



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

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Consent
August 10, 2010

Honorable Mayor and
Members of the City Council

**Title: Non-Professional Services Agreement: Parking Citation Payment
Processing Services**

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** authorizing the City Manager or designee to execute a Non-Professional Services Agreement with Bank-Up Corporation to provide parking citation payment processing services for an initial three-year period, with an option for two additional one-year periods, provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year(s).

Contact: Brad Wasson, Revenue Manager, 808-5844

Presenters: N/A

Department: Finance

Division: Revenue

Organization No: 06001211

Description/Analysis

Issue: The Finance Department contracts with an external vendor to process mail-in payments for parking citations. The existing contract for these services expires on August 31, 2010. The three-year agreement, with options for two additional one-year periods, will become effective September 1, 2010, and authorize \$33,000 per year for these services, plus a one-time setup charge of \$3,250.

Approximately 220,000 parking citations are issued annually within the City, with 78,000 of these paid via the mail-in option to a local post office box.

Policy Considerations: While the City offers a combination of online, phone, and walk-in options for payment of parking citations, over one-third of citizens prefer the mail-in option of paying their citations. The use of an external payment processing vendor for parking citations offers an efficient and cost effective alternative.

Environmental Considerations: Under the California Environmental Quality Act (CEQA) guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review.

Sustainability Considerations: None.

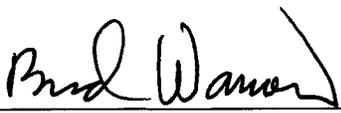
Rationale for Recommendation: An RFP for parking citation payment processing services issued to qualified firms resulted in three (3) proposals to provide these services. The five-year costs proposed were \$151,330, \$187,500, and \$319,380. A selection committee evaluated these proposals and selected Bank-Up Corporation, the lowest responsible bidder, based on cost, qualifications, and references.

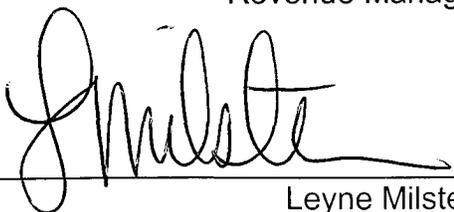
Financial Considerations: In FY2009/10, approximately \$8.4 million in General Fund parking citation revenue was realized, with \$3 million received from mail-in payments. The use of an external vendor to ensure the timely processing and depositing of these funds to the City's bank account is critical to maximizing the return on these City assets.

The agreement for these services beginning September 1, 2010 will not exceed \$33,000 per year, or \$168,250 over the expected five-year term of the agreement, including a \$3,250 one-time setup charge and approximate 10% variance each year for unanticipated increases in annual payment volumes.

The cost for these services is included in the FY2010/11 Approved Budget.

Emerging Small Business Development (ESBD): The City provides a five point preferential bonus for firms that are either EBE or SBE certified in the evaluation process. None of the three bidders are EBE or SBE certified.

Respectfully Submitted by: 
Brad Wasson
Revenue Manager

Approved by: 
Leyne Milstein
Director of Finance

Recommendation Approved:


Gus Vina
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING THE CITY MANAGER TO EXECUTE A NON-PROFESSIONAL SERVICES AGREEMENT FOR THE CITY TO CONTRACT FOR PARKING CITATION PAYMENT PROCESSING SERVICES

BACKGROUND

- A. The City of Sacramento has issued approximately 220,000 parking citations annually over the past three years. Approximately 78,000 of these citations are paid annually via the mail-in option to a local post office box.
- B. General Fund revenue from mail-in parking citation payments is approximately \$3 million annually. The use of an external vendor to ensure the timely processing and depositing of these funds to the City's bank account is critical to maximizing the return on these City assets.
- C. RFP #111121001 issued June 29, 2010 resulted in three (3) proposals, which were evaluated based on cost, qualifications, and references. The proposal submitted by Bank-Up Corporation was chosen by the selection committee as the best option available to the City as the lowest bid submitted with qualifications to provide the service.
- D. The agreement provides for an initial three-year period, with an option for two additional one-year periods. Under the terms of the Non-Professional Services Agreement, it automatically renews for the two additional one-year periods unless either party provides notice of its intention not to renew 15 days prior to the end of the then current term.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council hereby authorizes the City Manager or designee to execute a three-year Non-Professional Services Agreement with Bank-Up Corporation for parking citation payment processing services. The option for two additional one-year periods is authorized, provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year(s).