



City of Arts & Innovation

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JANUARY 5, 2021**

FROM: PUBLIC WORKS DEPARTMENT **WARDS: ALL**

SUBJECT: SECOND AMENDMENT TO AGREEMENT FOR PARKING CITATION PROCESSING AND PAYMENT SERVICES, PREFERENTIAL PARKING PERMIT MANAGEMENT, AND AUTOMATED HANDHELD CITATION WRITER EQUIPMENT WITH TURBO DATA SYSTEMS, INC., OF TUSTIN, CA, THROUGH DECEMBER 31, 2022 IN THE AMOUNT OF \$761,200, FOR A TOTAL CONTRACT AMOUNT OF \$2,224,500

ISSUE:

Approve the Second Amendment to the Agreement for Parking Citation Processing and Payment Services, Preferential Parking Permit Management, and Automated Handheld Citation Writer Equipment with Turbo Data Systems, Inc., of Tustin, CA, through December 31, 2022 in the amount of \$761,200 for a total contract amount of \$2,224,500.

RECOMMENDATIONS:

That the City Council:

1. Approve the Second Amendment to Agreement for Parking Citation Processing and Payment Services, Preferential Parking Permit Management, and Automated Handheld Citation Writer Equipment with Turbo Data Systems, Inc. through December 31, 2022 in the amount of \$761,200, for a total revised contract total of \$2,224,500; and
2. Authorize the City Manager, or his designee, to execute the Second Amendment to the Agreement with Turbo Data Systems, Inc., including making minor, non-substantive changes.

BACKGROUND:

On December 15, 2015, the City Council approved a three-year agreement with Turbo Data Systems, Inc. (Turbo) following a competitive procurement process through Request for Proposals (RFP) 1540 for the processing and collection of parking citation fines from January 1, 2016 through December 31, 2018 for a total amount of \$801,000, with two, two-year extensions.

On August 28, 2018, in accordance with the requirements of Assembly Bill 503, the City Council approved the implementation of a parking citation payment plan program and added a new user fee and payment plan for qualified low-income persons to the Public Works Department Fiscal

Year 2018/19 fees. City Council also adopted a resolution authorizing and establishing a schedule of fees and charges for the City's service in the Public Works Department adding fees related to the application of a parking citation payment plan based upon Assembly Bill 503, which was effective January 1, 2018 and implemented by July 1, 2018. Since then, City staff have seen to the payment plan administration.

On December 11, 2018, the City Council approved the First Amendment with Turbo extending the agreement for an additional two years from January 1, 2019 through December 31, 2020 for services that include administrative processing, collection of parking citation fines and management of preferential parking zone permits in the amount of \$662,300; for a total revised contract amount of \$1,463,330.

On March 19, 2020, in compliance with the COVID-19 pandemic Stay at Home Order issued by the State of California Governor and to reduce the spread of the virus, protocols to support the community while heeding to the order were quickly implemented. Parking patrols were scaled back to include patrolling for safety-related parking violations, such as red curb, parking in spaces designated for persons with disabilities, blocking a fire hydrant, and other similar violations impacting public safety. Parking citation fine due dates were deferred through June 30, 2020 and Turbo reflected these changes in all notices sent during that period. Full reinstatement of parking patrols and parking citation payments resumed July 1, 2020.

DISCUSSION:

For the past two years, City staff have administrated the payment plan program, but as additional payment plan applications are submitted, it has become cumbersome and time consuming to track, collect, and report monthly activities. Turbo offers payment plan administration and has the proper software to manage the program more effectively than City staff at a minimal cost. The need for a comprehensive payment plan management program will be a beneficial option for citizens that need financial assistance as the COVID-19 pandemic continues to impact the community. Turbo's new rate structure includes the payment plan administration fee.

The new rate structure incorporates the Consumer Price Index (CPI-W) for Riverside-San Bernardino-Ontario, CA which is 2.1% as referenced in the agreement. The new rate changes are as follows:

Processing Cost per Citation		
Item	Current Rate	New Rate
Citation Processing	\$0.42	\$0.43
DMV Hold Letters	\$0.89	\$0.91
Notice Processing	\$0.89	\$0.91
Final Notices	\$0.89	\$0.91
Innovative Collection Services	31% of Amount Collected	32% of Amount Collected
Out of State Collection Services	31% of Amount Collected	32% of Amount Collected
Paperless Appeals	\$1.56	\$1.59
Adjudication Letters	\$0.89	\$0.91
Hearing Examiner	\$26.00	\$26.55
Franchise Tax Board Letters	\$2.60	\$2.65
Franchise Tax Board %	16% of Amount Collected	16% of Amount Collected
Payment Plan Processing	n/a	\$5.00

Payment Plan Letters	n/a	\$0.91
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Preferential Parking Zone (PPZ) Permit Management		
Item	Current Rate	New Rate
Permit Processing Fee	\$1.56	\$1.59
Permits Online	\$0.52	\$0.53
Renewal Notifications (plus postage)	\$1.56	\$1.59
Permit Fulfillment (plus postage)	\$1.56	\$1.59

As the COVID-19 pandemic continues to challenge our community with varying levels of Stay at Home Orders, staff is prepared to adapt and best serve the community while maintaining public safety as a priority and implementing various protocols as needed. These protocols may include temporary relaxed parking patrols, offering payment plans, extending citation payment due dates, and working with individuals seeking assistance to pay parking fines.

The COVID-19 pandemic response protocol options are accounted for in the agreement and the total cost of services provided by Turbo will depend on the volume of citations and permits issued. Turbo is compensated based on actual services performed for the processing of citations, permits, and collection of revenue. The term of the extension is for two years from January 1, 2021 to December 31, 2022.

The Purchasing Manager concurs that the recommended action to approve is in compliance with Purchasing Resolution 23256.

FISCAL IMPACT:

The fiscal impact of the Second Amendment to the Agreement with Turbo Data Systems is \$380,600 annually, for a total amount of \$761,200. The citation processing costs are funded by the citation revenue and the revenue collected exceeds the cost of the services.

Sufficient funding is available in the Public Parking Fund, Parking Services Professional Services account 4151000-421000 for fiscal year 2020/21 in the amount of \$190,300 to cover the first six months of the Second Amendment to Agreement with Turbo Data Systems, Inc. beginning January 1, 2021 through June 30, 2021. The remaining 18 months of the contract from July 1, 2021 through December 31, 2022 will be budgeted in the Public Works Department budget for Fiscal Year 2021/22 and Fiscal Year 2022-23, respectively.

Prepared by: Kris Martinez, Public Works Director

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Kristi J. Smith, Interim City Attorney

Attachment: Second Amendment to Agreement for Citation Processing and Payment with Turbo Data Systems, Inc.