



## Legislation Text

---

**File #:** 19-0345, **Version:** 1

---

**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Stephanie Katsouleas, Public Works Director  
Steve S. Charelian, Finance Director  
Shawn Igoe, Utilities Division Manager  
Cynthia Mickschl, Acting Revenue Manager

**SUBJECT:**

Consider Adopting a Resolution Awarding a Contract to IPS Group, Inc. for the Purchase of 1,400 Single-Space Parking Meters, Up to 14 Multi-Space Parking Kiosks, and a License Plate Recognition (LPR) Trial for the Metlox Parking Lot in an Amount Not-to-Exceed \$1,470,981; and Authorize the City Manager to Enter into an Agreement with IPS Group, Inc. for Parking Meter Transaction Merchant Processing (Public Works Director Katsouleas and Finance Director Charelian).

- a) **ADOPT RESOLUTION NO. 19-0099**
- b) **WAIVE FORMAL BIDDING AND APPROVE**
- c) **APPROPRIATE FUNDS**

---

**RECOMMENDATION:**

Staff recommends that City Council:

- a) Waive formal bidding per Municipal Code Section 2.36.140;
- b) Adopt Resolution 19-0099 awarding a contract to IPS Group, Inc. for the purchase of 1,400 single-space parking meters, up to 14 multi-space parking kiosks for Metlox, and a License Plate Recognition (LPR) trial for a mobile and fixed system in the Metlox parking lot in an amount not-to-exceed \$1,470,981;
- c) Appropriate \$71,000 from the Parking Fund to accommodate the full cost of the purchase contract; and
- d) Authorize the City Manager to enter into an Agreement with IPS Group, Inc., for parking meter transaction merchant processing.

**FISCAL IMPLICATIONS:**

The City's Parking Fund currently has a budget of \$1.4 million in fiscal year 2019-2020 for this purchase, resulting in the need for an additional appropriation of \$71,000. The agreement includes pricing for repair and replacement parts for the first five years of the contract. The Agreement also calls for purchasing up to 14 kiosks for Metlox as an alternative to installing single-spaced meters. The contract rate incorporates an equipment savings of \$115,000 by converting single-space meters

in Metlox to a multi-space payment system (kiosks).

Finally, as a result of the contract negotiation process, staff estimated that the City can save an additional \$120,000 annually by transferring parking meter transaction merchant processing through IPS Group, Inc. using their third party company AMG. The savings would be due to their pre-negotiated bulk transaction rates with various credit card companies. Costs for merchant services are not included in the 1.4 million for materials and equipment.

### **BACKGROUND:**

The City currently operates and maintains 1,808 single-space parking meters throughout the City. This encompasses approximately 495 on-street metered spaces, 900-metered spaces in City-owned lots, and 413-metered spaces in State and County lots.

Approximately 10 years ago, the City pilot tested and evaluated new parking meters at the upper and lower Pier parking lots from two companies that manufacture single-space and multi-space meters. After several months of testing, it was determined that single-space parking meters were the best solution to meet the City's parking needs, and that IPS Group, Inc. provided the best overall product. As a result, the City ultimately replaced all of its on-street and parking lot meters with IPS meters using 2G communications. Although 2G was state of the art 10 years ago, it is now being phased out with telecommunications advances to 4G and 5G. In the near future, 2G meters will no longer be supported by telecom companies. Additionally, other desirable meter features have become available over the past decade, such as occupancy detection and pay-by-phone.

### **DISCUSSION:**

In mid-2018, in anticipation of upgrading all of the City's parking meters with the latest features and communications technologies, staff installed and tested new IPS meters with enhanced features, such as turn-over rate detection, percentage of time a meter's allotted time was exceeded, vacancy rates, etc. The pilot program consisted of installing 58 single-space parking meters along Manhattan Beach Boulevard, from Morningside Drive to Manhattan Avenue, and evaluating patron usage based on the meter's feedback features. The reporting software showed the following:

- Most occupants stayed the full amount of time that was paid for;
- Most users did not overstay the posted time limit;
- Some users did not feed the meter at all, typically for short-term (5 to 10 minute) visits; and
- Approximately 80% of users paid by credit card (this is consistent with current citywide usage).

Notable, today's IPS meters provide several enhanced features over the previous model, including tools to manage parking demand, meters and resources in new ways, such as:

#### **Evaluating Parking Durations for Various Areas/Zones**

The occupancy of each parking space can be analyzed to determine which areas and which meters are most utilized, and for how long. This information can assist with determining if demand base pricing will work in the future, or whether time limitations should be altered.

Attached to this staff report is the average occupancy turnover from August 2018 to December 2018 along Manhattan Beach Blvd, between Morningside Drive and Manhattan Avenue.

#### **Space Sensor Technology**

The new models have parking space sensors built into the head of the meter. This technology allows the meters to document the duration that each user stays, and whether the user is trying to “refeed” the meter in lieu of vacating the parking space at the end of the time limit. The meter can refuse to accept additional payment if the user is overstaying the time limit. It also has the capability to “zero out” the meter when the space is vacated so that the next user cannot use the remaining time or add to the minutes available on the meter. The City could see a potential revenue increase by zeroing out the meter, although based on the pilot results, the increase may be small.

The sensors can also be integrated with parking enforcement handhelds to optimize enforcement of parking restrictions. Council should be aware that the sensor technology is not perfect and the meter can “zero” out with a car parked in the space, resulting in a citation, although this is not common. Should someone receive a citation, they can dispute this charge and parking enforcement can access the software to assist in determining if the citation should be waived.

Parking sensors also provide more accurate data on the availability of parking spaces through the Park Smarter app, which helps users find available parking spots on demand.

### **Telecommunications**

The new meters use 4G LTE cellular communications, which along with 5G, is the most recent communications platform. Telecom providers indicate that 4G will be around for quite a while, and certainly as long as the life of the meters under consideration.

### **Parking Availability App**

IPS meters are integrated with the Park Smarter App, which provides users various benefits to improve their parking experience. Some of these benefits include:

- Parking Finder: available parking mapping;
- Real-time notification alerts for expiring meters;
- Ability to pay and extend parking sessions remotely if not exceeding the total time limit (the City pays a convenience fee for this option); and
- Multi card and vehicle registration per account.

There are also other vendors who provide mobile pay options that can be integrated with the meter’s software (see below). Typically, users who have accounts with other vendors will pay the full meter rate to the City plus a convenience fee directly to the vendor.

### **Mobile Payment**

Near Field Communication (NFC) or mobile pay applications (apps) are becoming more widely used as a form of payment. As part of this pilot, the NFC technology was offered through Apple Pay and Google Wallet. However, with only a small pilot area deployed and given that the feature was not advertised to avoid confusion with other non-equipped meters, there was minimal usage by users.

There are several companies that offer a solution at no cost to the City because the convenience fee is passed on to the user. These companies allow their customers to pay via a mobile app, which then communicates the allotted time to the parking meter. The apps can

also assist users in finding parking during peak periods and special events, as well as allow the user to extend times without going back to the meter.

### **Other Benefits**

A credit card used at the meter can be correlated with its usage at downtown commercial establishments (e.g., are users shopping and/or dining in town, or are they just going to the beach), although no personal data is transmitted. The feature only records that a card was used multiple places, but does not disclose the rates, or who the owner of the card is.

### **Parking Lot Payment Options**

The City's existing meters use solar panels for charging to extend the life of the batteries. However, this feature has not performed well in Metlox over the last decade, resulting in periodic non-functioning meters and early battery replacements. Lots 2, 3, and 4 are covered but receive enough ambient light throughout the day to minimize poor performance issues, although the batteries do not last quite as long as those exposed to full sun. The 450 meters in Metlox receive virtually no ambient sunlight and the batteries degrade much faster. Therefore, staff's recommendation is to install and evaluate a multi-space parking system within Metlox. These 450 parking meters would be replaced with 12 multi-space kiosks (and two backups) at the escalators and each stair well on both levels (with two backup systems available), which would resolve battery performance issues. Although the kiosk housing itself is fixed, the specific features of the kiosk payment system are customizable. These features would be evaluated in partnership with the Downtown Professional Business Association (DBPA) and the City's Parking Enforcement Division within the Police Department to determine which payment method is most desirable for implementation. Available kiosk payment options include:

- A system that can issue tickets to be placed on the vehicle dashboard
- Pay-by-license plate
- Pay-by-spot, utilizing a fixed number system for each stall

The latter two options would require utilizing a mobile ALPR system, which would be pilot tested as part of the payment evaluation and selection process. A fixed ALPR system could also be installed at the parking structure entrances to assist with identifying space availability; and could even report back to the Police Department on stolen vehicles and other vehicle violations.

Lastly, there is an initial cost savings of approximately \$115,000 in equipment purchasing by switching to the centralized kiosks in lieu of installing single-space parking meters in Metlox.

### **CONCLUSION:**

IPS meters are the most widely-used single-space meter in the United States due to their outstanding performance. The City has deployed IPS meters successfully for nearly 10 years, and the newest IPS meters are one of the most state-of-the-art meter available on the market today. IPS offers 4G LTE cellular chips, which will ensure full communication support for the life of the meters. Additionally, our staff has developed expertise in IPS meter maintenance and repairs, thus minimizing potential outages when they do occur. Lastly, because IPS meters are only available from the manufacturer, competitive bidding for the purchase of this product is not possible.

For all of these reasons, staff recommends that City Council:

1. Waive formal bidding per Municipal Code Section 2.36.140 (waivers) for the purchase of 1,400 single-space and 14 multi-space parking kiosks;
2. Approve a License Plate Recognition (LPR) trial in the Metlox parking lot;
3. Appropriate \$71,000 from the Parking Fund to accommodate the full cost of the parking meter purchase contract;
4. Authorize the City Manager to execute a purchase agreement with IPS Group, Inc. in an amount not-to-exceed \$1,470,981; and
5. Authorize the City Manager to execute an agreement with IPS Group, Inc., for meter transaction merchant processing, which will result in an estimated \$130,000 annual savings over our current merchant processor's fees.

**PUBLIC OUTREACH:**

The new meter technology was presented to the Parking and Public Improvement Commission on September 26, 2019. Notifications will go out via the City website and social media regarding the new single-space meter installations and features once they are deployed. Lastly, deployment of the multi-space meter kiosks will occur in partnership with the DBPA and City's Police Department.

**ENVIROMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(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 approved the agreement as to form.

**ATTACHMENTS:**

1. Resolution No. 19-0099
2. Agreement - IPS Group, Inc.
3. Occupancy Turnover Data