



REPORT TO COUNCIL

City of Sacramento

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Consent Report
December 18, 2007

**Honorable Mayor and
Members of the City Council**

Title: Agreement: Parking Citation Processing Services

Location/Council District: Citywide

Recommendation:

Adopt the attached **Resolution:** (1) approving the cooperative agreement between the City of Inglewood, CA and Professional Accounts Management (PAM), LLC; and (2) authorizing the City Manager to enter into a new agreement with the City of Inglewood for Citation Management Services, for a total amount not to exceed \$2,224,000 over a five year period.

Contact: Brad Wasson, Revenue Manager 808-5844

Presenters: Brad Wasson, Revenue Manager, 808-5844

Howard Chan, Parking Services Manager, 808-7488

Department: Finance and Transportation

Division: Revenue and Parking Services

Organization No: 1121, 3461

Description/Analysis

Issue: The City of Sacramento requires the services of a parking citation processing provider to facilitate the processing of parking tickets. The City of Inglewood, CA, the City's provider since 1994, has retired their mainframe used for processing parking tickets and has decided to contract out the processing portion. This will require the City of Sacramento to adopt a new system for parking citation processing.

The City of Inglewood solicited Requests for Proposals (RFP) as a method of evaluating the cost of contracting out parking citation-processing services using a hosted computer system. The requirements of several public agencies, including the City of Sacramento, were included in the RFP technical specifications. In addition, the City of Sacramento's Finance and Parking staff participated in the development and analysis of the submitted proposals.

As a result of the RFP process, Professional Accounts Management (PAM), LLC, of Milwaukee, WI was selected to provide contracted services using a hosted computer system service that will be managed by the City of Inglewood.

Staff recommends that the City of Sacramento continue to use the City of Inglewood to manage its parking citation system. The current agreement between the City of Sacramento and the City of Inglewood expires on January 6, 2008. It is in the City's best interest to enter into a new agreement for citation processing services by taking advantage of this hosted service and volume discount pricing.

Policy Considerations: The recommendations in this report are in accordance with provisions of the City Code Section 3.56.240, which allows for the use of legal contracts of other government jurisdictions or public agencies without separate competitive bidding by the City upon approval of the City Council.

Environmental Considerations: None

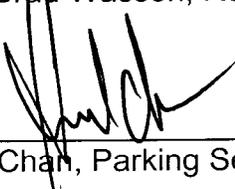
Rationale for Recommendation: The agreement with the City of Inglewood utilizes a Government-to-Government (G2G) concept. Sixty one agencies have joined to take advantage of volume discount pricing for parking citation processing services. The agreement allows for a menu of services wherein each agency can take advantage of discounted services, but is only required to purchase the services needed.

The proposed services for the City of Sacramento are provided in the attached Agreement with the City of Inglewood (Exhibit A of the Agreement). The services offered are a result of a competitive proposal process and will cost between 15% and 25% less than if the City of Sacramento had bid this service itself. Additionally, the City of Inglewood will provide contract management services, as detailed in Attachment 2. These services will save administrative time, increase collection of delinquent citations and pay for processing at a discounted rate.

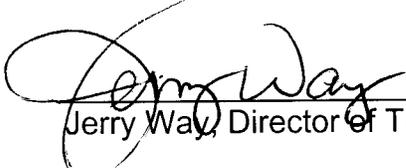
Financial Considerations: Sufficient funds are currently budgeted in both the Revenue and Parking Services Divisions (at current service levels) for the new contract of \$423,000 annually, for a total amount not to exceed \$2,224,000 over a five year period. (This total includes up to a 3.5% increase in years 3, 4, and 5 of the contract.)

Emerging Small Business Development (ESBD): This recommended agreement will be executed in cooperation with another governmental agency; therefore it will not have an effect on the City's small business program objectives.

Respectfully Submitted by: 
Brad Wasson, Revenue Manager


Howard Chan, Parking Services Manager

Approved by: 
Russell Fehr, Director of Finance


Jerry Way, Director of Transportation

Recommendation Approved:


 Ray Kerridge
City Manager

Table of Contents:

	Pg	1-3	Report
Attachments			
1	Pg	4	Resolution
2	Pg	5	G2G Management Services

Attachment 1

RESOLUTION NO.

