



# *CITY COUNCIL AGENDA REPORT*

---

MEETING DATE: MARCH 15, 2005

ITEM NUMBER:

**SUBJECT: PROFESSIONAL SERVICES AGREEMENT FOR PARKING CITATION PROCESSING WITH DATA TICKET, INC.**

**DATE: FEBRUARY 22, 2005**

**FROM: POLICE DEPARTMENT- FIELD OPERATIONS DIVISION**

**PRESENTATION BY: TOM CURTIS, LT.  
TRAFFIC SAFETY BUREAU COMMANDER**

**FOR FURTHER INFORMATION CONTACT: TOM CURTIS  
(714) 754-5191**

---

## **RECOMMENDED ACTION:**

Approve the professional services agreement for parking citation processing with Data Ticket, Inc. Authorize the City Manager, or his designee, to sign the agreement. The term of the agreement is the effective date of approval by City Council through March 31, 2010. Payments to Data Ticket, Inc. shall not exceed \$100,000 per year.

## **BACKGROUND:**

The Police Department has maintained a professional services agreement with Data Ticket Inc. for the past 3 years (November 19, 2001 through November 18, 2004) for the data processing, collection of fines, and administrative reviews and hearings for parking citations issued by Department staff. Prior to the contract with Data Ticket Inc., the City was contracting for this service through the City of Newport Beach.

## **ANALYSIS:**

The Costa Mesa Police Department requests to enter into a new professional services agreement with Data Ticket Inc. for the data processing, collection of fines, and administrative reviews and hearings for parking citations issued by Department staff. The agreement provides for a cost effective means of outsourcing a large volume of work that would otherwise have to be accomplished by City staff. The City's payments to Data Ticket Inc. are based upon the volume of citations that are processed. For example, Department staff issued over 27,000 parking citations in FY 2003-2004. During FY 2003-2004, the City paid Data Ticket Inc. \$60,094.28 for services rendered. Services provided by Data Ticket Inc. for both in-state and out-of-state citations include:

- Data entry of handwritten citations
- Entry of electronically transferred citations

- Processing all status changes to citation database
- Processing and collection of payments
- On-line connection to California DMV for daily registered owner information files
- On-line connection to California DMV for daily hold and release files
- Interface with DMV's nationwide for registered owner information
- Interface with third party vendor for nationwide registered owner information
- All forms and tracking
- Correspondence tracking and response
- First Notice
- Bi-lingual 800 line voice mail information 24 hours per day, 7 days per week
- Bi-lingual 800 line customer service answered by customer service representatives
- Daily bank deposits
- Comprehensive monthly management reports on issuance and revenue
- All required insurance and bonds
- Scheduling of review, hearing and court appearance

It is estimated that for City staff to perform the above listed functions in-house, the associated annual costs (personnel, supplies such as paper and postage) would exceed \$100,000 for the same citation volume (comparison to FY 2003-2004), excluding computer-programming costs. As such, by way of this illustration, the annual cost savings accomplished by outsourcing this work would be estimated at \$40,000 per year. The estimated costs (savings) from year to year depend of course on the volume of parking citations issued and processed.

Data Ticket Inc. staff has been very responsive to the needs of City staff throughout the execution of the prior agreement. There are no increases to the fee schedule for this new professional services agreement.

### **ALTERNATIVES CONSIDERED:**

The City could develop its own system for data processing, fine collection and administrative review and hearings. This option would require additional staffing to carry out all necessary responsibilities. Additional costs would include postage, supplies, debt collection fees, computer programming development and maintenance, etc. Given the current volume of parking citations that are being issued, it is estimated that additional costs for these responsibilities to be performed by City staff would exceed \$100,000 per year.

### **FISCAL REVIEW:**

Payments to the contractor for services performed under this agreement are included in the adopted budget. The total expenditures associated with this agreement are offset by revenue generated from issued citations. The revenue generated in FY 2003-2004 from parking citations was \$903,526. In FY 2004-2005, parking citations have generated revenue of \$555,454 through February 2005.

### **LEGAL REVIEW:**

The City Attorney's Office has reviewed the agreement and has approved it as to form and content.

**CONCLUSION:**

Staff recommends approval of the attached professional services agreement between the City and Data Ticket Inc.

---

TOM A. CURTIS  
Traffic Safety Bureau Commander

---

JOHN D. HENSLEY  
Chief of Police

---

MARC R. PUCKETT  
Director of Finance

---

KIMBERLY HALL BARLOW  
City Attorney

DISTRIBUTION: City Manager  
City Attorney  
Finance Director  
City Clerk

ATTACHMENTS: 1 [Professional Services Agreement](#)  
2 [Liability Insurance for Data Ticket](#)

031505 Professional Services Agreement 3-03-05  
for Parking Citation Processing thru Data  
Ticket

1500 Hrs