

REPORT OF THE CHIEF LEGISLATIVE ANALYST

October 11, 2011

To: Honorable Members of the City Council

From: Gerry F. Miller *G. Miller for*
Chief Legislative Analyst

Assignment No.: 11-09-0840

Council File No.: 11-1015

Photo Red Light Program – Supplemental Agreement

SUMMARY

On July 27, 2011, Council acted to (a) terminate the Photo Red Light Program (PRLP) on July 31, 2011 when the Agreement with American Traffic Solutions (ATS) expired; (b) requested the City Attorney to determine the need for a contract with ATS to phase out the PRLP; and (c) if a contract is required, instructed the Los Angeles Police Department (LAPD), with assistance of this Office and the Office of the City Administrative Officer, to negotiate an agreement.

In a report dated August 16, 2011, the City Attorney opined that after the Agreement expired, ATS was obligated to provide certain services, at no additional cost to the City, related to citation processing and the citation approval process for PRLP violations captured through July 31. After July 31, ATS is not obligated to continue to provide the services and access to technological equipment outlined in the proposed Supplemental Agreement. (Because the prior agreement expired, a supplemental agreement rather than an amendment to an existing contract is required to be executed.)

On September 20, 2011, the Police Commission approved the Supplemental Agreement that provides for the term and scope of services described below. The Commission also indicated its intention to terminate the contract when the PRLP is no longer cost beneficial and instructed LAPD staff to provide monthly reports so it can monitor the revenues generated.

Contract Term: August 1, 2011 through January 31, 2012. The City is authorized to terminate for convenience with 30 days written notice to ATS. At its discretion, the City may extend the contract on a month-to-month basis beginning February 1, 2012 through July 31, 2012.

Scope of Work and Cost Breakdown:

Month	Scope of Work	Cost
August	(a) Transition ATS support for processing activities to LAPD, including providing training (b) Access to technological equipment (Servers and Databases for court evidence; Citation Composer and Viewer; related software/hardware)	\$39,250 \$11,340 Total: \$50,590
September and each month thereafter	Access to technological equipment (Servers and Databases for court evidence; Citation Composer and Viewer; related software/hardware)	\$11,340

The contract for the first six months would amount to \$107,290.

Equipment Removal

The Supplemental Agreement lists the tasks for equipment removal to be completed by the Department of Transportation (DOT) and ATS to, in effect, “de-construct” the respective tasks from when the equipment was installed. As instructed by Council, this Office asked ATS about assuming full responsibility for equipment removal. ATS indicated that the charge to the City would amount to approximately \$400,000 because that expense had not been factored into the payment schedule of the expired contract. Due to limited staffing and high priority projects already underway, including those that are ARRA-funded, DOT indicates staff must complete the equipment removal on overtime at a cost of \$155,000.

Funding for Contract and Equipment Removal

The FY 2011-12 Budget includes \$2.5 million in the LAPD Contractual Services Account for payment to the PRLP vendor. With termination of the PRLP, however, the avoided payment costs provides available funding for the Supplemental Agreement and DOT staff overtime for equipment removal.

Exemption from Arizona Policy

ATS is headquartered in Arizona which passed SB 1070. Council raised concerns that the law encouraged racial profiling, discrimination and harassment. On June 17, 2011, the City Attorney transmitted the proposed ordinance regarding contracting with businesses based in or headquartered in Arizona. The proposed ordinance is pending Council consideration. Until the ordinance is adopted, Council must approve an exemption from the current policy that prohibits contracting with companies headquartered in Arizona.

RECOMMENDATION

That Council, subject to approval of the Mayor:

1. Approve the First Supplemental Agreement with American Traffic Solutions, subject to approval of the City Attorney as to form.
2. Exempt the First Supplemental Agreement with American Traffic Solutions from the Arizona policy.
3. Authorize Los Angeles Police Department (LAPD) to transfer \$155,000 from Fund 100/70, Account No. 003040, Contractual Services Account to Department of Transportation Fund 100/94, Account No. 001090, Salaries-Overtime for overtime to remove the Photo Red Light equipment.
4. Authorize LAPD to prepare Controller instructions for any necessary technical adjustments, subject to approval of the Office of the City Administrative Officer, and authorize and instruct the Controller to implement the instructions.

FISCAL IMPACT

There will be no additional impact to the General Fund for the contract and equipment removal costs to phase out the Photo Red Light Program (PRLP). If the phase out is continued for six months, the contract would amount to \$107,290. Department of Transportation overtime staff costs for equipment removal would amount to \$155,000. These costs will be funded by the FY 2011-12 Police Department Contractual Services Account and the avoided contract payments resulting from termination of the PRLP.