Adopted by the Sacramento City Council

PARKING CITATION PROCESSING SERVICES

BACKGROUND

- A. The City of Sacramento requires the services of a parking citation processing provider to facilitate the processing of parking tickets. The City of Inglewood, CA, the City's provider since 1994, has retired their mainframe used for processing parking tickets and has decided to contract out the processing portion.
- B. The City of Inglewood solicited Requests for Proposals (RFP) to evaluate the cost of contracting out parking citation processing services. The requirements of several public agencies, including the City of Sacramento, were included in the technical specifications. The City has an opportunity to obtain lower pricing for these services through volume purchasing.
- C. Staff recommends that the Mayor and City Council accept the competitive process utilized to determine the feasibility of contracting with Professional Accounts Management (PAM), LLC to provide a hosed computer system for processing parking citations, and accept the terms of an agreement with the City of Inglewood to manage and facilitate the processing.

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

- Section 1. Approving the cooperative agreement between the City of Inglewood and Professional Accounts Management (PAM), LLC to process parking citations; and
- Section 2. The City Manager is hereby authorized to execute an agreement with the City of Inglewood for the management and processing of parking citations for a total amount not to exceed \$2,224,000 over a five year period, ending on January 6, 2013.

Attachment 2

G2G Parking Management Services

Inglewood's Services to Clients

Provide contract services for citation processing, parking permit system and related services

- RFP preparation, review, and contract approval
- Invoicing and collection
- Payments to outsource service providers
- City Council contract approval

Provide day-to-day direction between service providers and clients

- Act as program manager and provide contract administration, training, performance monitoring, and consulting services
- Provide day-to-day problem resolution and reporting services
- Assist clients with information on best practices, system features, and revenue maximization strategies
- Coordinate business continuity and disaster recovery planning
- Participate in legislative review and administrative procedure advisory committees;

Offer full range of services as menu of options to clients

- Imaging of manual tickets and data entry
- Optional image retrieval service of full document management system capabilities for case management
- Citation import from handheld ticket issuing devices
- Citation import from other third-party data entry service providers
- Citation management system with web-based customer interface
- Parking permit management and cashiering system as optional components of citation management system
- Reviews and hearings correspondence printed locally or through a service provider
- Export and import of Scofflaw, permit, stolen files, as well as violations, street names, and officers, between handhelds and back office software
- Notice printing and mailing services on letters and postcards
- Design and print of automated citation stock and envelopes
- Customer service and administrative review services
- Lockbox payment processing services
- Integrated telephone voice response system with inquiry, response and payment process capabilities utilizing voice recognition technology

- Internet payment services that can provide assistance to customers on parking permit information, permit fulfillment, inquiries, online adjudication, FAQ's, online forms and payment processing
- Tax Offset collections through FTB intercept program
- In-state and out-of-state DMV inquiries
- Purchase of hardware, software, and special services at discounted rates
- Comprehensive secondary collection services
- Optional purchase of parking meters, multi-space meters, and predictive enforcement hardware and software
- License plate recognition hardware and software

Coordinate Client Group meetings and conferences

- Development of level-of-effort standards (Service Level Agreements) and monitoring of performance
- Collect suggestions for system requirements & enhancements and provide feedback to co-source partners
- Legislative review and advocacy of parking administration regulations
- Training and documentation services
- Purchase of hardware and services through master agreement to obtain faster turn-around time, volume pricing, and reduced administration expense
- Custom report creation
- Testing of all new releases to software and interfaces before deployment for successful implementation

Consulting Services

- Provide training and advice on how to get the most performance, productivity, and value from the citation processing system
- System utilization review for maximum revenue generation
- Quarterly co-source management review of performance of service providers
- Annual user conference for discussion of best practices, new technology, regulations and plans for the future.
- New product demonstration and testing
- Optional onsite review and training (extra cost for time and out-of-pocket expenses)

Expedited purchasing of services and equipment

- G2G master agreement for parking management services
- Discounted services for purchasing equipment such as computers, scanners, printers and handheld citation issuing devices
- Out-stationed dedicated customer service or technical staff, as an optional service that is billed separately from standard contract invoices
- Comprehensive secondary collection program to increase revenue recovery

Duncan Solutions Overview

Company Background

Duncan Solutions Inc. is a trusted partner and world leader in the provision of fully, integrated-parking program solutions. The company has over 15 years experience in partnering with the local government sector and other pay parking authorities to identify and solve complex public policy issues.

Duncan Solutions is a \$50 million company which raised \$100 million in equity capital last year and has no debt. We have over 300 employees, all of whom are focused exclusively on the on-street parking business. We are financially sound and are recruiting and hiring some of the leading parking experts in the country. We have expanded our technical and operational depth tremendously.

