

**CITY OF LONG BEACH**

DEPARTMENT OF FINANCIAL MANAGEMENT

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December 3, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP FM13-020 and authorize the City Manager to execute a contract, and any amendments thereto, with Data Ticket, Inc., of Newport Beach, CA (MBE, WBE and SBE), for parking citation system replacement, implementation, processing and collection services, in an annual amount not to exceed \$336,422 for a five-year term, a one-time expense of \$236,900 for equipment, conversion, and training costs, plus a contingency amount not to exceed \$287,852 over the contract term, with the option to renew for an additional five-year period, at the discretion of the City Manager; and

Execute a contract, and any amendments thereto, with NexLevel Information Technology, Inc., of Carmichael, CA (SBE; not an MBE, WBE or Local), for project management and related consulting services, in an amount not to exceed \$131,400, for a period of one year. (Citywide)

DISCUSSION

The City developed a comprehensive Request for Proposals (RFP) to replace the City's outdated parking citation processing system and provide integrated citation processing and collection services. Five proposals were received and three finalists were selected, all of whom met the City's functional requirements. In order to identify the vendor selection that would be in the best interests of the City, staff conducted extensive analysis, interviews/demonstrations, site visits and reference checks, and evaluated proposals in accordance with the selection criteria set forth in the RFP.

After careful consideration, staff recommends Data Ticket, Inc. (Data Ticket) as the vendor best able to meet the City's needs. Staff's recommendation is based on the overall ability of the software, the willingness of the vendor to make changes to meet the City's needs, and the vendor's superior service and responsiveness, all of which is expected to provide the City its best option to maximize revenues. Data Ticket is felt to be the most financially beneficial solution. The cost to the City (not including revenues) is higher with Data Ticket than the other two proposed solutions (by \$22,166 and \$166,302 per year, respectively), but the increased cost is expected to be offset by increased revenues. Data Ticket's solution is also the least costly when considering total costs, i.e., the total cost to the City and to the City's customers who pay fees related to parking citations.

The City's existing parking citation system is antiquated by current industry standards. The stand-alone software package resides on the City's servers, and various functions are not fully integrated or require significant manual processes. Staff recommends moving to an integrated, web-based, single-version software solution. This technology is up-to-date, scalable, adaptable, and provides an intuitive, user-friendly interface for staff and customers. With this technology, the City will be able to integrate parking citation issuance (manual and via handheld devices), processing, billing, adjudication, collections and permitting functions into a unified, comprehensive, cost-effective and user-oriented system. This will improve data management, expand online services, and reduce manual processes. Strong vendor support and inclusion of client-requested development will ensure that the City's evolving business needs continue to be met. All of these improvements taken together will allow for increased efficiency and greater focus on revenue research and collection.

The RFP was advertised in the Press-Telegram on December 28, 2012, and 2,141 potential proposers specializing in parking operations were notified of the RFP opportunity. Of those potential proposers, 41 downloaded the RFP via the City's electronic bid system. The proposal document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A proposal announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Five proposals were received on February 20, 2013. Of those five proposals, one was a Minority-owned Business Enterprise (MBE), one was a Women-owned Business Enterprise (WBE), two were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local). Data Ticket, Inc., of Newport Beach, CA (MBE, WBE and SBE) was selected.

For assistance with the establishment of service level agreements and implementation oversight, staff recommends the selection of NexLevel Information Technology, Inc. (NexLevel). NexLevel will provide the technical expertise to help ensure smooth implementation of the City's goals and requirements. NexLevel was one of three consultants considered for this project and was determined to be the best option to provide the City these services due to its expertise and responsiveness to the City's needs.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit proposals for City contracts. The Purchasing Division also assisted businesses with registering on the Bids Online database to download the RFP. Through outreach, 320 Long Beach vendors were notified to submit proposals, of which four downloaded the RFP; however, none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Webber and by Budget Management Officer Victoria Bell on November 14, 2013.

TIMING CONSIDERATIONS

City Council action is requested on December 3, 2013, to ensure the timely implementation of the new system and continuity of services.

FISCAL IMPACT

The Data Ticket contract is projected to require an initial outlay of \$236,900 for one-time expenses including equipment, conversion and training costs, and an annual cost of \$336,422 for citation processing and collection system, services and equipment maintenance. Because much of the pricing is per-item, and activity fluctuates significantly on an annual basis, a fifteen percent contingency totaling \$287,852 is recommended to account for volume changes and other factors.

Funding for the NexLevel agreement and all one-time costs for Data Ticket was included in the Fiscal Year 2013 budget in the General Fund (GP) in the Citywide Department (XC). Staff will return to City Council to request that this funding be carried forward to Fiscal Year 2014. The ongoing cost of the Data Ticket contract is included in Fiscal Year 2014 budget in the General Fund (GP) in the Financial Management Department (FM).

The award of this contract will provide continued support to our local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR
FINANCIAL MANAGEMENT



CURTIS TANI
DIRECTOR
TECHNOLOGY SERVICES

APPROVED:



PATRICK H. WEST
CITY MANAGER