

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

DATE: September 22, 2014

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: **APPROVAL TO EXECUTE A CONTRACT EXTENSION WITH SERCO INC., FOR THREE-MONTHS WITH MONTH-TO-MONTH OPTIONS THROUGH SEPTEMBER 30, 2015**

SUMMARY

This report recommends authorizing the Los Angeles Department of Transportation (LADOT) to extend the City's current contract with Serco Inc., for an additional three-months from October 1, 2014 to December 31, 2014 with additional month-to-month options through September 30, 2015.

RECOMMENDATIONS

1. AUTHORIZE LADOT to extend the City's current contract with Serco Inc., for additional three-months from October 1, 2014 through December 31, 2014 with additional month-to-month options through September 30, 2015.
2. AUTHORIZE LADOT to execute a contractual agreement to be signed and executed by the parties.
3. AUTHORIZE LADOT to amend Section 2.0, entitled COMPENSATION, and increase the unit price for meter collections for Single Space and PayStations as follows:

	<u>Current</u>	<u>New</u>
Single Space	0.57235	0.62
PayStation	9.60	9.60 (remains unchanged)

BACKGROUND

The current contract with Serco Inc., is to collect parking meter coin revenue of approximately \$30 million from 34,146 parking meters and 377 pay stations. The current contract term expires on September 30, 2014.

Although the department's intention was to have a new contract in place already, the recommendation for awarding the contract has been delayed because of a protest filed by the non-selected vendor. The protest hearing was held on September 4, 2014 approving LADOT's recommendation to award the contract for Parking Meter Coin Counting and Collection to Standard Parking.

Since the final approval process, which includes (1) the consideration of the General Manager's recommendation by the Board of Transportation Commissioners, (2) the Transportation and Budget and

Finance Committees, and (3) approval by the full City Council, and the Mayor, this process may take at until December 31, 2014, to complete. As such, the department believes it would be prudent to extend the current contract as recommended. This will ensure that parking meter coin counting services are not impacted by this procurement process.

FISCAL IMPACT

The monthly cost for this service during the last term (October 2012 – September 2013) was approximately \$155,000. The new meter rates as proposed by the current vendor will decrease the monthly billed amount by approximately \$7,000 compared to last term, based on the average number of meters collected during the current term (September 2013 – June 2014).

The LADOT Special Parking Revenue Fund budget analyst has confirmed that the funding allocation of \$2,863,460 in the 2014-15 Special Parking Revenue Fund Budget, Expense Item 0010, is sufficient to fund the additional expense for this contract extension

SJR: SRRA

Attachments: Contract Extension

FIFTH (5TH) CONTRACT AMENDMENT

NINTH (9TH) CONTRACT MODIFICATION
MONTH-TO-MONTH CONTRACT EXTENSIONS TO CONTRACT NO. 109171

BETWEEN

THE CITY OF LOS ANGELES AND SERCO INC.

FOR THE CONTINUED COLLECTION SERVICES FOR THE CITY'S PARKING METERS, PAY STATIONS
AND RELATED SERVICES

THIS AMENDMENT to Agreement No. C-109171 between the City of Los Angeles, a municipal corporation (hereinafter referred to as "City"), and Serco Inc., (hereinafter referred to as "Contractor") is entered into effective October 1, 2014 and with reference to the following:

WHEREAS, the City entered into a contract with the Contractor on October 1, 2005 for a period of one year with four (4) annual extensions, effective October 1, 2006 through September 30, 2010; and

WHEREAS, the City entered into an amendment with the Contractor to extend the term of said Agreement commencing on October 1, 2010 through September 30, 2011, with a one-year option to renew from October 1, 2011 through September 30, 2012; and

WHEREAS, such one-year option to renew from October 1, 2011 through September 30, 2012 was exercised by the City on September 20, 2011; and

WHEREAS, the City entered into an amendment with the Contractor to extend the term of said Agreement commencing on September 30, 2012 through March 31, 2013, with additional month-to-month options through September 30, 2013; and

WHEREAS, the City extended the contract to continue parking meter and pay station collection services for an additional six months, from September 30, 2013 through March 31, 2014 and exercised the additional month-to-month options through September 30, 2014; and now exercises a contract amendment for three months through December 31, 2014 with additional month-to-month options through September 30, 2015 while the Department of Transportation's completes the process for awarding a new contract for parking meter coin counting and collection services; and

WHEREAS, both parties have mutually agreed to this contract extension under the same terms and conditions of the current contract and have mutually agreed upon a rate increase as follows:

	<u>Current</u>	<u>New</u>
Single Space	0.57235	0.62
PayStation	9.60	9.60

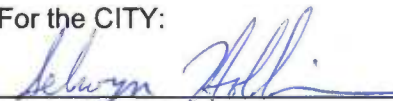
WHEREAS, both parties have mutually agreed that in the event of termination on or after 12/31/2014 or expiration of this Agreement, the City will designate a transition period during which Contractor shall work cooperatively with the City and the successor contractor selected by the City in order to support a successful transition of the meter operations. Contractor shall, at a minimum, perform the following outgoing transition requirements: (i) provide the successor contractor with access to meter condition reports in a mutually agreeable format; (ii) provide the successor contractor with a maintenance report on all other City-owned equipment, including collection canisters and carts; (iii) allow key personnel of the successor contractor to "shadow" Contractor's collection workforce on routes and schedules and to observe the operations in the coin counting room; and (iv) allow key personnel of the successor contractor any other access to Contractor's operations reasonably required by the City to support a successful transition of the meter operations. The Contractor shall submit invoices in accordance with Section 3.1 for collections made during the designated transition period.

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THE CITY OF LOS ANGELES AND SERCO INC
FOR THE CONTINUED COLLECTION SERVICES FOR THE CITY'S PARKING METERS, PAY STATIONS
AND RELATED SERVICES

APPROVED AS TO FORM:
Mike Feuer, City Attorney

 9/23/14
By: Michael Nagle
Deputy City Attorney

For the CITY:


Seleta Reynolds
General Manager
Department of Transportation

ATTEST:

Holly L. Wolcott, Interim City Clerk

For the CONTRACTOR:


David Cornell, Contracts
Serco Inc.