



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: **PARKING GUIDANCE SYSTEM
IN DOWNTOWN SAN JOSE**

DATE: March 7, 2007

Approved

Kay Wines

Date

3/12/07

COUNCIL DISTRICT: District 3

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

- a) Execute an agreement with TCS International (TCS) for the purchase and installation of a Parking Guidance System (PGS) for a total cost of \$1,251,770.53 including delivery, installation, training, sales tax, and one year of maintenance and warranty.
- b) Execute change orders in an amount not to exceed a 10% or \$125,177.00 as contingency for unanticipated changes in the system design and/or installation and extended warranty period.
- c) Execute change orders for five one-year options for ongoing maintenance and support subject to appropriation of funds.

OUTCOME

A state-of-the-art Parking Guidance System that integrates with the City's existing Parking Access Revenue Control System (PARCS) and WIFI system to assist visitors to the downtown area with road, traffic, and parking conditions.

EXECUTIVE SUMMARY

The memorandum reports on the proposal evaluation process and recommends award of contract for the purchase and installation of a parking guidance system for the City of San Jose.

After a thorough and complete evaluation, staff recommends awarding the contract to TCS International (Sudbury, MA), the company which submitted the most advantageous proposal.

BACKGROUND

The Parking Guidance System utilizes advanced technology to provide real-time information on the number of available parking spaces in each of the City's parking garages, direction to these facilities, as well as other information related to parking and traffic conditions in the area as needed. By providing the public with timely and accurate information in advance, motorists can make informed decisions about available parking locations. Through the displayed information, the system will assist in maximizing the efficiency of existing parking facilities, easing traffic congestion, and facilitating the efficient flow of vehicular traffic accessing parking destinations during major events such as the San Jose Grand Prix, the Amgen Tour of California, the San Jose America Festival, the Jazz Festival, Tapestry and Talent and others.

The Parking Guidance System consists of the installation of a central computer system with necessary software and hardware to obtain real-time count information from the existing Parking Access Revenue Control System (PARCS), and transmit the data received to the Field Dynamic Message Signs (FDMS). In addition, there will be thirteen Field Dynamic Message Signs located on major streets in Downtown San Jose and along the main arterial street that will display the real-time parking space count of designated City garages and direct motorists to these facilities.

In December 2005, an RFP was issued for the purchase and installation of a Parking Guidance System. Only one proposal from TCS International was received by the January 30, 2006 deadline. After a thorough evaluation, the selection committee determined that it would be in the best interest of the City to reject the sole proposal and revise and reissue the RFP with the objective of receiving a greater number of responses. City Council approved this recommendation at the March 28, 2006 meeting.

After Council approval to reject the sole proposal, a Request for Information (RFI) was issued in order to better understand the availability and readiness of the technology. The RFI included questions focused on the implementation timeline, Parking Access Revenue Control System integration, and WIFI connectivity. While RFI responses were varied on the implementation timeline, all companies responding to the RFI confirmed that they can build a system with the ability to utilize the existing Parking Access Revenue Control System and WIFI per the City's specifications.

Based on feedback from the RFI, a second RFP was prepared with revised specifications that focused on providing a system that will work with the existing Parking Access Revenue Control System and WIFI systems.

ANALYSIS

The RFP process was initiated on June 30, 2006. Over 75 companies were notified of the requirement via the DemandStar bid notification system. In addition, the requirement was advertised on the City's internet Bid-line. The Department of Transportation also advertised the requirement on the parking industry media including the National Parking Association and

March 7, 2007

Subject: Parking Guidance System

Page 3

Parking Today magazines and their websites. Fourteen companies requested the RFP document, seven companies attended the mandatory pre-proposal conference, and two proposals were received prior to the August 14, 2006 deadline from TCS International (Sudbury, MA) and Dambach-Werke GMBH (Kuppenheim, Germany).

Evaluation Phase 1, Minimum Qualifications (MQ) Evaluation

Phase 1 of the evaluation process was to determine if the proposals met the minimum qualifications as set forth in the RFP. Both proposals met or exceeded MQs.

