



Legislation Text

File #: 22-0157, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Finance Director
Libby Bretthauer, Financial Services Manager
Emy-Rose Hanna, Revenue Services Supervisor

SUBJECT:

Consideration of a Resolution Approving a Five-Year Agreement with Turbo Data Systems, Inc. for Citation Processing for an Estimated Amount of \$135,000 Annually (Finance Director Charelian).

- A) WAIVE FORMAL BIDDING (COOPERATIVE PURCHASING)**
- B) ADOPT RESOLUTION NO. 22-0051**

RECOMMENDATION:

Staff recommends that the City Council:

- a) Waive formal bidding due to cooperative purchasing per Manhattan Beach Municipal Code Section 2.36.150; and
- b) Adopt Resolution No. 22-0051 approving a five-year agreement with Turbo Data Systems, Inc. for citation processing services for an estimated amount of \$135,000 annually.

FISCAL IMPLICATIONS:

Appropriate funds are budgeted annually for citation processing. Historically, the City's annual parking citations have averaged around 50,000 citations per year (based on a four year average).

BACKGROUND:

For over 30 years, Turbo Data has been one of the leading industry experts in citation processing services. They have a robust parking citation system, which includes citation processing through a web payment portal, and several mechanisms for revenue recovery on non-paid citations.

In 2006, the City Council approved outsourcing parking citation processing and contracted with Turbo Data Systems, Inc. for that service. Outsourcing was determined to be the best method of processing and collecting citations due to the need to maintain certain technologies, as well as maximizing efficiency. Turbo Data Systems handles the entire citation process from invoicing, accepting payments (via mail and online) and handling the collections process.

Moreover, Turbo Data has an excellent collections process. They have increased their collection

rates through their relationship with the State Franchise Tax Board (FTB), Department of Motor Vehicles (DMV) and National Law Enforcement Telecommunications System (NLETS). These relationships allow Turbo Data access to out-of-state DMV records and certain State tax return withholdings, which provides additional measures to collect delinquent citation payments. Their strong client interface and continuous expansion of collection methods has enabled them to obtain a collection rate of over 90% consistently. Additionally, the strong relationship between DMV agencies and the citation processor has reduced collection times.

DISCUSSION:

Turbo Data's services have expanded accessibility to our customers by providing 24-hour payment options through a well-staffed call center and an internet based credit card payment system that allows customers to view their citations. Customers can also obtain information about the citation process including adjudication and appeals, make payments, and contact a live operator with questions. Turbo Data also provides automation and integration through the City's handheld parking citation devices, and imports City-issued electronic citations into their database within one business day of issuance, thereby reducing lag time between citation issuance and billing.

Over the course of the last sixteen years, Turbo Data has continued to provide excellent, cost effective, and efficient services to the City of Manhattan Beach. By continuing the service, customers will also continue to have access to their system without any disruption of service. As a result, staff recommends that the City continue to utilize Turbo Data for citation processing.

Waiver of Formal Bidding

Staff recommends that the City Council waive formal bidding per Manhattan Beach Municipal Code Section 2.36.150 (cooperative purchasing), which allows the City to forego the formal bidding process by "piggybacking" onto another agency who has already engaged in the formal bidding process. Whenever practical and in the City's best interest, the City utilizes cooperative purchasing for contracts which are economically advantageous. By engaging in cooperative purchasing, the City is often able to obtain better pricing, terms, and conditions rather than bidding alone.

In this case, the City has been able to obtain pricing from a 2022 City of Newport Beach contract with Turbo Data. The City of Newport Beach had competitively solicited proposals for citation services and awarded the contract to Turbo Data based on their pricing, hardware and software, redundant systems and well-structured customer support system. By piggybacking on the Newport Beach contract, the City will be able to receive the same low rates as Newport Beach, which are favorable and less costly than the City's existing contract rates. Staff is confident that Newport Beach rates are very competitive in today's market.

In addition to specializing in parking citation processing, the contract with Turbo Data also includes the option for processing administrative citations for code violations. This service would provide a more efficient payment collection process for administrative citations similar to how parking citations are collected. Additionally, Turbo Data would use the same platforms with FTB and NLETS to collect delinquent citation payments resulting in higher collections.

To take advantage of this cooperative purchasing opportunity, staff recommends City Council approve the agreement with Turbo Data. The contract period with Newport Beach ends on March 31, 2027; therefore, the contract period for Manhattan Beach will be May 4, 2022 through March 31,

2027. Additionally, the City may cancel the contract at any time without cause if necessary.

PUBLIC OUTREACH:

After a thorough analysis, staff determined that there would be no impact to the public and that public outreach was not required for the approval of this contract.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Resolution No. 22-0051
2. Agreement - Turbo Data Systems, Inc.