

THIS PRINT COVERS CALENDAR ITEM NO. : 10.6

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorize the Director of Transportation to execute the Second Amendment to the Technology License Agreement between MacKay Meters, Inc. and the SFMTA for unlimited perpetual use of the mapping technology utilized in SFMTA Parking Meter Cards, for a fee of \$750,000.

SUMMARY:

- Under the existing Technology License Agreement, the use of the MacKay Gem Card mapping is charged per parking meter would cost the SFMTA \$32.69 for each non-MacKay single-space meter and \$275 for each non-MacKay multi-space meter. This agreement enabled the use of SFMTA parking meter cards during the *SFpark* Pilot program in non-MacKay devices.
- The First Amendment to the Technology License Agreement increased the not-to-exceed amount from \$250,000 to \$475,000 for vendor integration work, testing and potential pilot expansion.
- The SFMTA Board of Directors and the Board of Supervisors approved a contract with IPS Group for the procurement of up to 30,000 replacement non-MacKay single-space parking meters which are not licensed to function with the existing SFMTA meter cards.
- The proposed Second Amendment would allow the SFMTA to continue to utilize the current meter card mapping technology on an unlimited number of non-MacKay devices in perpetuity for a one-time fee of \$750,000.
- The meter parking card revenue to date has remained at approximately 11% of metered parking payments, due to those members of the public who prefer using the meter card over coin or pay-by-phone options.

ENCLOSURES:

1. SFMTAB Resolution
2. Amendment

APPROVALS:

DATE

DIRECTOR _____ 1/13/14

SECRETARY _____ 1/13/14

ASSIGNED SFMTAB CALENDAR DATE: January 21, 2014

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PURPOSE

Authorizing the Director of Transportation to execute the Second Amendment to the Technology License Agreement with MacKay Meters, Inc. to procure an unlimited perpetual use of the mapping technology utilized in SFMTA Parking Meter Cards, for a fee of \$750,000.

GOAL

Authorizing the execution of the Second Amendment to the Technology License Agreement will assist the SFMTA in meeting Strategic Goal #2., Objective 2.4: Improve parking utilization and manage parking demand.

DESCRIPTION

In 2002 the City implemented a citywide parking meter replacement project which resulted in the installation of MacKay electronic parking meters and Reino paystations. The 2002 meter replacement project included use of the MacKay mapping technology for no additional charge. In June 2010, the SFMTA entered into a Technology License Agreement with MacKay Meters to use the existing mapping technology with non-MacKay meters purchased for the *SFpark* pilot program while the pilot was in effect. The original Technology License provided that mapping fees was not to exceed \$250,000. The SFMTA executed a First Amendment in December 2010 which increased the original not-to-exceed amount of the Technology License from \$250,000 to \$475,000 for vendor integration work, testing and potential pilot expansion.

On September 17, 2013, the SFMTA Board of Directors and subsequently on November 26, 2013, the Board of Supervisors approved a contract with IPS Group for the procurement of up to 30,000 replacement parking meters. Under the existing Technology License Agreement, the use of the MacKay Gem Card mapping would cost the SFMTA \$32.69 for each non-MacKay single-space meter and \$275.00 for each non-MacKay multi-space meter. Because IPS single-space meters will be installed as part of the new citywide meter procurement currently underway, the SFMTA has determined that additional license rights would be needed so as to continue use of the SFMTA parking card in the new meters. Therefore, negotiations were successfully conducted with MacKay to acquire a perpetual license agreement to cover the citywide replacement of meters and any future needs for parking generation. Approval of the execution of the Second Amendment of the Technology License Agreement would allow SFMTA to utilize the meter card mapping technology on an unlimited number of devices in perpetuity.

Approximately 9% of the public continues to use parking cards as a means of payment, resulting in approximately 11% of meter revenue even with the addition of the credit card payment option in the pilot areas. Statistics for parking card usage are summarized below:

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FY 2013 Meter Card Sales/Usage

- 144,521 (\$20 cards) sold valued at \$2.9M
- 93,530 (\$50 cards) sold valued at \$4.7M
- Total sold valued at \$7.6M
- Daily use is approximately \$18K or 10K transactions

November 2013	Number of Transactions	Percent of Transactions	Revenue	Percent of Revenue
Credit Card	266,916	8%	\$1,097,400	24%
Meter Card	285,309	9%	\$517,690	11%
Coin	2,505,821	75%	\$2,167,889	48%
Pay By Phone	275,244	8%	\$777,676	17%
Total	3,333,290	100%	\$4,560,655	100%

ALTERNATIVES CONSIDERED

The alternative was to discontinue the current meter parking card option which would negatively impact those members of the public who wanted to pay for parking with a meter card instead of coin, pay-by-phone or credit card options.

FUNDING IMPACT

There is no major funding impact to this item beyond the one-time fee.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

No further approvals are required for this item.

