



AGENDA REPORT

Meeting Date: September 10, 2013
Item Number: F-15
To: Honorable Mayor & City Council
From: Chad Lynn, Director of Parking Operations
Subject: SECOND AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND SENTRY CONTROL SYSTEMS, INC. FOR THE EXPANSION, INCLUDING MAINTENANCE AND OPERATIONS OF THE PARKING ACCESS AND REVENUE CONTROL SYSTEM (PARCS) FOR THE PARKING FACILITIES LOCATED IN CITY, AND;

APPROVAL OF A PURCHASE ORDER IN THE AMOUNT OF \$2,964,075
Attachments:

1. Second Amendment to the Agreement
2. Example of Pay-on-Foot System
3. Example of Space Counting System

RECOMMENDATION

Staff recommends that the City Council move to approve the second amendment to the agreement between the City of Beverly Hills and Sentry Control Systems, Inc. for the continued maintenance and repairs and for the replacement and upgrade of the Parking Access and Revenue Control System (PARCS), and;

Approval of a purchase order in amount of \$2,964,075

INTRODUCTION

The City entered into an agreement with Sentry Control Systems, Inc. in December of 2007 for the replacement of the existing Parking Access and Revenue Control System (PARCS). The PARCS system is the equipment and services used at the parking facilities for the management of transient (visitor) and monthly parking services provided at the parking garages. This equipment includes the gate arms, ticket dispensers, cash registers, pay-on-foot stations, validation machines, monthly parking keycards and other related hardware and software needed to operate the parking facilities and provide parking services to our customers.

Sentry Control Systems, Inc., the City's current service provider, is the regional authorized equipment dealer and service provider for the Skidata parking system. Skidata is the original equipment manufacturer of the PARCS system operated by the City at the public parking garages.

The City has a current agreement (Agreement No. 489-07 and Amendment 1 No. 172-08) for the equipment purchase, preventative maintenance and ongoing repair services of the PARCS equipment dated December 27, 2007, commencing on October 15, 2008 and terminating on October 15, 2013 unless amended. The City will need to amend the current agreement or enter into some form of new agreement in order to continue the maintenance and repair of the existing equipment.

Equipment was installed as early as 2008 and as recent as 2012 with the commissioning of the 450 Crescent (Annenberg) parking facility. The expected life of this equipment is seven to ten years from the time of installation, and with continued maintenance, repairs and upgrades the expected life of the equipment could be extended an additional five years or more. With substantial replacement of key components and the availability of components in the secondary market, the life of this equipment could be extended for an additional five years. This would result in a total service life, with proper maintenance, repair, upgrades and replacements, of up to 20 years from the time of original installation.

Additionally, based on discussions related to the improvement of the parking environment and services offered to our community, requests have been made for the expansion of technology. Technologies such as pay-on-foot systems, which allow customers to pay parking fees prior to returning to their vehicles and exiting the facility without the assistance of an attendant at the exit lane or space counting/monitoring systems which can provide real-time information via webpages, smart phone applications and adaptive wayfinding signage outside of the parking garages.

Based on the current capital invested in the purchase and implementation of this system, the need for continued maintenance and repair services of the existing equipment and the desire to expand the use of pay-on-foot and space monitoring technologies, staff is proposing this second amendment to the current agreement which provides for these ongoing services and comprehensive pre-negotiated pricing for foreseeable upgrades and improvements and the associated ongoing costs associated with these improvements.

DISCUSSION

The second amendment to the agreement with Sentry Control Systems, Inc is split into two major sections:

- Work that is currently being provided to the City that will continued to be provided under the same or improved terms and the associated fees for such services
- Pricing and scope of work for optional upgrades of products and services, such as pay-on-foot and space counting systems

The amendment contains the following provisions for services currently provided to the City that will continue to be provided: (Attachment 1, Exhibit B-1)

- Maintains the same terms and conditions for installations, services, warranty, maintenance and repair as the original agreement for existing equipment and future purchases
- Memorializes a 21% minimum discount on future purchases (current and industry standard discount is 18%)
- Outlines terms, conditions and pricing for continued preventative maintenance and repair service
 - Ensures the system hardware is continually in operation and up-to-date
 - Ensures access to latest software releases
 - Extends the hours of 'Regular Service' and reduces the rates of 'Emergency Service' Fees for work performed
 - Establishes a not-to-exceed amount of \$175,000 (and a 3% discount for annual payment) for all existing equipment, including 450 Crescent for approximately \$5,000 less than the current service fee, which does not including the 450 Crescent parking facility

