



## AGENDA REPORT

**Meeting Date:** December 18, 2007

**Item Number:** F-7

**To:** Honorable Mayor & City Council

**From:** Chad Lynn, Director of Parking Operations 

**Subject:** RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND SENTRY CONTROL SYSTEMS FOR THE PURCHASE, INSTALLATION AND MAINTENANCE OF THE CITY'S PARKING ACCESS AND REVENUE CONTROL SYSTEM; AND

APPROVE A PURCHASE ORDER TO SENTRY CONTROL SYSTEMS IN THE AMOUNT OF \$2,130,000 TO COMPLETE THE WORK.

**Attachments:** 1. Resolution

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### **RECOMMENDATION**

Staff recommends adoption of the resolution authorizing the City Manager to enter into an agreement with Sentry Control Systems, Inc. for the purchase, installation and service of the Parking Access and Revenue Control System for use in the City's off-street parking facilities in an amount not to exceed \$2,130,000.

### **INTRODUCTION**

The City of Beverly Hills currently operates eleven pay-at-exit parking facilities for public use, not including the three parking facilities which are currently in various stages of design or construction. The system operating the ingress and egress of transient (daily) and contract (monthly) parking customers is referred to as the Parking Access and Revenue Control System (PARCS).

The current PARCS system operates two functions which currently have separate software and hardware providers operating completely independent of one another.

- The Parking Access System services the contract parking customers; customers enter into monthly agreements for parking in specific locations and are provided keycards for ingress and egress. The Parking Access System is currently powered by the building security system recently removed from City Hall. This

system was designed as a building access and security system, and is lacking many of the features needed for parking applications.

- The Revenue Control System services the transient parking customers; customers take a ticket at the entrance and pay a fee each time they use the facility. The Revenue Control System is based on machine readable, pre-printed, barcode technology. This City orders tickets with pre-printed sequential numbers, unique to each facility, and requires a constant, real-time connection to a database in order to process the tickets. The current configuration prevents the City from practically implementing integrated services, such as credit card acceptance or pre-sale event parking.

The current systems are over thirteen years old and have surpassed their useful life from both physical and technical standards. The City has an agreement with the original equipment manufacturer (OEM) of the Revenue Control System and is operating without outside support for the Access Control System. Parts are becoming increasingly difficult to obtain, even from the OEM, and staff has not been able to purchase additional access cards from any vendor, including used cards from private parties. Staff has exhausted all known resources for supplying access cards for this system and maintains only a small reserve for staff and customer replacement needs. All new contract parking privileges, and one entire facility's contract parking operations, are currently operating on a combination of hang-tags and validations. This operation is inefficient for entry and exit movements, inconvenient to the customer, reduces revenue security, and compromises our auditing capabilities.

In February of 2006 staff retained Walker Parking Consultants (Walker) for the purpose of studying the current PARCS system and managing the Request for Proposal (RFP) selection, installation, testing and acceptance of new PARCS equipment.

## **DISCUSSION**

On October 6, 2006, the City of Beverly Hills released the RFP for the replacement of the City's PARCS equipment.

This RFP contained a base proposal for Pay-on-Foot (POF) and several alternates. The City Council directed staff to execute this agreement using the Exit Cashiering alternate during the Informal City Council meeting of December 5, 2007.

Staff has included the following alternates as part of the negotiated price:

- Alternate 3 – City Hall Campus Gates
  - Addition of the gates at the City Hall North Lot, City Hall Annex (Library) and PD entry/exit.
- Alternate 5 – CCTV Cameras
  - This feature will service after-hours customer service. Cameras cannot operate during normal hours of operations due to communications limitations.
- Alternate 10 – Uninterrupted Power Supplies (UPS) and Power Conditioners
- Alternate 12 – Pentamation Integration
  - Integration with Pentamation, the City's finance and accounting software system.
- Alternate 14 – Single Space Monitors for SoBev
  - Counting system that will show open spaces in the lower level of the SoBev parking facility to reduce congestion of the internal circulation.