RECOMMENDATION

The SFMTA recommends that the SFMTA Board authorize the Director of Transportation to execute the Second Amendment to the Technology License Agreement with MacKay Meters, Inc. to procure an unlimited perpetual of the Mapping Technology to utilized in SFMTA Parking Meter Cards, for a fee of \$750,000.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, In June 2010, the SFMTA entered into a Technology License Agreement with MacKay Meters for mapping technology to be used with meters purchased for the SFpark pilot program while the pilot was in effect; and,

WHEREAS, Prior to this agreement, the mapping technology had been included for no additional charge for the citywide meter replacement project in 2002, for use in MacKay electronic meters and Reino paystations purchased; and,

WHEREAS, Under the existing agreement, the use of the MacKay Gem Card mapping would cost the SFMTA \$32.69 for each non-MacKay single-space meter and \$275 for each non-MacKay multi-space meter; and,

WHEREAS, A First Amendment was executed in December 2010 which increased the original no-to-exceed amount from \$250,000 to \$475,000 for vendor integration work, testing and potential pilot expansion; and,

WHEREAS, The SFMTA Board of Directors and the Board of Supervisors approved a contract for the procurement of up to 30,000 replacement non-MacKay single-space parking meters; and,

WHEREAS, The Second Amendment would allow the SFMTA to utilize the meter card mapping technology on an unlimited number of devices and in perpetuity; and,

WHEREAS, The discontinuation of the current parking meter card option would negatively impact those members of the public who want to pay for parking with a meter card instead of coin, pay-by-phone or credit card options; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute the Second Amendment to the Technology License Agreement with MacKay Meters, Inc. to procure an unlimited perpetual use of the Mapping Technology to utilize SFMTA Parking Meter Cards, for a one-time fee of \$750,000.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of January 21, 2014.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

SECOND AMENDMENT TO TECHNOLOGY LICENSE

This Second Amendment to License (this “**Amendment**”) is dated as of the Amendment Date (as hereinafter defined) and is by and between the City and County of San Francisco, a municipal corporation (“**City**”), acting by and through its Municipal Transportation Agency (“**SFMTA**”), and MacKay Meters, Inc., a corporation, (“**Contractor**”).

Recitals

A. City and Contractor have entered into that certain Technology License Agreement dated as of _____, 2010 (the “**Original License**”), as amended by the First Amendment to License dated as of December 8, 2010 (the “**First Amendment**”) (collectively, the “**License**”) for SFMTA’s use of Contractor’s mapping technology in SFMTA parking meter cards.

B. Contractor desires to grant SFMTA a perpetual license for use of its mapping technology in an unlimited number of parking meter devices.

C. City and Contractor desire to amend certain terms of the License, as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions and Recitals. Capitalized terms not otherwise defined herein have the meanings set forth in the License. The Recitals set forth above are hereby incorporated into this Amendment by this reference. The License as amended hereby is sometimes referred to as the “**Amended License**.”

2. License Fee. City shall pay Contractor Seven Hundred Fifty Thousand Dollars (\$750,000.00) for perpetual use of the Licensed Technology with the Designated Equipment (the “**License Fee**”). The License Fee shall be paid in ten (10) monthly installments of Seventy-Five Thousand Dollars (\$75,000.00). City shall deliver to Contractor the first monthly installment of the License Fee within sixty (60) days of the Amendment Date.

3. No Other Changes. Except as otherwise expressly modified by the terms of this Amendment, the License shall remain unchanged and in full force and effect. In the event of a conflict between the terms of the License and of this Amendment, the terms of this Amendment shall control. Contractor acknowledges that, as of the date hereof, City is not in default of the performance of any of its obligations under the License.

4. Counterparts. This Amendment may be executed in one or more counterparts and delivered via facsimile or other means of electronic image transmission which, together, shall constitute one and the same instrument and be deemed an original for all purposes. Although each party covenants to provide to the other a signed “wet signature” original counterpart of this Amendment, any failure to deliver such “wet signature” original shall not affect the enforceability of fully-executed counterparts of this Amendment delivered via facsimile or other means of electronic image transmission.

5. Amendment Date. The latest date set forth beneath the signatures of all of the parties below is referred to herein as the “**Amendment Date.**”

IN WITNESS WHEREOF, SFMTA and Contractor have each duly executed this Amendment as follows.

CITY

San Francisco Municipal
Transportation Agency

Edward D. Reiskin
Director of Transportation

Authorized by:

Municipal Transportation Agency
Board of Directors

Resolution No: _____
Adopted: _____

Attest: _____
Roberta Boomer, Secretary
SFMTA Board of Directors

Approved as to Form:

Dennis J. Herrera
City Attorney

By: _____
Stephanie J. Stuart
Deputy City Attorney

CONTRACTOR

MacKay Meters, Inc.

Tom Curry
Vice-President

city vendor number 82005