

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: September 1, 2015

TO: Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Mike Bonin, Chair, Transportation Committee

FROM: Seleta J. Reynolds,  General Manager
Department of Transportation

SUBJECT: **CONTRACT EXTENSION WITH XEROX STATE & LOCAL SOLUTIONS, INC.
(C-119654)**

SUMMARY

In September 2011, with the approval of the City Council and the Mayor, the Los Angeles Department of Transportation (LADOT) entered into an agreement with Xerox State & Local Solutions, Inc. (Xerox), formerly ACS State & Local Solutions, Inc., to design, implement, and manage the Downtown Los Angeles Intelligent Parking Management Project (rebranded as LA Express Park) in order to reduce traffic congestion, improve air quality, and improve on-street parking availability. The partnership has been successful, and LADOT wishes to continue this partnership by extending the contract so that the Department can install the remaining elements of the project and continue ongoing LA Express Park operations. The request is only to extend the term of the contract and not to increase the funding limit. All other provisions of the contract are to remain in effect.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor:

Authorize LADOT to extend contract C-119654 with Xerox, which is set to expire September 29, 2015, for an additional period of three years with two one-year options to extend the term, subject to the approval of the City Attorney as to form and legality.

DISCUSSION

In 2011, the City authorized LADOT to proceed with LA Express Park (Council File 11-1333), a federally funded pilot program to relieve traffic congestion, improve air quality, and improve parking availability in the Downtown area by implementing demand-based pricing and a real-time parking guidance system. The guidance system includes parking availability signs, a web-based application, smart phone apps, and Metro's Go511 interactive voice response system that guides drivers to available parking spaces.

Through the Request for Proposal (RFP) process (Council File 07-3754), the Department selected Xerox as the contractor to provide the necessary services in designing, implementing, and operating LA Express Park in the Downtown area. LADOT continues to operate LA Express Park with support and maintenance from Xerox.

As part of the federal grant that funded Express Park, LADOT had specific obligations to fulfill. Nearly all of these obligations have been fulfilled; however, one outstanding item includes the final installation of a parking availability sign which was delayed by the design review process. Additionally, further refinement is needed to address the impact of temporary parking restrictions when calculating the number of parking spaces available, to avoid citizens being directed to spaces that are not available because of the temporary parking restrictions. This contract extension will allow Xerox to integrate the temporary parking restrictions into the parking guidance system.

Xerox developed and operates the Merge® Parking Management Platform, a crucial component of LA Express Park that collects and combines data from parking meter payments, vehicle sensors at on-street meters, and parking occupancy at off-street parking facilities. LADOT uses the compiled data to set the variable rates in demand-based pricing for on-street metered parking. Parking availability and parking policies are broadcast to the public through the elements of the parking guidance system. Xerox specifically developed this proprietary computer-based program for the LA Express Park project, which was subsequently used by other major cities, and the continued operational success of this project relies upon maintaining this partnership with Xerox.

Xerox is also working with LADOT on the expansion of LA Express Park in Westwood Village under this contract. This project is underway and scheduled for a formal opening in late September or early October 2015 using the same proprietary computer-based parking systems from the original Downtown project. Allowing the contract to expire would delay the full implementation of the Westwood Village expansion. The parking guidance and the demand-based pricing would be on hold until the Merge® system was restored or replaced by another custom system.

Additionally, in June 2013, LADOT received a former Community Redevelopment Agency/Los Angeles (CRA/LA) project that is similar in scope to Downtown LA Express Park, called the Hollywood Integrated Modal Information System (HIMIS). The HIMIS project includes upgrading parking technology, and installing way finding and parking availability signs. The components of HIMIS would reduce traffic congestion and improve on-street parking availability in the Hollywood area. LADOT seeks to extend LA Express Park into Hollywood using the same applications as the original Downtown project. Collaborating with Xerox on HIMIS would be practical and efficient because of their previous experience with the Downtown and Westwood Village Express Park projects. HIMIS would also require integration with the Merge® system to be useful for the end user. Designing, developing, and executing components of HIMIS will take up three years.

To continue operating this project smoothly, prevent delays in completing the remaining items from the original grant proposal, and proceed with the HIMIS project, the Department would like to maintain its established partnership with Xerox for an additional period of three years with two one-year options to extend the term. LADOT requests only to extend the term and not increase the funding limit. All other provisions of the contract are to remain in effect.

The contract extension is necessary to maintain the continuity of LA Express Park. LADOT is requesting approval of an initial three year extension to allow an orderly expansion into Hollywood. The funding for HIMIS is in the process of being re-obligated. We anticipate funds will be available in fall of 2015. LADOT has obtained informal approval from the United States Department of Transportation (USDOT) to classify HIMIS as a minor Intelligent Transportation System (ITS) project. USDOT approved using the original agreement with Xerox to manage the Westwood expansion. LADOT anticipates a similar approval for HIMIS.

Without this extension, the City would have to issue a new federalized RFP. The Merge® system would stop operating on September 29, 2015, and not resume until a new contract was awarded. The procurement process to draft, advertise, negotiate and execute a new contract will take one to two years, not including the federal and state pre-award audit and approval which could add several more months; this significant delay will jeopardize the federal funding for HIMIS.

The original contract was awarded to Xerox with total compensation not to exceed \$30.5 million. To date, costs paid to Xerox for the design, implementation and ongoing operations of Downtown LA Express Park total \$22.5 million. The Westwood Village expansion is budgeted to cost \$0.8 million. HIMIS is budgeted to cost \$2.7 million. See Table 1 below for a summary of existing LA Express Park project costs.

Table 1: LA Express Park Project Costs

LA EXPRESS PARK PROJECT	COSTS	COMMENTS
Downtown Los Angeles	\$22.5 million	Project is nearly complete
Westwood Village	\$0.8 million	Project is 80% complete
HIMIS – Hollywood	\$2.7 million	Project is scheduled to start in Spring 2016
Five Year Operation & Maintenance	\$4.5 million	
TOTAL	\$30.5 million	

FISCAL IMPACT STATEMENT

The request is only to extend the term of the contract and not increase the funding limit. Extension of the existing contract with Xerox would not have an impact on the General Fund.

SJR:kl

