

COMMUNICATION FROM CHAIR AND MEMBER, TRANSPORTATION COMMITTEE relative to extending the Los Angeles Department of Transportation (LADOT) contract with Serco, Inc., for the collection and counting of parking meter and pay station coin revenue.

Recommendations for Council action:

- 1. AUTHORIZE the LADOT to:
 - a. Extend the city's current contract with Serco Inc., for an additional six-months from September 30, 2013 through March 31, 2014, with additional month-to-month options through September 30, 2014.
 - b. Execute a contractual agreement to be signed and executed by the parties, subject to the approval of the City Attorney as to form and legality.
 - c. Amend Section 2.0, entitled COMPENSATION, and increase the unit price for meter collections for single space and pay stations, as follows:

	<u>Current</u>	<u>New</u>
Single Space	0.56113	0.57235
PayStation	9.41	9.60

- 2. DIRECT the LADOT to report to the Transportation Committee at its meeting scheduled to be held October 9, 2013, relative to:
 - a. A comparison of contracting out the collection and counting of parking meter coin revenue with using City employees.
 - b. A determination of initial start-up and personnel costs for in-sourcing this function, including various scenarios for differing employee pension costs.
 - c. The original justification for outsourcing this function.

Fiscal Impact Statement: The LADOT reports that the current monthly cost for this service is approximately \$150,400. The new meter rates as proposed by the current vendor will increase the monthly billed amount by approximately \$3,000; resulting in additional costs of \$27,000 for Fiscal Year (FY) 2013-14 and \$9,000 for FY 2014-15. The department believes that the increase is fair and reasonable based on the current vendor's need to maintain an aging fleet of vehicles and to secure a facility lease for the period of the contract extension. The LADOT states that funding in the amount of \$2,799,000 in the 2013-14 Special Parking Revenue Fund Budget is sufficient to fund the additional expense for this contract extension.

Community Impact Statement: None submitted.

SUMMARY

In a report to Council dated August 30, 2013 (attached to the Council file), LADOT requests

authority to extend the city's current contract with Serco, Inc., for the collection and counting of parking meter and pay station coin revenue. The Department reports that the current contract, which expires September 30, 2013, with Serco is for the collection of parking meter coin revenue of \$25.3 million from 37,964 parking meters and 431 pay stations.

LADOT goes on to report that awarding the new contract has been delayed due to the complexity of the proposals and the detailed analysis required for their evaluations. The Department anticipates it will take six or more months to complete the evaluations of the proposals. Extending the contract with Serco will ensure that parking meter coin counting services are not impacted by this procurement process.

At the Transportation Committee meeting held September 11, 2013, the Committee Chair and member discussed this matter with LADOT staff. The LADOT representative stated that 52 percent of payments at parking meters and pay stations are done with credit cards, 48 percent are paid with coins. The decrease in the percentage of coin payments has resulted in less frequent meter and pay station collections, and a lower monthly expense for the City for these services. The Committee Chair and member recommended that Council approve LADOT's request to extend the contract with Serco. The Committee members further recommended that Council direct the LADOT to report relative to the cost of using City employees for collection and counting functions, and the justification for outsourcing these activities.

Respectfully Submitted,

TRANSPORTATION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
BONIN:	YES
KORETZ:	ABSENT
LABONGE:	ABSENT
PARKS:	YES
KREKORIAN:	ABSENT

-NOT OFFICIAL UNTIL COUNCIL ACTS-