

**REQUEST FOR COUNCIL ACTION**

**TO:** Mayor via City Secretary

**RCA#**

**Subject:** Approve an Ordinance Extending a Sole Source Contract for Parking Meter Multi-Space, Solar Pay Station Warranties, Spare Parts, and Pay Station Purchase Price Options for the Administration and Regulatory Affairs Department and appropriating \$2,000,000 in FY16 for the meter purchase from Fund 1850 (WBS D-650005).

Category #

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Agenda Item

**FROM (Department or other point of origin):**

Tina Paez, Director  
Administration & Regulatory Affairs Department

**Origination Date**

October 7, 2015

**Agenda Date**

**DIRECTOR'S SIGNATURE**

*for*  30 Sep 2015

**Council District(s) affected**

All

**For additional information contact:**

Lara Cottingham Phone: (832) 393-8501  
Maria Irshad, CAPP Phone: (832) 393-8643

**Date and Identification of prior authorizing Council Action:**

2012-96

**RECOMMENDATION: (Summary)**

Approve an ordinance extending a sole source contract to T2 Systems, in an amount not to exceed \$13,885,322 for parking meter multi-space, solar pay station warranties, spare parts, and pay station purchase price options for the Administration and Regulatory Affairs Department and appropriate \$2,000,000 in FY16 for the meter purchase from Fund 1850.

Maximum Contract Award Amount: \$13,885,322

**Finance Budget**

**SOURCE OF FUNDING:**     General Fund     Grant Fund     Enterprise Fund

**Other (Specify)** Parking Management Operating Fund (Fund 8700) \$160,990 - and Fund 1850 (Reimbursable) - \$2,000,000

**SPECIFIC EXPLANATION:**

The Administration & Regulatory Affairs Department and the City's Strategic Purchasing Agent recommend that City Council approve an ordinance extending a sole source contract awarded to T2 Systems ("T2") in 2012 for another five years in an amount not to exceed \$13,885,322 for parking meter multi-space, solar pay station warranties, spare parts and pay station purchase price options for the Administration & Regulatory Affairs Department (ARA) and appropriate \$2,000,000 in FY16 for the meter purchase from Fund 1850. It is expected that the reimbursement of Fund 1850 will come from parking meter revenues collected in Fund 8700.

Over the last nine years, ARA's Parking Management division installed 1,054 multi-space pay stations to replace single-space, coin-only meters. The solar-powered pay stations allow for real-time credit card transactions, accept credit cards as well as bills and feature customer-friendly technologies that enhance the customer's parking experience. Since the installation, meter revenues have increased from \$3.6 million in FY08 to \$7.4 million in FY15. In addition, customer service has improved due to the increased functionality and the added option of paying for parking with bills, coins or credit card.

Currently, 550 pay stations are nearly ten years old and approaching their end-of-life. Due to their outdated software, these meter pay stations must be replaced before December 2016 or will no longer be able to accept and process credit card transactions. Under the scope of this amendment, T2 will provide fixed, advantageous pricing for the purchase of up to 1,500 meter pay stations. The amendment also includes extended warranties, spare parts, back office software licenses and hosting services for the City's future and existing inventory of meter pay stations.

The extended warranties cover defective parts and provide for a one-for-one exchange of the part. Additionally, the warranty provides continued technical support for the duration of the warranty period of five years and includes troubleshooting and programming assistance.

**REQUIRED AUTHORIZATION**

Finance Department:

Other Authorization:

Other Authorization:

Date: 10/07/2015	Subject: Approve an Ordinance Extending a Sole Source Contract for Parking Meter Multi-Space, Solar Pay Station Warranties, Spare Parts, and Pay Station Purchase Price Options for the Administration and Regulatory Affairs Department.	Originator's Initials MLI	Page 2 of 2
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The back office software and hosting allow for programming and reporting features to better manage the meter pay stations. The hosting service will ensure that credit card processing at the pay stations is Payment Card Industry (PCI) compliant. T2 is a Level 1 Service Provider under the PCI-Data Security Standard (PCI-DSS). Hosting also ensures sufficient monitoring of the meter pay station communication with the back office software to ensure revenues are properly accounted for and that maintenance alerts are consistent.

The new pay stations offer a new "extend-by-phone" feature, which allows a customer to enter their cell phone number at the meter pay station to receive text alerts and pay for additional parking when paying by credit card. They also feature "pay-by-plate" functionality, which will eliminate the need for customers to pay and return to their vehicle to display a physical receipt on their dashboard. Under "pay-by-plate", Parking Compliance Officers will receive notifications in their handheld units that a vehicle has paid using the plate number when a receipt is not displayed. Improved financial controls include electronic locks on the collection cabinet that are programmable to track who is opening the meter pay station at any time.

T2 is the global sole-source provider of the meter pay stations deployed by the City of Houston, and likewise is the sole-source provider of the goods and services to be delivered pursuant to the scope of this contract. This sole source and contract extension recommendation is made pursuant to Chapter 252, Section 252.022(a)(7)(A) of the Texas Local Government Code for exempt procurements.

This contract will be funded by the ARA Parking Management Fund 8700 for operating expenses and Fund 1850 (Reimbursable) for capital expenses. The table below breaks down contract cost by fiscal year. The table breaks down the purchase of 276 new meter pay stations per fiscal year starting in FY16. All future installations will be subject to a stakeholder review process. The breakdown of the costs by fiscal year is as follows:

Item	FY16	FY17-FY21	Total by item
Extended Warranties	\$ -	\$ 1,458,732	\$ 1,458,732
Operation Spare Parts	\$ 84,000	\$ 576,000	\$ 660,000
Back Office Software/Hosting	\$ 63,240	\$ 1,257,600	\$ 1,320,840
Parking Meter Refresh - up to 1,500 pay stations	\$ 2,000,000	\$ 8,000,000	\$ 10,000,000
Network	\$ 13,750	\$ 432,000	\$ 445,750
<b>TOTAL</b>	<b>\$ 2,160,990</b>	<b>\$ 11,724,332</b>	<b>\$ 13,885,322</b>

Attachment: M/WBE Zero-Percentage Goal Document approved by the Mayor's Office of Business Opportunity. This recommendation is made pursuant to Chapter 252, Section 252.022(a)(7)(A) of the Texas Local Government Code for exempted procurements.

cc: Marta Crinejo, Agenda Director  
Anna Russell, City Secretary  
Carolyn Hanahan, SPD  
Donna Edmundson, City Attorney