

# City of Sacramento

## Legislation Text

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File #: 2019-01645, Version: 1

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**Title:**

**Contract Supplement for Parking Meter Maintenance Services and Contract for Purchase of Parking Meter Parts [Two-Thirds Vote Required] (Published for 10-Day Review 11/27/2019)**

File ID: 2019-01645

**Location:** Citywide

**Recommendation:**

Pass a Motion by two-thirds vote: 1) suspending competitive bidding in the best interests of the City for purchase of parking meter parts; 2) authorizing the City Manager or the City Manager's designee to execute a goods contract with IPS Group, Inc. for the as-needed purchase of spare replacement batteries, electronic vault doors and locks, coin cans, modem upgrades, and single-space parking meters through June 30, 2023 for an amount not to exceed \$1,986,335; 3) authorizing the City Manager or the City Manager's designee to execute Contract Supplement No. 6 to City Agreement No. 2013-1069 with IPS Group, Inc., for nonprofessional services and maintenance work through June 30, 2020, with three one-year renewal options available thereafter, increasing the not-to-exceed amount by \$5,569,841 for a new total of \$9,690,766; and 4) resetting the City Manager's authority to issue contract supplements to City Agreement No. 2013-1069.

**Contact:** Mike King, Program Specialist, (916) 808-1172; Matt Eierman, Parking Services Manager, (916) 808-5849; Department of Public Works

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Contract Supplement 2013-1069-6
- 3-Goods Contract for Purchase of Parking Meter Parts

**Description/Analysis**

**Issue Detail:** On November 5, 2013, City Council approved the purchase of 6,000 new single-space parking meters for a not-to-exceed amount of \$5,577,264 from IPS Group, Inc. ("IPS"). Approximately

4,500 of the new parking meters were installed. In May 2016, City Council approved redirecting funding for the remaining 1,500 single-space parking meters to purchase parking meter sensors as part of the implementation of the tiered parking meter pricing program.

At the same time the City purchased parking meters, the City awarded a separate nonprofessional services agreement (No. 2013-1069) to IPS for maintenance and services related to the parking meters with a not-to-exceed amount of \$4,076,625. In August 2015, the not-to-exceed amount was increased by \$44,300 via Contract Supplement No. 2, from \$4,076,625 to \$4,120,925, to add mobile payment service for digital monthly permits.

The initial term of Agreement 2013-1069 was five years, from November 12, 2013 through November 11, 2018, and then the City had five, one-year renewal options. In November 2018, the City exercised the first extension via Contract Supplement No. 4, with the parties agreeing that the first extension would expire on June 30, 2019. In May 2019, the City exercised the second extension via Contract Supplement No. 5, with such second extension expiring on June 30, 2020. If all renewal options are exercised, the agreement will expire on June 30, 2023.

Through various savings and reductions in expenditures, the original not-to-exceed amount funded almost six years of the agreement, through June 30, 2019. Parking Services staff is now requesting approval of additional funding in the amount of \$5,569,841 for the remainder of the second extended term (through June 30, 2020) and the remaining three extended terms (if exercised). Approval of such additional funding would increase the not-to-exceed amount to \$9,690,766.

In addition to the amendment of the services agreement, Parking Services staff is seeking City Council authorization to execute a separate goods contract with IPS for purchase of parking meter parts. Within the next 24 months, telecommunications carriers will be discontinuing 2G service which will require the upgrade of modems in many of the City's parking meters. Parking Services staff is requesting approval to purchase modem upgrades as well as additional replacement batteries, parking meter electronic vault doors, collection cans, and single-space parking meters from IPS as-needed through June 30, 2023 for a not-to-exceed amount of \$1,986,335. Such goods contract would provide staff spare parts to replace parking meter items when needed and to promptly deploy parking meters as demand requires.