On December 11, 2006, the City opened six proposals, which were reviewed by Walker for compliance with the requirements of the RFP, responsiveness of the submission, and pursuant to the evaluation process listed in the RFP, selected four vendors to be interviewed by the City's selection panel. The following four proposers, listed in alphabetical order, were selected:

- ASSI Security
- Federal APD
- Sentry Control Systems
- WPS North America

The City conducted four three-hour sessions in which each proposer was able to present and answer questions regarding their products and services. The order of interviews was selected at random by Walker. Pursuant to the RFP, each proposer was rated based on the following criteria and assigned value, with a total possible score of 100 from each rater:

- Service – Ability and Reputation of the Provider 35
- Product Features and Functions 30
- Web Functionality 15
- Price of the Proposal 10
- Technology Compatibility with City 5
- Alternate Option Pricing 5

An eleven person panel with eight rating members was established to interview, rate and recommend the most qualified vendor to enter into negotiations for final recommendation to the City Council. The panel consisted of the following:

- Rating Members
  - Parking Professional from the City of West Hollywood
  - Parking Professional from the City of Long Beach
  - IT Department
  - Administrative Services Department – Finance Division
  - Public Works and Transportation – Maintenance Infrastructure Division
  - Parking Supervisor
  - Parking Account Clerk II – Parking Auditor
  - Parking Attendant
- Non-Rating Members
  - Walker – Project Manager
  - Walker – PARCS Expert
  - Chad Lynn, Director of Parking Operations

The panel rated Sentry Control Systems (Sentry) as the number-one vendor with 630 points. This was:

- 38 points higher than the number-two rated vendor
- 127 points higher than the number-three rated vendor
- 157 points higher than the number-four rated vendor

At the request of the City Council, the Ad Hoc Parking Committee had an in depth discussion about the differences between the Sentry and the number two ranked vendor. After considering the desire for expansion to the POF configuration, the detailed component specifications and individual site visits to locations utilizing the number two ranked equipment, the Ad Hoc Parking Committee supported staff's recommendation of Sentry using the Skidata PARCS product.

During the Informal meeting of December 5, 2007, the City Council directed staff to bring back the negotiated price for the PARCS equipment in an exit cashiering configuration. Pursuant to a previous request by the Ad Hoc Parking Committee, the City Manager's office further negotiated the pricing of the agreement and achieved an additional cost savings of about 2.5%, or approximately \$50,000. The agreement pricing was negotiated as follows:

Table 1 - Pricing for Exit Cashiering

	Base Bid	Installation	ALT 5	ALT 10	ALT 12	ALT 14	Totals
461 N. Bedford	\$110,892	\$10,200	\$10,775	\$800	\$0	\$0	\$132,667
438 N. Beverly Canon	\$177,857	\$4,500	\$10,775	\$800	\$0	\$0	\$193,932
345 N. Beverly	\$164,980	\$7,500	\$12,362	\$1,200	\$0	\$0	\$186,042
216 S. Beverly	\$92,181	\$2,300	\$8,921	\$400	\$0	\$35,139	\$138,941
9510 Brighton	\$104,735	\$2,300	\$9,609	\$800	\$0	\$0	\$117,444
440 N. Camden	\$99,052	\$2,300	\$9,609	\$400	\$0	\$0	\$111,361
221 N. Crescent	\$154,739	\$2,900	\$10,775	\$800	\$0	\$0	\$169,214
333 N. Crescent/Dayton	\$151,472	\$7,200	\$12,362	\$1,200	\$0	\$0	\$172,234
450 N. Rexford	\$170,101	\$9,800	\$12,362	\$1,200	\$0	\$0	\$193,463
321 S. La Cienega	\$171,714	\$5,600	\$10,775	\$1,200	\$0	\$0	\$189,289
OP's Center, Phase 1	\$159,008	\$0	\$0	\$0	\$10,000	\$0	\$169,008
Spare Parts	\$45,262	\$0	\$0	\$0	\$0	\$0	\$45,262
Demo Equipment	\$52,303	\$0	\$0	\$0	\$0	\$0	\$52,303
City Hall (ALT 3)	\$45,035	\$12,200	\$0	\$1,200	\$0	\$0	\$58,435
<b>TOTAL</b>	<b>\$1,699,331</b>	<b>\$66,800</b>	<b>\$108,325</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$35,139</b>	<b>\$1,929,595</b>

