

**CITY OF MIAMI BEACH
COMMISSION ITEM SUMMARY**



Condensed Title:

A Resolution of the Mayor and City Commission of the City of Miami Beach, Florida, approving, appropriating, and authorizing the establishment of a work order in the amount of \$2,439,250 from Parking Revenue Bond Fund No. 481 for the purchase and installation of 250 multi-space parking pay stations.

Issue:

Should an appropriation and a work order in the amount of \$2,439,250 for the purchase and installation of 250 multi-space pay stations be approved?

Item Summary/Recommendation:

The Administration has researched and tested the pay and display parking operation and associated parking equipment. This experiment has been deemed successful due to: increased customer convenience vis-a-vis increased acceptance of payment methods, increased revenues, improved aesthetics, and increased operational efficiencies.

Advisory Board Recommendation:

Endorsed by the Transportation and Parking Committee on their regularly scheduled meeting on Monday, January 5, 2004. The Committee discussed the CMB Parking Smart Card "refund feature" issue and the pay and display method's inability to accommodate the refund feature. The pay by space method which could accommodate the refund feature was discussed; however, after discussion regarding the advantages and disadvantages of pay and display vs. pay by space, the Committee felt strongly that pay and display was the preferred alternative; however, an accommodation should be afforded to Smart Card users who in the future will be unable to take advantage of the Smart Card's refund feature. The Committee discussed various accommodations and since intrinsically the Smart Card and particularly the "refund feature" is used by residents, the Committee recommended that the discount currently allowed for residents be reviewed and nominally increased as an accommodation for this inconvenience.

Financial Information:

Amount to be expended:

Source of Funds:		Amount	Account	Approved
<div style="border: 1px solid black; width: 80px; height: 40px; display: inline-block;"></div> Finance Dept.	1	\$2,439,250	Parking Revenue Bond Fund 481	
	2			
	3			
	4			
	Total			

Sign-Offs:

Department Director	Assistant City Manager	City Manager

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AGENDA ITEM R7E
DATE 1-14-04

CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139
www.ci.miami-beach.fl.us



COMMISSION MEMORANDUM

To: Mayor David Dermer and
Members of the City Commission

Date: January 14, 2004

From: Jorge M. Gonzalez
City Manager

Handwritten signature of Jorge M. Gonzalez.

Subject: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, APPROPRIATING, AND ESTABLISHING A WORK ORDER IN THE AMOUNT OF \$2,439,250 FROM PARKING REVENUE BOND FUND NO. 481 FOR THE PURCHASE AND INSTALLATION OF 250 MULTI-SPACE PARKING PAY STATIONS.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

FUNDING

\$2,439,250 Funds are available from Parking Revenue Bond Fund 481 for the purpose of purchasing and installing 250 multi-space parking pay stations. The following is an itemized listing of associated costs:

Multi-space Pay Station (250 @ \$8,595):	\$2,148,750
Installation (250 @ \$275):	\$ 68,750
Contingency (10%):	<u>\$ 221,750</u>
Total:	\$2,439,250

PURCHASING AUTHORITY

Miami-Dade County/Miami-Dade Transit Agency Contract.

ANALYSIS

In our continued effort to improve [parking] services to residents and visitors alike, the Parking Department is recommending the phased implementation of multi-space [parking] pay stations. One of the Administration's goals is to enhance customer convenience of government services. The Parking Department has researched various technologies, methods of operation, and leading vendors in the parking industry providing multi-space pay station technology and equipment in an effort to provide the most appropriate application for the varying types of users within the City. The recommended method of operation is "pay and display." Simply stated, the "pay and display operation requires three simple steps: (1) payment, (2) pay station issuance of a receipt, and (3) user displays receipt on vehicle dashboard. The following are some of the major advantages to the system:

- Simpler operation for users.
- Simpler (less verbiage on signs by using international symbols) signage to explain process.
- Eliminates single meter posts making the sidewalks clear and clutter free (pay by space requires space numbers that are generally marked at a clearly visible point either on a post in front of each space which adds clutter.
- Receipt is final proof of transaction. This is one of the major advantages of a multi-space meter over a single space meter operation.
- Pay at any station. In pay and display, a customer may pay at any station and display the ticket in the vehicle. The ability to pay at any station is important as it prevents revenue loss if a station is out of order. Users do not have an excuse and are expected to pay at the nearest station. Please note that this may apply to either type of operations, namely "pay by space"; however, the pay stations must be "networked". This requires expensive capital improvements, including trenching, and laying/installing cables between machines.
- Increased revenue through: (1) increased payment options, bills, coins, credit card/smart cards and (2) parking "time" leaves with the vehicle.
- Future Growth and Regional Compatibility: Various municipalities in South Florida are currently using the pay and display (Schlumberger) system. Miami, Fort Lauderdale, Hollywood, Lake Worth, Hallandale, and Pompano Beach are all currently using Schlumberger's pay and display units. This is crucial in order to one day achieve regional compatibility. Moreover, this also increases customer convenience and ease of operation, enhancing chances of success for the program. In addition, both Miami and Miami Beach would have mixed readers (for credit cards and smart cards) allowing the possibility of a regional smart card program enhancing customer convenience. The electronic purse may also be extended to other services such as Miami-Dade Transit units in the future.

