

**City of Culver City, California
Agenda Item Report**

Meeting Date: 12/12/11	Item Number: <u>C-4</u>
CITY COUNCIL AGENDA ITEM: Approval of a Contract with IPS Group Inc., for the Sole-Source Purchase of 1,000 Parking Meters.	
Contact Person/Dept.: Gabe Garcia/PW; Helen Kerstein/PW	Phone Number: (310) 253-5633; (310) 253-5618
Fiscal Impact: Yes ☒ No ☐	General Fund: Yes ☒ No ☐
Public Hearing: ☐	Action Item: ☐ Attachments: ☐
Commission Action Required: Yes ☐ No ☒ Date: _____	
Public Notification: (Email) Meetings and Agendas – City Council (12/08/11)	
Department Approval: Charles D. Herbertson (12/01/11)	City Attorney Approval: Carol Schwab (by H. Baker) (12/07/11)
Chief Financial Officer Approval: Jeff Muir (12/08/11)	City Manager Approval: John M. Nachbar (12/08/11)
<u>RECOMMENDATION:</u> Staff recommends that the City Council approve a contract for the sole source purchase of 1,000 parking meters from IPS Group Inc. (IPS) in an amount not to exceed \$550,000 plus on-going fees. <u>BACKGROUND/DISCUSSION:</u> On September 26, 2011, the City Council considered a presentation by Public Works Department (Department) staff related to the implementation of certain recommendations made as part of the Walker Parking Study. One of the recommendations considered is the update of roughly 166 Downtown parking meters to new, credit card-accepting technology. On the same evening, the City Council approved the installation of 352 new parking meters throughout the City. After reviewing the characteristics of these locations, the Department suggested installing single/double space meters (rather than multi-space meter stations) at these new locations. Staff indicated that they anticipated returning by the end of the year with a final recommendation on a vendor of the new technology, single/double space credit card-accepting meters for the City Council's consideration. Staff's recommendation results from the efforts since early 2011 to conduct trials of new technology, single/double space credit card-accepting meters. In March, the Department began testing IPS meters on Washington Boulevard, Culver Boulevard, and Cardiff Avenue. Around the same time, the Department began pursuing a trial of similar technology meters that were under development by another major parking meter manufacturer, Duncan (the vendor for the City's multi-space meters and existing mechanical meters). The Department had hoped to be able to seamlessly switch between the IPS and Duncan trials and to test the manufacturers against each other "head-to-head." However, when the IPS trial concluded in October, after	

City of Culver City, California
Agenda Item Report

more than six months of discussions, the Duncan meters were still not yet available for the City to trial.

Culver City Municipal Code Section 3.07.045 states that sole sourcing may be used “when the requesting department determines, in writing, after conducting a good faith review of the available sources, that there is only one source for the required equipment, good, supply or service.” Staff believes that IPS is the only company that can provide new technology, single/double space credit card-accepting meters at this time. Therefore, this purchase qualifies for sole sourcing. In order to avoid further delays to the purchasing of these new technology meters and given their satisfaction with the meters that were tested, staff recommends moving forward with a sole source purchase of IPS meters.

Staff anticipates purchasing 518 of these meters by the end of the year for Downtown and for the new meter locations approved on September 26. An additional 482 (for a total of 1,000) are anticipated to be purchased by the end of 2012 for use at other locations throughout the City that are identified based on priority. Based on discussions with IPS, staff anticipates that this larger purchase will enable the City to qualify for a negotiated discount if the purchase order is opened by the end of the current year.

FISCAL ANALYSIS:

In the Fiscal Year 2011/2012 Capital Improvement Program, the City Council set aside \$286,000 for Downtown Parking meter technology upgrades (42100951) and \$450,000 for new parking meter installations (42100949) with additional funds proposed in Fiscal Year 2012/2013. This funding should be more than sufficient to purchase the 1,000 meters, which are approximately \$500/meter plus tax (not including poles and housings for new meter installations, which will be contracted separately).

There are significant on-going costs associated with new technology meters. The web-based management system and wireless gateway fees are roughly \$5.75 per meter per month in addition to credit card fees of \$0.13/transaction. In the City’s trial, the total cost per meter per month was approximately \$10. Thus, once all 1,000 meters are installed, the on-going costs are anticipated to be roughly \$120,000/year. There are sufficient funds to pay for the ongoing fees for Fiscal Year 2011/2012 in accounts 42100951 and 42100949. However, recurring costs for future years will have to be incorporated into the Department’s budget.

MOTION:

That the City Council:

City of Culver City, California
Agenda Item Report

- 1) Approve a contract for the sole source purchase of 1,000 parking meters from IPS Group Inc. (IPS) in an amount not to exceed \$550,000 plus on-going fees; and
- 2) Authorize the City Attorney to review/prepare the necessary documents; and
- 3) Authorize the City Manager to execute such documents on behalf of the City.