Phase 2, Technical Evaluation (90%)

This phase consisted of a thorough review and evaluation of each proposal for qualifications and experience (20%), and technical approach (70%).

Proposals were evaluated by a team of five Staff members from the Departments of Transportation, Public Works, Information Technology, and the Redevelopment Agency. Consistent with City practices, all evaluation team members were required to sign confidentiality and conflict of interest forms prior to receiving proposals. Proposals were scored by each team member independently and discussed only in a group setting with a purchasing representative present to facilitate the discussion, ensure independent scoring, and that the RFP process was properly followed.

At the conclusion of Phase 2, the evaluation team was unanimous in recommending TCS International to advance to the oral presentation phase of the process. The team further recommended that Dambach be eliminated from further consideration because their technical proposal was so incomplete that the evaluation panel was unable to assign scores for many key evaluation criteria. Dambach was notified of the City's decision on September 20, 2006. Dambach did not submit a protest.

Neither company requested consideration for the local and small business preference which was weighted at 10% of the total evaluation criteria. Therefore, the preference was not a factor in the selection process.

Phase 3: Oral Presentation and Site Visit.

The oral presentation/interview provided an opportunity for TCS International and their key subcontractors to present their solution and for the evaluation team to ask additional questions.

Two evaluators from the DOT visited Chicago's Metra Railroad and conducted phone interviews with TCS International references with Phoenix's Sky Harbor International Airport and Chicago's Metra Railroad. Both references confirmed that the system provided by TCS International met or exceeded their expectations.

After the site visit and reference checks, the entire evaluation team was briefed. The team's final conclusions and recommendation are as follows:

- San Jose's Parking Guidance System is a unique system that utilizes existing parking equipment and communication systems to obtain and display reliable information. This exact same system has not been developed elsewhere.
- TCS International has demonstrated that they are technologically capable of providing all hardware and software for the Parking Guidance System to meet the requirements set forth by the City's project specifications.
- Recognizing the technical risks associated with acquiring a new technology that is not widely available in the United States, the team recommended that the City enter into negotiations with TCS International on the condition that an agreement can be structured that minimizes technical risk and financial exposure to the City.

Summary

Based on the recommendation from the evaluation team, in order to minimize the technical risk associated with this project, the implementation calls for a two phased approach described as follows:

- Phase 1 will include the complete "back-end" infrastructure including server solution, interfacing to the City's existing Scheidt and Bachmann Parking Access Revenue Control System equipment, and all development necessary for the Parking Guidance System to operate on the City's existing WIFI network. Two operational and fully functional Field Dynamic Message Signs shall be installed at their permanent locations as designated by City.

In summary, Phase 1 delivers a fully functional and operational Parking Guidance System with two Field Dynamic Message Signs.

- Phase 2 shall commence upon the City's acceptance of the Phase 1 implementation, and include the delivery, installation and operation of eleven additional Field Dynamic Message Signs at designated locations.

A two phased implementation allows the City to test and accept a fully functional system for two initial signs in a real operational environment vs. factory tests that may not simulate the real environment. In the event that system modifications are required, design changes can be incorporated into the final design and fabrication of the remaining eleven signs.

Financial exposure to the City is minimized because payments to TCS International are contingent upon the successful completion and acceptance of Phases 1 and 2 as described above.

The compensation schedule is as follows:

- Project Submittals Provided/Accepted 10% of total contract value
- Phase 1 Delivery/Acceptance 50% of total contract value
- Phase 2 Delivery/Acceptance 25% of total contract value
- System Acceptance/Sign off 15% of total contract value

In the event that TCS International is unable to deliver a system meeting all design and performance criteria as set forth in the agreement, the maximum payment is 10% of the total contract value, or approximately \$125,000.

System Cost Estimate

During previous years, the Department of Transportation has upgraded their parking revenue control equipment and coordinated with the Information Technology Department to install a WIFI system in Downtown. By integrating these new technologies into the PGS system, the staff cost estimate for the system is \$1.3 million. The estimate was provided in a report by the City's consultant DKS Associates in Fall 2000 and was based on the consultant's engineering expertise, cost of labor/material and equipment at that time, and consideration of other relevant construction costs. Staff attempted to benchmark the price and found that this system is unique amongst cities. Given increased labor costs since 2000, the system proposed at \$1.25 million appears reasonable.