**Policy Considerations:** The recommendations in this report are in accordance with: 1) City Code Chapter 3.56 regarding the purchasing of supplies and nonprofessional services; 2) City Code Section 3.56.230(C) allowing the City Council to suspend competitive bidding when, by a two-thirds vote, the City Council finds that it is in the best interests of the City to suspend; 3) City Code Section 10.40.130 requiring money deposited in parking meters to be used for the proper regulation and control of traffic upon the public streets, to provide for public vehicular off-street parking facilities and to cover the cost of the supervision, inspection, installation, maintenance, control and use of the parking spaces and regulating parking of vehicles in the parking meter zones; and 4) City Code Section 4.04.020(C), which requires that, unless waived by a two-thirds vote of the City Council, all

agreements greater than \$1,000,000 must be made available to the public at least ten days prior to City Council action. This item was published for 10-day review on November 27, 2019 as required.

**Economic Impacts:** None

**Environmental Considerations:** The recommended activities specified in this report do not constitute a project under the California Environmental Quality Act (CEQA) because the activities amount to continuing administrative activities under CEQA Guidelines section 15378(b)(2). Additionally, the activities are exempt from CEQA because it can be seen with certainty there is no possibility the activities in question will cause a significant impact on the environment pursuant to CEQA Guidelines section 15061(b)(3).

**Sustainability:** This action supports the City of Sacramento's sustainability goals to improve and optimize the transportation infrastructure.

**Commission/Committee Action:** None

**Rationale for Recommendation:** The useful life of the existing parking meters is expected to extend past June 30, 2023. Approving Contract Supplement No. 6 to City Agreement 2013-1069 will provide adequate ongoing operational funding for the remainder of the current term and the remaining three extended term options through June 30, 2023, if exercised. Execution of Contract Supplement No. 6 would ensure all existing IPS parking meters will continue to be properly maintained. Fees collected from parking meters are used to regulate and control traffic throughout the City. It is estimated the City's parking meter program will generate approximately \$45.5 million through June 30, 2023.

The City has installed 4,500 of the 6,000 single-space parking meters purchased from IPS in 2013. In May 2016, City Council approved redirecting funding for the remaining 1,500 single-space parking meters to purchase parking meter sensors as part of the implementation of the tiered parking meter pricing program. Purchase of additional batteries, electronic vaults, coin canisters, and single-space parking meters from IPS will provide staff spare parts to replace these items as needed and to promptly respond to potential expansion. In addition, the purchase of new modems will allow staff to upgrade parking meters as telecommunications carriers discontinue 2G service over the next 24 months.

On April 30, 2013, City Council suspended competitive bidding in the best interests of the City and authorized staff's issuance of a Request for Proposals ("RFP") for purchase of parking meters and related services and maintenance. City staff then issued RFP P13151171027, selected IPS as the most qualified responder, and entered into City Agreement No. 2013-1069 with IPS for services and maintenance related to the new parking meters.

Staff recommends suspension of competitive bidding for the as-needed purchase of goods

associated with the IPS parking meters, such as additional single-space parking meters, modems, batteries, electronic vaults, and coin cannisters. IPS is the only suitable and acceptable source of supply for such parking meter goods because the items cannot be purchased from other vendors and similar items are not compatible with existing parking meter inventories. Accordingly, a goods contract with IPS for purchase of parking meter supplies is in the best interests of the City because such contract will enable the City to adequately maintain its existing inventory of parking meters and add additional parking meters as necessary.

**Financial Considerations:** Contract Supplement No. 6 to City Agreement 2013-1069 will increase the not-to-exceed amount of the IPS services agreement (City Agreement No. 2013-1069) by \$5,569,841, from \$4,120,925 to \$9,690,766. The goods contract with IPS will be in the amount of \$1,986,335.

There is sufficient funding available in the Fiscal Year (FY) 2019/20 Department of Public Works, Parking Services Division's operating budget (General Fund, Fund 1001) for both the nonprofessional service maintenance agreement and the spare parts goods contract. Extension of the services agreement in succeeding years shall be subject to funding availability in the adopted budget of the applicable fiscal year.

**Local Business Enterprise (LBE):** IPS is not an LBE. The LBE participation requirement was waived by the Interim Director of Public Works for the goods contract because there are no local suppliers of compatible equipment and parts.