Competitive Bidding Process

The City's Procurement Department issued an RFP (Request for Proposals) for multi-space pay stations on May 21, 2003. Responses were due in August 2003 and five proposals were received. Respondents included: Schlumberger, TCS, Reino, Lexis, and Digital Pioneer. Upon review, all proposals were deemed non-responsive due to failure to meet one or more of the requirements of the RFP. Please note that Schlumberger was non-responsive in only one requirement. Specifically, there was a requirement to provide a five (5) year warranty included in the unit price. Schlumberger proposed a one (1) year warranty and additional warranty periods at an additional cost.

The City's experience with multi-space pay stations has been very good to date. The re-issuance of an RFP would further delay contracting and implementing of this technology. In an effort to streamline this process yet ensure the most cost effective and appropriate technology, the Administration evaluated other governmental agencies' contracts in an effort to determine: (1) successful public sector experience, system capabilities, and technology that is most appropriate for the needs of the City; and (2) the most competitive and cost effective terms for the City.

Schlumberger has existing contracts with Miami-Dade County Transit Agency, Miami Parking Authority; City of Fort Lauderdale; and the City of Hollywood (Florida). All four agencies have reported very good results with their experience with Schlumberger's pay stations. The Administration has since reviewed Schlumberger's contract with Miami-Dade County/Miami-Dade Transit Agency and deemed that the City may "piggyback" on the County's contract with Schlumberger Industries. Attached is a comparison of the cost of the Schlumberger multi-space pay stations, which shows that the City is receiving the same or better pricing than other governmental agencies in South Florida. Please note that the Miami-Dade Transit multi-space pay stations do not include solar power, bill acceptors, and mixed (card) readers which are additional optional equipment that the City is recommending to be included in the pay station. Other public agencies have included this equipment; however, the City is still receiving the same or better price. It is important to note that Schlumberger's unit price is consistent with the unit price submitted in their response to the City's aforementioned request for proposals.

In regards to the warranty issue, Schlumberger has agreed to provide a two (2) year warranty on parts and labor from the date of installation, at no cost to the City. The City may elect to purchase an extended warranty contract for years three, four, and five, at the City's discretion, in year two of the standard warranty. This will allow the City to build some history regarding maintenance, repair, and replacement of the pay stations and better assess whether to proceed with an extended warranty or bring in-house. For informational purposes, the extended warranty for year three to five would be \$435 per year, per pay station. This equates to \$108,750 per year. The extended warranty covers labor and parts. Conversely, if we do not extend the warranty, the labor function would be performed with in-house staff and there would be a need to purchase and maintain an inventory of parts. In years three through five, clearly, there would be more wear and tear. Parts would be more prone to need repair and/or replacement. Considering the nature of the product; replacement parts range from a few dollars to \$800 for a bill acceptor and \$900 for a (credit/debit) card reader. One of the advantages of pursuing the extended warranty option is that there are opportunities for salary savings by a workforce reduction through attrition.

To this end, the City's Parking Department in conjunction with Schlumberger Industries has had an on-going test period since January 22, 2003, to date, at no cost to the City. Two locations were selected as test sites for an on-street and off-street application. The on-street application was tested on Ocean Drive between 7th and 10th Streets and the off-street application was tested at Municipal Parking Lot 5M, located at 777-17th Street. The results from the test period have been successful. The application of this technology provides various conveniences as well as improvements to the existing technology. The following are some examples:

Increased Revenues

An increase in revenue of 21% was realized when comparing the same period this year versus last year on a year-to-date basis.

Public Acceptance

Two (2) surveys were conducted. Each surveyed users for seven consecutive days at two different points in the 90 day test period which were the week of 2/1/03 and 3/1/03. The survey results yielded an acceptance level 83% and 69% during each respective week.

Improved Aesthetics

Multi-space meters service between eight and twelve on-street spaces and up to 30 off-street parking spaces. This improves the overall aesthetics by reducing the number of parking meter posts required for conventional single or double space parking meters.

Increased Customer Convenience

Multi-space meters provide enhanced convenience by providing multiple payment options, in the form of bills, coins, credit cards, and the City of Miami Beach Parking Smart Card.

Increased Operational Efficiencies

Parking Meter Collection:

Single Space Meter:

Parking meter collection is a contracted service at a unit price of \$0.49 per meter collected. The current contract with APCOA/Standard provides for an increase or decrease of up to 25%, based on 9,200 meters.

Multi-Space Pay Stations:

APCOA/Standard will continue to provide parking meter collection services including the multi-space pay stations at the same rate; however, multi-space pay stations have a ratio of spaces to meters of 8:1 in an on-street application and 30:1 in an off-street application. Conservatively, there would be a \$65,000 savings meter collection costs.