The amendment contains the following provisions for upgrades of products and services; optional work to be carried out at the sole discretion of the City: (Attachment 1, Exhibit B-2)

- Pricing and scope of work for the expansion/conversion to pay-on-foot cashiering operations (Attachment 1, Exhibit A)
 - Configuration in which a customer pays parking fees prior to exit at a pay station and then uses their paid ticket to exit the parking facility
 - This may or may not be implemented in an attendantless environment
 - This system may also be used to implement the automated collection of monthly parking fees and convert 'Early Bird Parking' to parking cards
 - 'Early Bird Parking' is a discount rate offered in underutilized parking facilities to users that arriving before 9am and staying all day
 - Three years of warranty coverage and two years of preventative maintenance service included in the purchase/installation pricing
- Pricing and scope of work for expansion of space counting/monitoring systems (Attachment 1, Exhibit C)
 - This is a system similar to the red/green light system found at Westfield's Century City
 - The system currently exists at the 216 S Beverly Parking facility in which each parking space has a light that displays either 'GREEN' for available spaces or 'RED' for occupied spaces
 - The system provides a series directional signage and space counts at each customer decision point (garage intersections and ramps)
 - The system is also capable of marking different colors for different purposes, such as 'BLUE' for disabled parking 'PURPLE' for reserved spaces and may even be programed to display colors for specific purposes, such as 'PINK' for Brest Cancer Awareness or 'YELLOW' to commemorate Memorial Day.
 - Once installed, this system will populate information for adaptive wayfinding and directional signage both online (GPS and websites) and on-street (signage), showing available parking, accurate to a single space
 - Five years of warranty and preventative maintenance service included in purchase/installation pricing
- Establishes the costs for ongoing services related to these expansions

- Not to exceed \$40,000 per year for all associated expansions and installations, based on a the scale established in Attachment 2 of Exhibit B-2

Although the agreement provides for pricing and scope of work for the purchase and installation of upgraded products and services system wide, the City has not yet committed to a total implementation of these technologies. However, based on the current equipment need and the City Council's direction to improve the customer services experience at the parking facilities staff has included the costs of the following work in the proposed amendment:

- Continue Preventative Maintenance services for the five year term
- Estimated repair and non-maintenance service fees for the five year term
- Expanding Pay-on-Foot options at 461 N Bedford, 440 N Camden, 221 and 333 N Crescent
- Expanding Space Counting/Monitoring to 216 S Beverly, 345 and 438 N Beverly (William Sonoma and Crate & Barrel), 450 N Crescent Drive and the Santa Monica 5 parking decks
- Implementation of the E-Val system, an auditable electronic validation system, including iPhone and Android applications, for the validation of parking fees
 - For use at City Hall, City Events, Tenants, and various local business contracts

While staff recommends approval of this amendment as presented, the City Council may choose other courses of action, including the following:

- Alternative 1 - Direct staff to return with an amendment to the agreement with a reduced scope of work to cover only existing equipment maintenance and service needs
 - Staff does not recommend this course of action, as it provides ongoing work, services and revenues to the service provider without locking in the value of future known and/or anticipated purchases
 - The equipment and services that are part of the current proposed amendment are expanding the use of infrastructure already in place and paid for by the City, and integrated with the City's current PARCS equipment
 - If the City Council is not interested in extending the life of the current equipment and is interested in replacing/recapitalizing the parking system within the next 3-5 years, staff would recommend executing an amendment with a reduced scope of work, however, reduced functionality and services which integrate with the parking system (such as adaptive wayfinding and space counts) may require waiting until a new provider is selected and/or a separate, parallel systems may need to be installed
- Alternative 2 - Direct staff to return to the City Council with a new agreement for current and/or expanded services and products instead of executing a second amendment to the existing agreement
 - Staff does not recommend this course of action, as the current agreement contains terms and services negotiated using documents prepared by industry consultants for the complete replacement of a PARCS system
 - By maintaining the terms for these additional services the City continues to realize the benefits of the existing agreement terms and conditions

