on eight criteria emphasizing comprehensiveness of proposal, system capabilities, customer service, and qualifications. Cost was also a factor but was not the determining criteria. Digital Payment Technologies was ranked the highest and determined to have submitted the most responsive proposal. The proposals were based on providing 37 Pay Stations but Digital Payment Technologies has agreed to offer the same pricing for additional Pay Stations. To assist with a smooth, phased approach to Pay Station installation in the downtown area staff recommend the purchase of Pay Stations in the Downtown Parking Lots as well as City-wide expansion over the next two years. City staff respectfully recommends that City Council approve the attached motion authorizing the City Manager to execute an agreement.

## FISCAL IMPACT

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The cost breakdown for the Pay Stations project is as follows:

<b>Digital Payment Technologies</b>	<b>\$560,000</b>
50 Pay Stations including installation and estimated first year operating costs.	
<b>Additional Project Costs</b>	<b>\$95,000</b>
In addition to the contract costs this project will include a Community Outreach Program, Ambassadors for start up period, and the purchase and installation of new signage.	
<b>Total Project Cost</b>	<b>\$655,000</b>

Capital Improvement Program 520-501-51631, Parking Meter Pay Stations, is currently funded at \$860,000. Additional funding is programmed for fiscal year 2009/2010 and will be requested as part of the budget process. Therefore, staff are also requesting an option in the contract for the purchase of 30 additional Pay Stations for City-wide expansion over the next two year period pursuant to available funds.

Staff anticipates that the installation of Pay Stations on Brand Boulevard alone will generate annual parking revenue of approximately \$500,000.

## **BACKGROUND**

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A recently completed Mobility Study as well as on-going input from downtown merchants encouraged staff to look at options for placing Pay Stations along Brand Boulevard in conjunction with a parking plan for surrounding areas. The goal is to manage parking supply and demand, ensure that a growing downtown does not impact residential neighborhoods, and use any revenue generated for future parking needs and expansion of the City's transit system.

Staff made every effort to evaluate the various types of meters and Pay Stations available in an attempt to assure that user capabilities, aesthetics and ease of enforcement were well matched. It was determined that Pay by Space Pay Stations are the best option as they:

- Maximize ease of use and customer convenience.
- Allow multiple payment options (coins, credit card, cell phone, Smart cards) and users can add parking time with cell phone or at any pay station.
- Reduce downtime and maintenance costs and are more difficult to vandalize.
- Have technology to immediately alert maintenance staff when repairs are needed.
- Have technology to enable enforcement staff to determine where enforcement needs are.
- Automate revenue trail and may reduce revenue loss.
- Enhance data collection.
- Promote better urban design with one or two pay stations per block instead of ten to twenty single space meters.
- Allow for demand-responsive pricing to be set from a remote terminal.

On March 17, 2008 the City released a Request for Proposal (RFP) for the Pay Stations. Staff sent the RFP to eight companies that provide and install Pay Stations and information technology support in North America. In addition, the RFP was posted on the International Parking Institute and California Public Parking Association website for any other interested companies. Six vendors attended the mandatory RFP pre-proposal meeting. On May 2, 2008, the City Clerk received five proposals and the vendors were invited to take part in the interview evaluation. The vendors include:

Duncan Solutions, Inc. – 633 W. Wisconsin Ave. Suite 1600, Milwaukee, WI  
Metric Parking – 22540 Route 130 Suite 114, Cranbury, NJ  
Digital Payment Technologies – 4105 Granview Highway, Burnaby, B.C.  
Parkeon – 40 Twosome Dr. Unit 7, Moorestown, NJ  
Pacific Parking Systems, Inc. – 216 C Technology Dr., Irvine, CA

A Vendor Selection Panel was formed and included six staff members who have extensive experience in parking operations, maintenance and enforcement. The Panel members were:

Jano Baghdanian, Public Works, Traffic and Transportation Administrator  
Malinda Marin, Glendale Police Department, Community Service Officer Supervisor  
David Lew, Public Works, Street Maintenance Supervisor  
John Segura, Public Works, Street Maintenance Division, Parking Meter Repairer/Collector  
Tad Dombroski, Public Works, Parking Manager  
Jeff Brown, Public Works, Assistant Parking Manager

The Panel conducted interviews and evaluated the proposals based on the evaluation criteria below. The Panel then ranked the vendors based on 1 being the lowest and 5 being the highest as follows:

<b>Selection Process</b>	<b>Metric</b>	<b>Parkeon</b>	<b>Digital</b>	<b>Duncan</b>	<b>Pacific</b>
Responsiveness and Comprehensiveness of Proposal to RFP	3	3	4	5	1
System capabilities	3	4	5	3	3
Customer service delivery and technical support	2	3	4	4	2
Qualifications of Contractor/sub Contractor	3	4	5	4	3
Qualification of Management Staff	3	2	5	4	3
Cost Proposal	4	4	4	5	4
Interview Evaluation	3	3	5	4	3
Information Obtained from References	3	3	5	3	3
<b>Total</b>	<b>24</b>	<b>26</b>	<b>37</b>	<b>32</b>	<b>22</b>

The vendor cost proposals are summarized below:

<b>Pay Station Pricing</b>	<b>Quantity</b>	<b>Pacific</b>	<b>Duncan</b>	<b>Metric</b>	<b>Digital</b>	<b>Parkeon</b>
Pay Station Units	37	\$299,434	\$209,531	\$273,430	\$286,051	\$284,433
Installation Costs	37	\$12,950	\$34,980	\$22,200	\$21,830	\$23,100
Required Spare Parts	4	\$21,942	\$11,984	\$35,836	\$28,064	\$31,189
Training	1	Included	\$2,000	Included	\$5,500	\$11,000
Initial Setup	1	\$21,546	\$3,700	\$7,500	\$1,885	\$5,400
<b>Subtotal</b>		<b>\$355,872</b>	<b>\$262,195</b>	<b>\$338,966</b>	<b>\$343,330</b>	<b>\$355,121</b>

Staff's original estimate for each Pay Station was \$9,000 - \$10,000 plus installation costs, spare parts, training, and setup costs. The cost proposal for each unit of the Pay Stations proposed varied in cost from \$5,563 to \$8,093 without the printer or bill acceptor included. So, all proposals fell within the City's cost estimate.

#### **Selected Vendor**

This RFP evaluation process was based on the criteria as outlined above. While the cost is a factor, the success of this type of program is based on system capabilities, customer service, user options, reliability of maintenance and system integration with enforcement and payment transactions.

Of the five vendors, Digital Payment Technologies product offers all the originally requested features as well as several options that best meet the parking needs of the City of Glendale. The Panel determined that Digital Payment Technologies Pay Station and management software would best enhance the City's parking management plan as outlined in the Mobility Study. Digital Payment Technologies was the most responsive proposer as indicated through the equipment features.

- **Maintenance**

The City's Parking Meter Shop technical crew is very familiar with the recommended equipment. They have maintained the City of West Hollywood's Digital Payment Technologies Pay Stations since their installation in May 2005. Our Parking Meter Shop technical crew is trained and fully knowledgeable in maintaining, repairing, and programming these Pay Stations. From the first day that these Pay Stations are installed, the City's Parking Meter Shop technical crew will be able to provide preventative maintenance and immediate repair response. The technology offered with this equipment sends real-time maintenance data via email or text message notification. This allows the Pay Stations to be maintained when needed instead of on a fixed schedule. The end result is a significant cost savings of up to 40% versus traditional meters.

- **User Options**  
Digital Payment Technologies Pay Stations have the capability of accepting cash (paper currency) coins, and debit/credit cards. Each Pay Station also can print receipts automatically or upon request. Staff believes that the option to issue receipts is important as statistics show that 60% of transactions involve credit card use.
- **System Integration**  
The Digital Payment Technologies Pay Stations have the ability to integrate with third party services such as parking enforcement and credit card processing companies. Digital Payment Technologies Web Services has already integrated these types of services for other cities and has the open platform flexibility needed to integrate with other key systems in the future.
- **Aesthetics**  
The overall design of the Digital Payment Technologies Pay Stations is unique, the size of the pay station itself is in a scale that will "fit" the street furniture on Brand Boulevard, and will be visible to the users. The Pay Station has a large color display monitor with easy to read text compared to the monochrome display in other Pay Stations. Staff has field checked the Digital Payment Technologies Pay Stations and found them easy to use. (see attached Exhibit A)
- **Enforcement Technology**  
Real-time data from the Pay Stations is available via the internet for parking enforcement officers. This allows parking enforcement staff to view Brand Boulevard Pay Station status on their in-vehicle computer at any time to see where enforcement is needed most. This will result in more efficient enforcement as officers can bypass going to areas where enforcement is not needed and spend their time where there are frequent violators resulting in better parking turnover. This offers a proactive approach to enforcement not available with the City's current single space meters.

