



Staff Report

File #: REPORT 22-0640, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of November 3, 2022**

**AWARD A CONTRACT FOR MOBILE PARKING PAYMENT
SYSTEMS (PAY-BY-APP) SERVICES TO PARKMOBILE, LLC**
(Deputy City Manager Angela Crespi)

Recommended Action:

Staff recommends City Council:

1. Award a contract for mobile parking payment systems (pay-by-app) services to ParkMobile, LLC, for a term of three years beginning November 4, 2022, and ending November 3, 2025 **(Attachment 1)**; and
2. Authorize the Mayor to execute and the City Clerk to attest the proposed agreement subject to approval by the City Attorney.

Executive Summary:

Following a competitive bid process, staff recommends City Council award the mobile parking payment system (pay-by-app) services contract to ParkMobile, LLC for a term of three years beginning November 4, 2022 and ending November 3, 2025 with the option to extend for additional one-year periods.

Background:

At its December 17, 2019 meeting, City Council was presented a Coastal Zone Parking Management Study (Study), prepared by the IBI Group. The Study provided an assessment of parking resources within the Coastal Zone as part of the City's efforts to obtain a certified Local Coastal Program. The study presented 12 recommendations including implementation of an App-Based Mobile Pay System. Council directed staff to return with a detailed list of action items for each of the recommendations from the Study.

At its January 21, 2022 Parking Study Session, staff provided City Council with an update regarding the intent to implement a mobile parking payment program to move toward a demand-based parking program that would provide the ability to adjust rates and regulations and to make it as easy as possible for users to find a parking space.

Past Council Actions

Meeting Date	Description
December 17, 2019	City Council received and accepted the findings of the Coastal Zone Parking Management Study (Study), prepared by the IBI Group and directed staff to return with a detailed set of action items for each of the recommendations.
January 31, 2022	City Council held a Parking Study Session and received an update regarding the implantation of a mobile parking payment system.

Analysis:

On September 23, 2021, the City issued an RFP (**Attachment 2**) inviting highly qualified vendors to submit proposals providing the most current technology in the parking asset management industry through a competitive process. The RFP was advertised on the City's website and the City's online bidding platform, PlanetBids. The City received a total of eight proposals in response to the RFP. The proposing vendors included: Flowbird; Hot Spot; IPS; Pango; ParkMobile; Passport; PaybyPhone; and Premium Parking.

The proposals were evaluated on the following factors:

- System Requirements and Features;
- Relevant Experience, Expertise, and Equipment;
- Administration; and
- Cost to City and End User.

Following an initial evaluation of the submitted proposals, staff held interviews with the top scoring consultants. Based on a review of the submitted proposals, interviews, and a check of references, staff recommends City Council award a contract to the most qualified vendor, ParkMobile. The recommended vendor is also used locally in the coastal cities of Huntington Beach, Newport Beach, Redondo Beach, and San Diego.

The services and platform offered by ParkMobile include all of the desired features for end users and City staff. The payment platform allows customers to pay their parking fees on their smart phone utilizing various payment methods such as credit or debit cards, PayPal, and other mobile wallet options. The end user is able to affect payment from the convenience of their car, set up expiration notifications, and add time from their current location without returning to a meter or pay station. The ParkMobile app also allows end users to manage vehicles, save their favorite or recent parking zones, utilize a "find my car" feature, and gives end users the ability to view and print their parking

history.

ParkMobile offers end users and City staff a customer care and member services center that is available 24 hours per day, year-round. Should the need arise, inquiries or disputes could be submitted via phone, email, app, or vendor website. In addition, ParkMobile recognizes the importance of signage and decals and proposes to include these at no cost for the initial deployment. The City would be responsible for installation.

Based on a comprehensive review of the proposals, staff recommends award of a contract for mobile parking payment systems (pay-by-app) services to ParkMobile, LLC, for a term of three years beginning November 4, 2022, and ending November 3, 2025 with an option to extend for additional one-year periods.

If approved, staff would begin preparations for implementation of the program including commencement of a communication campaign and installation of the necessary signage. For the initial deployment, staff recommends beginning this new program in the high demand parking areas of Lots A, B, and C. The phased deployment would allow the initial configuration of back-end systems, training of staff, and communication to the public. The three lots combined have approximately 430 parking stalls. The existing parking kiosks would remain as an additional option for end users should they not desire the pay-by-app option.

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

Mobility Element

Goal 4. A parking system that meets the parking needs and demand of residents, visitors, and employees in an efficient and cost-effective manner.

Policy:

- **4.7 Parking availability.** Optimize parking availability through dynamically adjusted pricing and new technology to manage available spaces for short-term parking use to encourage rates of turnover that are responsive to fluctuating demands.

Parks and Open Space Element

Goal 6. The coast and its recreational facilities are easily accessible from many locations and by

multiple transportation modes.

Policy:

- **6.10 Paid parking.** Provide parking payment systems that respond to demand and improve ease of use.

Infrastructure Element

Goal 1. Infrastructure systems are functional, and well maintained.

Policy:

- **1.5 New technologies.** When feasible, utilize emerging technologies and funding strategies that improve infrastructure efficiency, sustainability, and resiliency.

Fiscal Impact:

Staff recommends the City use its current credit card processing company, AMG. Under this approach, the City would continue to pay the merchant processing fee of \$0.05 per transaction plus approximately 4.6 percent of the total cost of the transaction to AMG. These charges are the same as if the end user pays with a credit/debit card directly at a parking kiosk or parking meter. Pay-by-app payments bypass the parking meter's credit card processing system and, as a result, the City would not be charged the IPS secure gateway transaction fee for credit/debit card transactions, which is currently \$0.06 for parking meters or \$0.13 for parking kiosks. Any savings in fees related to pay-by-app usage would be reflected in future budgets.

If the end user pays by cash or debit/credit card using a parking kiosk or parking meter, the City collects \$1.25 for one hour of parking. However, if an end user employs the pay-by-app to purchase parking, the cost for the first hour would increase to \$1.50. The City would receive net revenue of \$1.25 per hour and ParkMobile would receive a \$0.25 transaction fee for their services. The transaction fee would only be charged once and would not apply to an extended session. However, the credit/debit card processing fees are paid by the City for each transaction.

Attachments:

1. Draft Professional Services Agreement
2. Request for Proposals (RFP) Mobile Parking Payment Systems
3. ParkMobile Proposal
4. ParkMobile Informational Flyer
5. Link to December 17, 2019 City Council Staff Report
6. Link to January 31, 2022 City Council Parking Study Session Staff Report

Respectfully Submitted by: Dave Wilson, Management Analyst

Concur: Angela Crespi, Deputy City Manager

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Suja Lowenthal, City Manager