Duncan Solutions is now comprised of the following leading companies that offer cities an integrated suite of parking products and services:

- **Citation Management** – Since 1998, Citation Management has grown into the second largest ticket processing company in the U.S. which processes over 3.5 million tickets annually for 140 clients in 20 states.
- **Duncan Technologies** – For over 70 years, Duncan has provided cities with the most reliable single-space parking meters in the industry.
- **Enforcement Technology** – For over 20 years, Enforcement Technology has been the leader in handheld ticket writing equipment and software. We design and build handhelds specifically for the parking business and have a market share of nearly 50%. Our handhelds interface seamlessly with our citation processing system and our meters to improve enforcement efficiency and simplify ticket data exchange.
- **Reino Parking Systems** – Reino helped pioneer the multi-space parking business over 10 years ago and today offers cities around the world both “pay-by-space” and “pay-and-display” multi-space meter technology.

As a specialized provider of parking management solutions and the largest company of its kind in the world today, our new company is now able to create substantial customer value in the form of enhanced revenue, efficiency, and policy outcomes through a comprehensive suite of product, service, and funding solutions.

Through our product and services divisions, we already create substantial value throughout the parking industry. Our installed product base of parking and enforcement equipment facilitates some 3 billion parking and citation issuance transactions per year, and our growing services division processes more than \$90 million in citation value and collects in excess of \$16 million in delinquent payments annually.

Qualifications

Serving hundreds of customers across 20 states, we process in excess of 3.5 million parking tickets per year while enabling our clients to realize dramatic improvements in their citation revenue recover. We process over 1 million tickets a year for the City of Milwaukee and over 325,000 a year for Pittsburgh.

Duncan Solutions serves hundreds of California clients from three offices in the state –

Irvine, Oceanside and San Ramon. We employ nearly 100 people in California, all of whom are focused solely on parking. In fact, California is the single largest market for Duncan Solutions' portfolio of parking products and services. We have been processing parking tickets in California for over 20 years, and we now process 1 million California parking tickets annually for over 100 clients. We understand the unique processing requirements of California and our system already is customized to handle California-specific logic including revenue distribution requirements, split-plate logic, etc. We interface with the California DMV hundreds of thousands of times a year and understand their processing requirements.

AutoPROCESS Overview

AutoPROCESS is Citation Management's comprehensive hosted citation processing solution. It is a Windows-based, menu-driven, account centric citation processing system, which has been designed specifically for processing parking, traffic, and municipal ordinance citations. AutoPROCESS has been in use since 1986 in municipalities across the country and is continually being enhanced to meet the evolving needs of our clients. We believe AutoPROCESS is simply the best citation processing system available today and that our corporate commitment to quality and continuous improvement will ensure its premier standing in the future.

Scope of Services

Key Processing System Capabilities

- Automated data transfer from issuance
- Online, real time inquiries & maintenance
- DMV Interface (Registered Owner information & Registration Holds/Releases)
- Scofflaw management
- Notice & correspondence generation
- Correspondence
- Payment methods (Web, IVR, Mail, etc.)
- Online, real time integrated cashiering
- NSF, overpayments & refund handling
- Administrative reviews, court scheduling & feedback recording
- Residential parking permit issuance & management
- Fleet/Rental car management
- Boot/tow processing management
- Management & statistical reporting (standard & ad hoc)
- Complete transaction audit trail
- Delinquent collection interface

Data Transfer

Electronic citations from any properly formatted source are typically loaded to the processing system each day through an automated process. All validation editing is performed at the time of issuance; therefore, the content of the data is assumed to be valid.

On-Line Real Time Inquiries & Maintenance

AutoPROCESS provides authorized users the ability to perform online real time inquiries, updates, edits and reporting.

DMV Interface

AutoPROCESS provides the ability to obtain registered owner information for its parking clients for all states and the Canadian provinces (where/when legal). In addition, the system supports registration holds, suspensions and non-renewals.

Scofflaw Management

AutoPROCESS provides the ability to prepare "scofflaw" hot sheets containing information for every vehicle in the master database meeting the user defined and ordinance supported criteria.

Notice & Correspondence Generation

AutoPROCESS provides the ability to automatically generate and mail notice post cards and letters of unpaid parking citations according to criteria specified by each client. The system also provides a standard set of MS Word-based correspondence notices which can be selected, printed, mailed or emailed to a citizen.

Payment Methods

The system provides for a multitude of payment methods. This includes over the counter cashiering, drop box, mail, internet and interactive voice recognition (IVR).

NSF, Overpayment & Refund Handling

AutoPROCESS provides the ability to support special situations such as early payments, NSF, overpayments and refunds.

Administrative Reviews & Hearings

The Online Court Reviews, Hearings and Scheduling module provides for the online scheduling of hearings if required (either administrative adjudication hearings or formal court hearings), display of hearing schedules, adjustments to these schedules and the preparation of hard copy citation history, supporting complaints and calendar documents.