- Alternative 3 - Not execute any amendment to this agreement nor enter into a new agreement
 - If this alternative is considered, staff recommends appointing an Ad-Hoc Committee of the City Council to review the necessary maintenance and repair needs of this equipment to develop and recommend a scope of work and negotiated agreement for continued operations
 - This course of action would result in an acceleration of the deterioration of the PARCS equipment and would severely limit the City's ability to maintain a fully functional parking system
 - Maintenance and repairs would be limited to only those services which could be executed under staff and/or the City Manager's authority, which would not provide for the basic levels of service necessary to keep a system of this scope and magnitude operating properly
 - As the systems functionality is reduced, revenue losses related to both shrink and an inability to collect funds due to malfunctioning systems would increase
 - This would also prevent the expansion of any additional services, such as pay-on-foot and/or space counting/monitoring

FISCAL IMPACT

The total not-to-exceed amount of the proposed Second Amendment to the agreement with Sentry Control Systems, Inc is \$2,964,075. The total value of this not-to-exceed amount is budgeted and represented in the projected future budgets for the Operating Budget for the Parking Services Programs (Program Series 81-072) and the Capital Improvement Program Budget (Project #0785 Parking Revenue Control System Upgrade and #0786 Parking Program Upgrade and Improvements) through 2018. This total not-to-exceed amount includes the following estimated expenses over the term of the agreement:

Product/Service	Value	Total Cost
Preventative Maintenance - Current Equipment	\$175,000 for 5 Years	\$875,000 ¹
Ongoing Repairs/Service	\$75,000 for 5 Years	\$375,000 ²
Pay-on-Foot Upgrade	One Time Capital	\$666,150 ³
Space Counting/Monitoring	One Time Capital	\$847,925 ⁴
Additional Maintenance and Contingencies	Ongoing and One Time Capital	\$200,000 ⁵
TOTAL		\$2,964,075

The total not-to-exceed amount of this amendment does NOT represent the total value of the products and services listed in the agreement. This not-to-exceed amount represents the estimated cost of work based on services improvements and anticipated to be carried out during the term of this agreement.

¹ Work as described on Page 3 & 4 for Existing Services to be Continued

² Work as described on Page 3 & 4 for Existing Services to be Continued

³ Work as described on Page 3 & 4 for New and Upgraded Products/Services

⁴ Work as described on Page 3 & 4 for New and Upgraded Products/Services

⁵ Contingencies, Preventative Maintenance and Repair Services for New and Upgraded Products/Services

The total value of the products and services listed in the amendment is \$7,712,112. This represents all known work that the City may wish to complete during the term of the agreement, but which will require additional direction and approval from the City Council before being executed. Based on this amendment, work valued over the not-to-exceed amount of approximately \$2.9 million will require an additional amendment to the agreement. If the cumulative value of this additional work is over \$50,000, approval by the City Council will be required at a future meeting.

Listing all known work as part of the current amendment ensures the City is getting the most favorable pricing at the time the amendment is executed and throughout the long-term relationship established by the significant capital investment in the existing equipment and potential upgrades. These pre-negotiated terms memorialize the City's pricing and limit increases after the City has invested in the partial deployment of these products and services.

The table below represents all of the work and associated values outlined in the current agreement:

Product/Service	Value	Total Cost
Preventative Maintenance - Current Equipment	\$175,000 for 5 Years	\$875,000
Ongoing Repairs/Service	\$100,000 for 5 Years	\$500,000
Pay-on-Foot Upgrade		\$2,308,037
Space Counting/Monitoring		\$3,029,075
Preventative Maintenance - Expanded Equipment	\$40,000 for 5 Years	\$200,000
Construction Contingency		\$800,000
TOTAL		\$7,712,112

It is anticipated that revenues will slightly improve with the proposed installation of both space counting/monitoring system. It is also anticipated that revenues will slightly improve and expenses may be slightly reduced with the implementation of the pay-on-foot systems proposed for execution. However, it is difficult to measure and quantify these revenue improvements/expense reductions so staff is recommending these projects be considered and approved based on cost neutrality and the improved customer service experience.

Don Rhoads
Finance Approval



Mahdi Aluzri
Approved By