The system infrastructure including the construction of the concrete foundation system and power conduits will be managed and carried-out by the Departments of Public Works and Transportation. The estimated cost for the system infrastructure is \$500,000.

POLICY ALTERNATIVES

Alternative: Continue downtown parking operations without utilizing this technology.

Pros: Would not require a large initial budget outlay in Fiscal Year 2007-08.

Cons: There will be no efficient way to direct motorists to available parking spaces.

Reason for not recommending: During early 2000s, Downtown San Jose experienced a peak level of parking demand where visitors could not find parking spaces during busy hours. On June 8, 2005, the Mayor's Budget Message for 2005-2006 directed staff to expedite the implementation of the Parking Guidance System to assist visitors in locating available spaces during large scale events, such as the San Jose Grand Prix.

PUBLIC OUTREACH/INTEREST



Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**

March 7, 2007

Subject: Parking Guidance System

Page 6

- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memorandum meets Criteria 1 and will be posted on the City's website for the March 27, 2007 Council Agenda. As described above, this requirement was advertised on the City's internet Bid-Line, the DemandStar, and several trade publications.

The Downtown Parking Board approved this initiative at the Special Meeting of the Joint Operations and Capital/Finance Committees held on February 21, 2007.

COORDINATION

This memorandum has been coordinated with the Department of Transportation, the City Attorney's Office, the City Manager's Budget Office, the Information Technology Department, and the Department of Public Works.

FISCAL/POLICY ALIGNMENT

This action is consistent with the following General Budget Principles "We must focus on protecting our vital core city services for both the short- and long-term" and "We must continue to streamline, innovate, and simplify our operations so that we can deliver services at a higher quality level, with better flexibility, at a lower cost" and the Strategic Initiative "Make San Jose a Tech-Savvy City; lead the way in using technology to improve daily life."

Also this action is consistent with the Transportation and Aviation Services CSA #3: Travelers Have a Positive and Reliable, and Efficient Experience.

COST SUMMARY/IMPLICATIONS

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT:		
	Project Delivery	\$1,251,770.53	
	Contingency (if applicable)	\$ 125,177.00	
	Total Project Costs		<u>\$1,376,947.53</u>

2. COST ELEMENTS OF AGREEMENT/CONTRACT:		
Central computer hardware and software	\$	204,880.00
Dynamic message signs (quantity 13)	\$	628,110.00
Communication network components	\$	21,560.00
Installation	\$	146,000.00
Spares	\$	67,540.00
RF secondary communication system	\$	88,280.00
	Subtotal	\$1,156,370.00
	Taxes	\$ 95,400.53
TOTAL		\$1,251,770.53
10% Contingency		\$ 125,177.00
Not to Exceed Contract Amount		\$1,376,947.53

3. MILESTONE PAYMENTS BY PROJECT PHASE:

Project Submittals Provided/Accepted	\$125,177.05
Phase 1 Delivery and Acceptance	\$625,885.27
Phase 2 Delivery and Acceptance	\$312,943.63
Final System Acceptance	\$187,764.58
Total Project Cost	\$1,251,770.53

4. SOURCE OF FUNDING: Fund 533 –General Purpose Parking Fund

5. FISCAL IMPACT: After the first year of warranty and support, future operating and maintenance costs will be subject to Council appropriation funds.

BUDGET REFERENCE

Fund #	Appn #	Appn Name	Total Appn.	Amt. For Contract	2006-2007 Adopted Capital Budget Page	Last Budget Action Date Ord.No.
533	5732	Parking Guidance System (PGS)	\$1,914,000	1,251,771	Page No. V-1012	10/17/06 Ord. No. 27888

HONORABLE MAYOR AND CITY COUNCIL
March 7, 2007
Subject: Parking Guidance System
Page 8

CEQA

Exempt, PP# 06 – 011.



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Director, Finance

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