Table 2 - Ongoing Service Agreement and Replacement Cost

	Service Agreement	Replacement Cost	Total
Year 1	\$0	\$193,000	\$193,000
Year 2	\$0	\$212,000	\$212,000
Year 3	\$125,000	\$233,000	\$358,000
Year 4	\$129,000	\$257,000	\$386,000
Year 5	\$133,000	\$283,000	\$416,000
Year 6	\$137,000	\$311,000	\$448,000
Year 7	\$141,000	\$342,000	\$483,000
Year 8	\$145,000	\$376,000	\$521,000
Year 9	\$149,000	\$414,000	\$563,000
Year 10	\$154,000	\$455,000	\$609,000
<b>Total</b>	<b>\$1,113,000</b>	<b>\$3,076,000</b>	<b>\$4,189,000</b>

Major terms of the agreement are as follows:

- To maintain the prices stipulated herein:
  - The City shall enter into the agreement and place the order before December 31, 2007.
  - The City shall take delivery of all equipment prior to March 31, 2008.
  - The City shall pay for all equipment upon delivery.
  - Equipment purchased after December 31, 2007, will reflect an immediate price increase of approximately six percent and be subject to additional price increase issues by the manufacture.

- Payment for installation, supplemental and ancillary equipment will be made:
  - Upon acceptance of the individual facility installations by the City based on mutually agreed upon criteria set forth in the detail specifications.
  - Upon Walker carrying out testing and commissioning of each parking facility.
  - Upon a 30 day testing period without major defect or default is observed before official acceptance.
- Warranty service and preventative maintenance will take place at no additional cost to the City for 24 months from the date each individual facility has been accepted.
- Pre-negotiated fees and rates have been established for:
  - Upgrades<sup>1</sup> at list price for equipment, less 15%
  - Retrofits<sup>2</sup> at list price for equipment, less 15%, plus additional labor
  - Discount of 15% on individual parts, equipment, components and new facility installations
  - Pricing for ongoing service and preventative maintenance, including the ability to opt-in or opt-out during any single year without penalty
- Days, dates, and times of installation with respect to customers, neighboring businesses or residents, and an effort to maintain continuous operations
- Compatibility with the City's new building security system ID cards
- Any change orders above the total contract value which exceeds the staff level purchasing approval limits will be returned to the City Council and require an amendment to the current agreement

The formal agreement has not been attached, as the final detailed specifications are still being finalized. These discussions do not impact the major terms of the agreement as listed herein. The final agreement will be approximately 300 pages and will contain the following information:

- The original RFP
- The original response to the RFP
- The negotiated agreement, including detailed specifications for equipment and performance

### **FISCAL IMPACT**

For the implementation of this project, the City has budgeted \$150,000 from the Information Technology Fund and \$4,506,700 from the Parking Enterprise Fund for a total project budget of \$4,656,700 for the 2007/2008 fiscal year as part of CIP project 0785. During the City Council meeting of October 2, 2007, a change order in the amount of \$1,016,215 was approved for the PARCS equipment in the Montage Public Parking facility, which was selected in a POF configuration. Based on the funds encumbered for the Montage change order, funds of \$3,640,485 remain available for this project.

The cost for the PARCS replacement in the proposed exit cashiering configuration is \$1,929,595 with an approximate 10% contingency of \$200,405 for a total approved project cost not to exceed \$2,130,000.

Additional operating funds of \$29,000 will be needed to facilitate communications during the first year of operations. Additional operating funds of \$125,000 will be needed

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<sup>1</sup> Upgrades are changes in configuration prior to installation.

