

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.4**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Authorizing the Director of Transportation to issue a Request for Proposals for SFMTA Contract No. SFMTA-2013-09, Procurement of Parking Meters and Paystations, and to negotiate a contract for these services with the highest-ranked proposer for a term of five years, with an option to extend the contract for up to two additional years.

**SUMMARY:**

- In 2002, the SFMTA contracted with Serco Inc. for parking meter procurement, coin collections, and coin counting and management support services.
- Through the prior contract, SFMTA procured more than 28,000 single-space and multi-space parking meters, which are currently maintained by the SFMTA's Meter Shop.
- Although the meter program has been successful, with revenues of approximately \$270 million over the last ten years, the existing non-SF*park* meter technology is outdated, spare parts are no longer available, there is no credit card payment option available, and demand responsive pricing cannot be supported.
- The SFMTA is planning to procure 25,000 single-space parking meters and 300 multi-space paystations with an option to purchase an additional 10,000 single-space parking meters and 200 paystations over the term of the contract, along with support services, including communications and credit card fees and access to the backend meter management systems that track revenue and maintenance needs.

**ENCLOSURES:**

1. SFMTAB Resolution
2. RFP and Scope of Work

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_ 10/10/12

SECRETARY \_\_\_\_\_ 10/10/12

**ASSIGNED SFMTAB CALENDAR DATE:** October 16, 2012

## **PURPOSE**

The purpose of this item is to request that the SFMTA Board authorize the Director of Transportation to issue a Request for Proposals for SFMTA Contract No. SFMTA-2013-09. Procurement of Parking Meters and Paystations, and to negotiate a contract for these services with the highest-ranked proposer for a term of five years, with an option to extend the contract for up to two additional years.

## **GOAL**

This RFP will assist the SFMTA in meeting Strategic Goal 3: Improve the environment and quality of life in San Francisco.

## **DESCRIPTION**

In 2002, the Board of Supervisors adopted Resolution No. 305-02, which approved an agreement with Serco Inc. to do a citywide procurement to replace old mechanical parking meters with electronic single-space meters and multi-space paystations. Since its inception in 2002, SFMTA procured more than 28,000 single-space and multi-space parking meters, which are currently maintained by the SFMTA's Meter Shop.

SFMTA currently has 28,063 metered spaces (24,838 are covered by single-space meters and 3,225 are covered by multi-space paystations). Although the meter program has been successful, with revenues of approximately \$270 million over the last ten years, the existing meter technology is outdated, spare parts are no longer available, there is no credit card payment option available, and demand responsive pricing cannot be supported. New parking meters and paystations will integrate emerging technology evaluated in the *SFpark* Pilot Program that allows customers a variety of ways to pay for parking meter spaces, including by coin, smart card, credit card and phone.

The SFMTA expects separate contracts will be awarded for single-space meters and for multi-space paystations. Should one vendor submit successful responses for both types of equipment, however, a single contract would be awarded.

## **Proposed RFP**

The proposed RFP will consist of the following:

- Procurement of 25,000 single space Parking Meters with an option to purchase an additional 10,000 devices over the term of the agreement.
- Procurement of 300 Paystations with an option to purchase an additional 200 devices over the term of the contract.
- Procurement of support services (access to Meter Management System, communication fees, credit card fees, extended warranties, and product support over the term of the agreement).
- Procurement of meter spare parts and related services.

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After proposal evaluation and the selection of the highest-ranked proposer, negotiations for the agreement will commence. After the negotiation process is completed, the proposed agreement will be submitted to the SFMTA Board and the Board of Supervisors for review and approval. SFMTA expects the new contract to be awarded prior to June 30, 2013.

### **ALTERNATIVES CONSIDERED**

The option to keep existing meters was rejected due to the following: 1) outdated technology in the current meter software and hardware, 2) spare parts are no longer available because the ten-year old technology is no longer manufactured by the suppliers, 3) there is no credit card payment option available and 4) existing meter technology cannot support demand responsive pricing.

### **FUNDING IMPACT**

Under the new contract, parking meter revenue collections are anticipated to be approximately \$200 million for the five-year base term of the contract.

Anticipated increases in the annual meter maintenance expenses for the agreement will come primarily from credit card and wireless communication fees that did not exist for non-credit card enabled parking meters. Contract funding will come from the SFMTA's operating budget.

### **OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The SFMTA has obtained a waiver of the LBE subcontracting requirement because the equipment to be procured includes propriety programming and hardware that requires all services related this procurement to be performed only by personnel of the successful vendor. This is standard practice within the parking meter industry, and is a result of increasing demands for specialization, and the emergence of smart meters that can process multiple payment methods (coin, credit/debit card, smart card, etc.) as well as more sophisticated programming to accommodate variable metered parking rates, including those used for special event pricing. No work associated with the procurement and software support would be conducted by personnel outside of the firms contracted to supply the equipment.

Procurement of parking meters is categorically exempt under the California Environmental Quality Act.

The staff report was reviewed the City Attorney's Office.

Because the contract to be awarded will most likely exceed the \$10 million threshold for Board of Supervisor's approval under Charter Section 9.118, the RFP must be submitted to the SFMTA Board for review prior to its issuance.

**RECOMMENDATION**

In order to encourage competition through competitive solicitation and to offer customers more payment options, it is recommended that the SFMTA Board of Directors authorize the Director of Transportation to issue a Request for Proposals for SFMTA Contract No. SFMTA-2013-09, Procurement of Parking Meters and Paystations, and to negotiate a contract for these services with the highest-ranked proposer for a term of five years, with an option to extend the contract for up to two additional years.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, In 2002, the Board of Supervisors adopted Resolution No. 305-02, which approved an agreement with Serco Inc. to do a citywide procurement to replace old mechanical parking meters with electronic single-space meters and multi-space paystations; and,

WHEREAS, Under the Serco agreement, the San Francisco Municipal Transportation Agency (SFMTA) has replaced 23,000 broken-down mechanical meters citywide and has collected approximately \$270 million in parking meter revenues; and,

WHEREAS, There are currently 28,063 metered parking spaces in the City; and,

WHEREAS, Under the proposed RFP, the SFMTA will procure 25,000 single space parking meters and 300 paystations, with an option to purchase an additional 10,000 single-space parking meters and 200 paystations over the term of the contract, along with support services to cover access to meter management systems, communication fees, credit card fees, and extended warranties;

WHEREAS, The proposed RFP will encourage competition and integrate emerging technology evaluated in the *SFpark* Pilot Program that allows customers a variety of ways to pay for parking meter spaces, including by coin, smart card, credit card and phone; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to issue a Request for Proposals for SFMTA Contract No. SFMTA-2013-09, Procurement of Parking Meters and Paystations, and to negotiate a contract for these services with the highest-ranked proposer for a term of five years, with an option to extend the contract for up to two additional years.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of October 16, 2012.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency