



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Professional Services Agreement for Mobile Payment Solutions to PayByPhone

1. Motion awarding a professional services agreement to PayByPhone including a \$0.30 per transaction convenience fee and authorizing the City Manager, or his designee, to execute the agreement.

COUNCIL ACTION

Item Type: Action Item

Approved for November 29, 2022 **Calendar**

EXECUTIVE SUMMARY

The City's parking meter operation is in need of a mobile payment solution that will offer additional payment options for customers utilizing existing parking meter pay stations or coin operated meters.

Following a Request for Proposals (RFP) process, PayByPhone was selected as the highest ranked respondent to provide this mobile payment solution. The cost for this service is paid by the customer directly to PayByPhone through a convenience fee of \$0.30 per transaction.

COUNCIL PRIORITIES

Infrastructure: The addition of a mobile payment solution to the City's parking program will provide additional payment options for parking customers.

RECOMMENDATION

Approve the motion authorizing the City Manager, or his designee, to enter into and execute a professional services agreement for mobile payment solutions with PayByPhone for five years, with an option to renew the agreement for one additional two-year term, in the amount not to exceed \$80,000 for the City's parking meter operation.

BACKGROUND

On November 5, 2019, City Council adopted the parking management strategies outlined in the Downtown and Montrose Comprehensive Parking Analysis. One of the strategies is to implement a mobile payment solution for all 2,500 metered parking spaces. This payment solution was requested and supported by the Greater Downtown Merchants Association and the Montrose Shopping Park Association. One of the impacts of Covid-19 was the desire to limit customer contact points such as paying at a parking meter. A mobile payment solution will allow the customer to pay for parking with a credit/debit card using their cell phone, thereby creating a “touchless” payment experience. In addition, there has been a significant increase in requests from customers to pay for parking with a credit/debit card, as many customers no longer carry coins.

ANALYSIS

On April 26, 2022, the Public Works Department (PWD) released an RFP for mobile payment solutions. The RFP was posted on the National Parking Association, International Parking & Mobility Institute, California Mobility and Parking Association, and the City of Glendale’s websites. The mobile payment solutions will allow customers to pay for parking at existing pay stations and coin operated meters with a credit/debit card using their cell phone. This is a more efficient and economical option than replacing the coin-only parking meters with an improved version that accepts credit cards. All companies were encouraged to showcase any technical or procedural innovations that have been successful in other endeavors that may provide the City with improved services.

On June 3, 2022, the City received nine proposals. An evaluation team of staff from PWD reviewed the proposals and six companies were then invited to participate in a virtual product demonstration and interview.

On August 2, 2022, all six companies demonstrated their mobile payment solution capabilities, customer transaction processes, parking enforcement interaction, and answered questions regarding their proposed solutions. On August 9, 2022, the evaluation team held virtual interviews with all six companies. All companies were scored based on the criteria described in the RFP including: project/service description, project cost, proposer key attributes, implementation/project plan and references. Upon review of the proposals, the evaluation team determined PayByPhone to be the highest ranked proposer in the RFP process. PayByPhone provided exceptional product capabilities in their product demonstration and interview and provided examples that showcased how their product meets and exceeds the requirements outlined in the RFP. PayByPhone provides an easy-to-use mobile payment solution that is customizable to the City of Glendale, available in eleven different languages, has progressive adoption rates, and has a strong project team with municipal experience and operational staff that is familiar with the City of Glendale. PayByPhone utilizes data analytics, demographic information, marketing campaigns, quarterly business reviews, year over year adoption review, and goal setting to achieve a successful mobile payment solution for their clients. They proposed a detailed implementation plan and marketing campaign

to ensure a successful program in Glendale.

PayByPhone has also committed to adding Armenian to their language options at no additional cost to the City. While this service will not be offered at the program onset, the vendor will begin to develop this option as soon as the professional services agreement is approved by the city.

The mobile payment solutions offered by PayByPhone include a variety of options for customers to choose from when paying for parking. Some of these options include the PayByPhone mobile phone app, a quick response (QR) code option, calling a toll-free number, or using the PayByPhone website. Public Works staff will evaluate these options and consult with PayByPhone to determine which features best meet the needs of our customers.

PayByPhone was founded in Vancouver, BC in 2001, and their sole purpose was to create a frictionless and enjoyable parking experience for customers using mobile and web technologies. PayByPhone offers its clients several mobile payment solutions with 55 million users around the world. Their customers include San Francisco, Inglewood, Redondo Beach, Redwood City, San Mateo, San Luis Obispo, Richmond and Newport Beach. They also provide services to colleges such as UC Berkley, CSULA, Sacramento State, SDSU, Cal Poly Pomona, and UC San Francisco.

The mobile payment solution is funded by a \$0.30 convenience fee per transaction that customers pay directly to PayByPhone to use the service. Once PayByPhone has collected the parking charges and convenience fee, they will remit to the City the parking charges to be deposited to the Parking Fund on a monthly basis. Since PayByPhone does not charge the City for their services, the convenience fee serves as their charge to parking customers for their services. This fee covers the entire package of services to be provided by PayByPhone to Glendale parking customers including the Armenian language option.

The City is responsible for paying PayByPhone for marketing and maintenance costs supporting the program such as signage, decals and marketing materials.

Table 1

Project Description:	A mobile payment solution that provides customers additional payment methods for parking.
RFP Approved:	N/A
Advertisement Method:	National Parking Association, International Parking & Mobility Institute, California Mobility and Parking Association and City of Glendale's websites.
RFP Issued:	April 26, 2022
RFP Due Date:	June 3, 2022
Company Name(s)	Flowbird IPS Group

	Pango ParkHub ParkMobile Passport PayByPhone T2 Systems Yodel
Selection Criteria (If SS, list applicable Provision):	Project/service description; project cost; proposer key attributes; implementation/project plan, and references.
Recommended Consultant(s):	PayByPhone
New / Existing Consultant(s):	New
Procurement Method (RFP / SS):	RFP
Contract Term:	5 Years with one time renewal for additional 2 years
Project Begins:	Upon execution of contract
Project Ends:	Upon the expiration date of the contract

STAKEHOLDERS/OUTREACH

The Downtown and Montrose Comprehensive Parking Analysis completed in September 2019 by the Transpo Group recommended the installation of a mobile payment solution to provide customers with additional payment options. PayByPhone will introduce the mobile payment solution to the public by developing a customized marketing campaign that includes press releases, social media, community engagement and education, and web based and content targeted campaigns. Engagement with the Greater Downtown Merchants Association and the Montrose Shopping Park Association will commence once the mobile payment solution is set for operational release.

FISCAL IMPACT

The proposed professional services agreement for Mobile Payment Solutions with PayByPhone will cost \$80,000 over seven years, with \$20,000 having been appropriated in year one for various costs to kick-off and support the program such as signage, decals, marketing materials and maintenance. In years 2-7 of the agreement, staff estimates the costs will be approximately \$10,000 annually. No new appropriation is being requested at this time. The City Council approved funding is outlined on the next page.

Existing Appropriation		
Amount	Account String	Funding Source
\$20,000	GL: 43110-2210-PWD-7518-P0000	Parking Fund

At this time, due to a variety of factors including demographics, rates and hours of operations, it is difficult for staff to determine what impact this new service may have; if any, on parking revenue levels for the city. If the program results in an increase in the use of municipal parking, revenue will increase accordingly.

ENVIRONMENTAL REVIEW (CEQA/NEPA)

This item is considered a ministerial activity and therefore, not subject to CEQA review.

CAMPAIGN DISCLOSURE

The names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest in the company proposed for contract in this Agenda Item Report are attached in Exhibit 1 in accordance with the City Campaign Finance Ordinance No. 5744.

ALTERNATIVES

Alternative 1: Authorize the City Manager, or his designee, to enter into a professional services agreement with PayByPhone to implement, operate, maintain, and publicize mobile payment solutions for the City's parking meter operation and authorize a \$0.30 per transaction convenience fee to be paid by parking customers to the consultant.

Alternative 2: Do not authorize the City Manager, or his designee, to enter into an agreement as recommended herein, which will delay or end the City's efforts to provide a mobile payment solution to parking customers.

Alternative 3: Consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Prepared by:

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Tad Dombroski, Parking Manager

Reviewed by:

Yazdan T. Emrani, P.E., Director of Public Works

Approved by:
Roubik R. Golanian, P.E., City Manager

EXHIBITS/ATTACHMENTS

Exhibit 1: Campaign Disclosure Forms