



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 6, 2010

ITEM NUMBER:

SUBJECT: AWARD RFP 1136 - CONTRACT FOR PARKING TICKET CITATION PROCESSING SERVICES

DATE: JUNE 14, 2010

**FROM: POLICE DEPARTMENT – SUPPORT SERVICES/TRAFFIC
FINANCE DEPARTMENT – FINANCIAL PLANNING DIVISION**

PRESENTATION BY: CHRISTOPHER SHAWKEY, CHIEF OF POLICE

**FOR FURTHER INFORMATION CONTACT: DEBBIE CASPER, PURCHASING SUPERVISOR
(714) 754-5212
MARTY CARVER, LIEUTENANT (714) 754-5384**

RECOMMENDATION:

1. Award contract for Parking Ticket Citation Processing Services per Request for Proposal (RFP) 1136 in a not to exceed amount of \$125,000 per year to Data Ticket Inc, 4600 Campus Drive, Suite 200, Newport Beach, California 92660. The term of the contract is from July 7, 2010 through July 6, 2012 with the option to extend the contract for three additional years.
2. Authorize the Mayor and the City Clerk to execute the Professional Services Agreements for the contract.
3. Authorize the City Manager to extend the contract for three additional one-year terms upon recommendation from the Police Department.

BACKGROUND:

The City of Costa Mesa has maintained a professional services agreement with Data Ticket Inc since November 19, 2001 for data processing, collection of fines, administrative reviews and hearings for parking citations issued by the Police Department. The current five-year agreement expired on March 31, 2010. Since there were no remaining extensions on the contract, it was determined that it was in the City's best interest to conduct a formal request for proposal process. The City entered into a month-to-month agreement with Data Ticket during the solicitation process.

The services provided by this contract include: on-line California DMV access and nationwide access for out of state DMV information, holds and releases, daily and delinquent collections, adjudication scheduling and services, and Franchise Tax Board interface for collections through the Interagency Intercept Program, as well as third party collections. This contract is critical in maximizing revenue recovery.

As required by the Costa Mesa Municipal Code, staff sent the "Request for Proposals" (RFP) electronically to seven (7) prospective companies including qualified providers whose names were on the bidders' list, and other vendors requesting information. To ensure adequate notice and competition, the RFP was also posted on the public bulletin board in City Hall and

published in the Daily Pilot. A downloadable version of the RFP was also made available on the City's website.

On March 18, 2010, a non-mandatory pre-proposal meeting was held in Conference Room 1A. The purpose of the pre-proposal meeting was to provide an opportunity for prospective companies to request clarification and explanation of RFP requirements. Three (3) prospective companies were represented by the eight (8) attendees at the pre-proposal meeting. The purchasing supervisor served as the meeting chair with police and treasury management staff available to answer technical questions. An addendum was issued on March 24, 2010, to address the clarifications discussed in the pre-proposal meeting. On April 8, 2010, the City received three (3) proposals.

The analysis of the proposals was based on the volume of 26,000 citations, the number of citations processed in FY 2008-09. The previous contract price paid for the processing both electronic and manual citations was \$0.96 each. The new pricing is \$0.70 for electronic citations and \$0.88 for manual citations. The new contract pricing includes courtesy notices, follow up notices, payment plan letters, and postage for all mailings. The new contract will result in a savings of approximately \$43,566 in the citation processing services. Data Ticket Inc. is offering to perform the collections for both out of state and delinquent for a lower percentage resulting in an additional savings of \$13,000 based on FY 2008-09 estimates. This agreement provides a cost effective means of outsourcing a large volume of work that would otherwise have to be performed by city staff.

ANALYSIS:

In order to ensure a fair and objective RFP process, the evaluation process was conducted by purchasing staff. The criteria used for scoring the evaluations included method of approach, technical requirements, qualifications & experience, and proposal costs. A three-person evaluation team was assembled and all members were instructed to conduct their evaluations independently of each other.

The intent of the evaluation process was to award a contract to the highest scoring service provider. There were a total of 100 points possible in the evaluation process. Each evaluation team member evaluated the companies, and their raw score was converted to a ranking from 1 to 3. The sum of the results for each company was totaled and the resulting rankings are shown below. This method of evaluation is known as the Heisman Method and it is used to prevent one committee member from skewing the scores in favor or not in favor of a particular company. There was a natural break between the first and second ranked companies.

	Evaluator 1	Evaluator 2	Evaluator 3	Total
Data Ticket	1	1	1	3
Turbo Data Systems	3	2	2	7
Phoenix Group	2	3	3	8

ALTERNATIVES CONSIDERED:

Qualified staff members have invested extensive time independently evaluating and scoring the solicitations received.

The City could develop its own system for data processing, fine collection and administrative review and hears, however this option would require additional staffing to carry out all the necessary responsibilities. Additional costs would include computer programming development and maintenance, hardware, debt collection fees, postage and supplies. It is estimated that the costs for these responsibilities to be performed by city staff would exceed the cost of the contract with Data Ticket and it is therefore not recommended.

FISCAL REVIEW:

Payments for the services performed under this agreement are included in the budget. The total expenditures associated with this agreement are offset by the revenue generated from issued citations. The City paid Data Ticket \$115,209 in FY 2008-09. This amount is offset by \$880,459 in parking citation revenues, for net revenue of \$765,250. The RFP process will result in cost savings of \$56,014 in the first year when compared to data from FY 2008-09 data for citations processed, and both out of state and delinquent collection services.

LEGAL REVIEW:

The attached Professional Services agreement has been reviewed and approved as to form by the City Attorney's Office.

CONCLUSION:

After thorough review and comparison of the three proposals received, it is recommended that the City Council award a two-year contract per RFP 1136 for Parking Citation to Data Ticket Inc. In addition, it is recommended that City Council authorize the Mayor and the City Clerk to execute the Professional Services Agreement and to authorize the City Manager to extend the contract for three additional one-year terms if the Police Department recommends doing so.

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DISTRIBUTION: City Manager

ATTACHMENTS: [Professional Services Agreement](#)