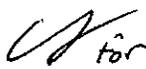
<sup>2</sup> Retrofits are changes in configuration after initial installation has started or has been completed.

annually starting in year three for the service and preventative maintenance of this equipment. The service agreement will have an escalation based on the consumer price index (CPI), estimated between 2% and 4% annually. Additional funds of \$193,000 will be needed annually for the upgrade and/or replacement of this equipment at the end of its useful life. This calculation will escalate 10% per year to account for raising equipment and construction costs. The estimated operating and replacement costs for this equipment over the expected ten year life span total \$4,218,000, which is not currently part of the operating budget. Staff will facilitate the addition of these expenses on an annual basis during the regular budget process.

The Parking Enterprise Fund has an estimated total budget deficit of \$4.8 million in fiscal year 2007/2008, \$8.3 million in fiscal year 2008/2009 and \$6.8 million in fiscal year 2009/2010, which includes principle payments for debt service, an expense not classified in the operating budget, but an expense borne by the Fund. This debt service is related to the loans and bonds used to fund the construction of various parking facilities. These deficits do not include the additional costs of the new PARCS equipment, and they do not reflect the revenue enhancements under review by the City Council and the Ad Hoc Parking Committee. Additional funding is required from ongoing operating sources, current CIP projects or other available sources to facilitate the purchase and operations of the equipment and services.

During the Informal meeting of December 5, 2007, the Mayor and City Council reaffirmed the task of the Ad Hoc Parking Committee to find alternative methods for funding parking operations. Staff has been working with members of the Ad Hoc Parking Committee, however; as of the writing of this report, the scheduled Ad Hoc Parking Committee meeting is on December 17, 2007, so we have nothing to report at this time.

  
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Scott Miller  
Finance Approval

  
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David Gustavson  
Approved By

RESOLUTION NO. 07-R-

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND SENTRY CONTROL SYSTEMS FOR THE PURCHASE, INSTALLATION AND MAINTENANCE OF THE CITY'S PARKING ACCESS AND REVENUE CONTROL SYSTEM

The City Council of the City of Beverly Hills does resolve as follows:

Section 1. The City released a Request for Proposals for the replacement of the City's parking access and revenue control system ("PARCS"). Sentry Control Systems ("Sentry") has provided the City with a proposal for the purchase, installation and maintenance of the City's PARCS equipment. As outlined in the Agenda Statement dated December 18, 2007, the City desires to enter into an agreement with Sentry to provide, install and maintain the PARCS equipment at the locations outlined in the Agenda Statement.

Section 2. The City Manager and City Attorney are authorized and directed to negotiate and prepare an agreement that incorporates the terms and conditions set forth in the Agenda Statement dated December 18, 2007 ("Agreement") for the PARCS equipment and services.

Section 3. That Agreement, dated \_\_\_\_\_, and identified as Contract No. \_\_\_\_\_, a copy of which will be filed in the office of the City Clerk, between the City of Beverly Hills and Sentry Control Systems for the purchase, installation and maintenance of the City's parking access and revenue control system is hereby approved.

Section 4. The Mayor is authorized and directed to execute said Agreement on behalf of the City and the City Clerk is directed to attest thereto.

Section 5. The City Manager or his designee shall administer the terms of the Agreement on behalf of the City.

Section 6. The City Clerk shall furnish a copy of said Agreement after it has been approved and fully executed by the City, along with a copy of this resolution, to: Sentry Control Systems, 9842 Glenoaks Boulevard, Sun Valley, California 91352-1046, Attn: Tim Flanagan.

Section 7. The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and her certification to be entered in the Book of Resolutions of the Council of this City.

Adopted:

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JIMMY DELSHAD  
Mayor of the City of Beverly Hills, California

ATTEST:

\_\_\_\_\_(SEAL)  
BYRON POPE  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
DAVID D. GUSTAVSON  
Director of Public Works & Transportation