Permit Issuance & Management

AutoPROCESS provides the ability to handle all aspects of parking permit issuance and tracking from online requests, cash register sales, to over the counter issuance and controlled batch entry for mail based processing.

Fleet/Rental Car Management

The AutoPROCESS Fleet Citation Management and Lease/Rental Citation Management modules are used to manage the process of processing parking citations issued to Corporate Fleet or Lease/Rental vehicles.

Boot/Tow Management

The AutoPROCESS Boot/Tow module can provide the basic data for identifying vehicles that are eligible for seizure as well as tracking and facilitating management of a vehicle through the entire process.

Standard & Ad Hoc Reporting

The citation issuance and processing system provides a full set of standard parking violation management reports. In addition, the system provides an integrated easy to use Ad Hoc report writing tool.

Audit Trail

The AutoPROCESS system records full audit trails of all actions taken within the system including payments, dispositions, date edits, correspondence, notices, etc.

Delinquent Collections Interface

The system provides the ability to prepare and manage data to be transferred to and integrated or external delinquent collection system.

Key Service Bureau Services

- Implementation project management & training
- Conversion of current unpaid backlog
- Customer call center & adjudication support
- Data entry (manual citations)
- Lockbox (mail payments, bank deposits & violator correspondence)
- Mass printing & mailing of notices
- Return mail handling
- System administration

Implementation Project Management

Citation Management offers a structured and managed transition approach to each client by applying experienced project management personnel and a transition process that has proven effective over time.

Conversion of Current Unpaid Backlog

Citation Management work with each client to review legacy system data, confirm target system requirements, provide data mapping rationale, establish an agreed upon conversion strategy for data transition, and works in collaboration with our clients to completes the conversion.

Training

This includes training on system features and functions, and procedures necessary to enable the City to sustain operation of its retained functions.

Customer Call Center & Adjudication Support

Citation Management provides toll-free telephone numbers for the public to make inquiries. Customer service Representatives (CSR's) will be available during normal business hours of the City to provide instructions and information on general parking policies and procedures, to handle complaints, assist with and explain the adjudication process of the City.

Data Entry (manual citations)

In our hosted solution, manual citations are typically forwarded to our Service Bureau, batched and entered by experienced Citation Management data entry personnel.

Lockbox (mail payments, banking & violator correspondence)

Citation Management has operated a Lockbox mail payment processing facility for our citation processing clients since 1998 and have found it to be an extremely efficient and cost effective solution for our clients. Our payment processing clerks are experts in processing citation payments as well as handling correspondence. Their knowledge and experience greatly reduces the number of payment exception items and our high speed check processing equipment not only insures accuracy but also allows all payment items received with OCR coded return documents to be imaged and the image stored for future review if needed. Our internal operation can also support processing of credit card payments received by mail and process transactions through a mutually agreed upon Merchant Services account.

Mass Printing & Mailing of Late Notices

Citation Management uses professional mail houses for the printing and mailing of notices and reconciles the AutoPROCESS reports of notices generated against the vendor's report of notices mailed. The mail service provider sequences the notices for delivery and validates the address to USPS standards.

Return Mail Handling

Citation Management will research the mail addresses on all return mail and re-mail a notice to the correct address if one can be located within five working days of receiving the returned mail. During the period that the returned piece is being skip traced for a new address; subsequent noticing for that citation is suspended.

System Administration

Citation Management will provide on demand Technical Support for the duration of the contract. We will field all calls regarding technical issues, system tuning, configuration change requests, etc. and will provide support services on a remote basis using the internet

and a toll free number. We will also provide installation of periodic version upgrades as they are released. Version upgrades typically occur from a quarterly to semi-annual basis.

In any case, upgrades will not occur without communication and consent with City personnel.

G2G Relationship Benefits

- **We can and will provide a complete and comprehensive solution to meet each client agencies needs**
- Duncan Solutions has substantial financial and technical resources – all focused on parking
- Duncan Solutions has substantial California presence and experience
- Duncan Solutions' client base looks like the City of Inglewood's – as such, we are committed to serving all of Inglewood's current clients, not just the largest ones
- Duncan Solutions has the capacity to handle the Inglewood program and is offering a fully redundant processing capability
- Duncan Solutions' AutoPROCESS System is the best solution for Inglewood and its clients
- Duncan Solutions' conversion plan offers the quickest and lowest risk implementation for Inglewood and its clients
- Our conversion will require less work, and therefore be less risky, than other conversions because we already have an interface with the City of Inglewood's existing collections vendor, Law Enforcement Systems (LES)
- Duncan Solutions has a track record of marketing success in California and elsewhere
- Only Duncan Solutions can offer Inglewood's clients a migration path to a fully integrated on-street parking program which will deliver substantial additional benefits