#### **About Digital Payment Technologies**

Digital Payment Technologies was developed in 1997, and has quickly grown to become a recognized leading provider of automated payment solutions to the North American parking industry. The company's specific business is designing, assembling, distributing, selling and supporting highly advanced "pay-and-display" and/or "pay-by-space" payment stations for private and public parking lots and streets. Digital Payment Technologies incorporated a number of innovative features in these machines, including a pay-by-cell-phone option, audit function and other technologies that have made it a leader in the development of Parking Management Technologies.

Supporting all of these Digital Payment Technologies products is the web based Enterprise Management System (EMS) that provides clients with a range of powerful applications such as real time credit card processing, on-line reporting, on-going system monitoring and pro-active alarming. Digital Payment Technologies continued commitment to quality and innovation has led to a rapidly expanding installation base that currently includes stations located at private and public parking facilities across the U.S., Canada and Mexico. Several other cities in California have already installed Digital Payment Technologies meters including West Hollywood, Riverside and Redwood City.

#### **References**

Staff has contacted cities that have the Digital Payment Technologies Pay Stations and found that the Pay Stations that have been installed have met expectations and that technical support and customer service has been exceptional.

### Project Costs

The proposal was based on the purchase of 37 Pay Stations. Digital Payment Technologies has agreed to maintain the same pricing for expansion of 13 Pay Stations for downtown parking lots in the initial phase of installation as well future City-wide expansion of up to 30 additional Pay Stations. Additionally, implementation of this type of project requires a well established Community Outreach Program as well as signage and personal assistance.

- **Community Outreach Program**  
This program will include several types of marketing such as the Glendale News Press, GTV6, City of Glendale website, and brochures with step by step instructions/answers to common questions.
- **Signage**  
A sign/graphics package with clear directional and informational signs would be created to assist patrons in both finding and using the Pay Stations.
- **Parking Ambassadors**  
Parking Ambassadors will be provided for information and assistance of users during the first 3 months of the installation of the pay stations. Staff is planning to include this service by the City's parking operator.

The total estimated project costs including the Pay Stations and necessary additional implementation costs are as follows:

DESCRIPTION	COST
Purchase of 50 Pay Station units	\$386,555.00
Installation for 37 Pay Stations on Brand	\$21,830.00
Installation of 13 Pay Stations in City parking lots	\$7,670.00
Spare parts	\$28,064.40
Training	\$5,500.00
Initial Setup	\$1,885.00
First year estimated operating costs (monthly service fees, wireless charges, credit card processing fees and supplies)	\$78,000.00
Installation of power, foundation and conduit (as needed)	\$30,495.60
<b>Contract Costs</b>	<b>\$560,000.00</b>
Community Outreach Program	\$40,000.00
Signage	\$30,000.00
Parking Ambassadors	\$25,000.00
<b>Additional Project Costs</b>	<b>\$95,000.00</b>
<b>TOTAL PROJECT COST</b>	<b>\$655,000.00</b>

### Merchant Input

Staff presented the proposed Digital Payment Technologies Pay Stations to the Downtown Brand Merchants Association on June 18, 2008. Staff and Digital Payment Technologies representatives demonstrated the proposed Pay Stations, described many features, and answered additional questions. Several of the merchants have previously used both Digital Payment Technologies Pay Stations and other vendors Pay Stations before and had personal experiences that were added to the discussion. Overall, the merchants were very pleased with Staff's decision to recommend Digital Payment Technologies Pay Stations for Brand Boulevard.

Based on the Vendor Selection Panel's recommendation, staff recommends City Council approval of a Motion authorizing the City Manager to execute an Agreement with Digital Payment Technologies for the purchase of Fifty (50) Multi-Space Parking Meter Pay Stations in an amount not to exceed \$560,000 with an option to purchase an additional 30 Pay Stations over a two year period pursuant to budget approval and rejecting all other proposals.

**EXHIBITS**

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A. Photographs of Proposed Pay Stations

**M O T I O N**

Moved by Council Member \_\_\_\_\_,  
seconded by Council Member \_\_\_\_\_,  
that the proposal submitted by Digital Payment Technologies to  
furnish and install 50 multi-space parking meter pay stations  
(Pay Stations) in response to a request for proposals issued by  
the Public Works Department, is hereby approved and accepted.  
All other proposals are hereby rejected. The City Manager is  
authorized to execute an agreement with Digital Payment  
Technologies, subject to approval by the City Attorney. The  
agreement shall include an option for the purchase of up to 30  
additional Pay Stations over two years should funding be approved  
therefore in the annual budget(s).

Vote as follows:

Ayes:

Noes:

Absent:

Abstain:

**APPROVED AS TO FORM**



**CITY ATTORNEY**

DATE 7-17-08

**Exhibit A**

**Proposed Pay by Space Multi-space Pay Station**