Parking Meter Maintenance:

Single Space Meter:

Parking meter maintenance is currently an in-house function of the Parking Department comprised of ten (10) parking meter technicians, two supervisors, and one operations manager. The current ratio of technicians to single space meters is 833 to 1.

Multi-Space Pay Stations:

The initial phase of the phased implementation of the multi-space pay stations will result in a conversion of approximately 25% of the existing single space meter inventory. A conversion of 25% of the single space meters to multi-space pay stations is estimated to yield an annual cost savings of \$127,000 in labor and parts. This savings is attributed to:

1. A \$99,000 savings in the reduction of the workforce through the attrition of two parking meter technician positions (one of which is already vacant) and one municipal service worker III position.
2. A \$28,000 savings in the reduction of parts and materials.

Note: Schlumberger will provide a two (2) year warranty on parts and labor from the date of installation, at no cost to the City. The City may elect to purchase an extended warranty contract for years three, four, and five, at the City's discretion.

Schlumberger/Pay and Display vs. Other Manufacturers/Operations:

Other products were reviewed and while they may be suitable for other communities, unfortunately, they did not provide the full range of options that, in the Administration's opinion, would best serve residents, visitors, and tourists. Other products researched are not recommended due to one or more of the following issues: (1) limited payment acceptance; (2) not reconfigurable; and (3) limited experience/installations in other comparable communities throughout the country. In all fairness, it is important to note that there is one minor drawback to the pay and display operation. Unfortunately, due to the logistics of a pay and display operation, the "refund feature" of the Miami Beach Parking Smart Card cannot be utilized. Please note that this applies to all manufacturers and not just Schlumberger. It is a logistical issue to all pay and display operations. This minor drawback is more than compensated by the consistent and successful operation of the Schlumberger pay station's bill, coin and credit acceptance. Clearly, bill and credit card acceptance is a much more accepted method of payment than our Smart Card. To put this in perspective, the entire intent of the Smart Card was to provide an alternative method of payment to our customers. The addition of bills and credit cards enhances this effort two fold with the two methods of payment (bills and credit cards) that are the most widely used in our economy.

Schlumberger/CMB Pay and Display Experiment

The Parking Department has been testing the Schlumberger multi-space pay stations in an on-street application on Ocean Drive between 7th and 10th Streets and in an off-street application at the 777-17th Street Parking Lot since January 2003, at no cost to the City. The results of this test over this extended period of time have been very successful. This success is defined, as previously stated, with the following results:

1. Revenues have increased by 21% on Ocean Drive and 25% at the 777-17th Street Parking Lot year-to-date when compared to the prior year (single space meters).
2. Increased methods of payment, including bills, coins, and credit cards. In fact, the following is an itemization, by percentage, of the three methods of payment:

Bills:	69%
Coins:	22%
Credit Cards:	9%
Total:	100%

It is important to note that currently in single space meter operations, the two methods of payment are coins (90%) and Smart Card (10%). This translates into substantially increased customer convenience in paying for parking. In fact, increased convenience of parking payment options was a specific recommendation that resulted from the Mayor's Blue Ribbon Task on Tourism.

3. Improved aesthetics through less street furniture (one pay station vs. five to ten meter posts).
4. In over eleven months of operation, maintenance issues have been nominal and well within an acceptable range.
5. Schlumberger's pay stations are reconfigurable from pay-and-display mode to pay-by-space mode and vice-versa.

The TPC (Transportation and Parking Committee) discussed, reviewed, and endorsed this recommendation at the regularly scheduled meeting held on Monday, January 5, 2004. The Committee further discussed the CMB Parking Smart Card "refund feature" issue and the pay and display method's inability to accommodate the refund feature. The pay by space method which could accommodate the refund feature was discussed; however, after discussion regarding the advantages and disadvantages of pay and display vs. pay by space, the Committee felt strongly that pay and display was the preferred alternative; however, an accommodation should be afforded to Smart Card users who in the future will be unable to take advantage of the Smart Card's refund feature. The Committee discussed various accommodations and since intrinsically the Smart Card and particularly the "refund feature" is used by residents, the Committee recommended that the discount currently allowed for residents be reviewed and nominally increased as an accommodation for this inconvenience.

Conclusion

In conclusion, it is the Administration's goals to proceed with a system that provides the most options and flexibility; has a proven track record in other communities; and is our best overall value for our investment. The Administration recommends that the Mayor and Commission approve, appropriate, and authorize the establishment of a work order in the amount of \$2,439,250 from Parking Revenue Bond Fund No. 481 for the purchase and installation of 250 multi-space parking pay stations.

Location	Unit	Options / Configuration	LP	SP	Discount
Charlotte County	DG-CBV		9740		
		Coin	included		
		Bill Reader	included		
		Solar Power	995		
			10735	10435	2.79%
Palm Beach County	DG-CBV		9740	9000	7.60%
		Coin	included		
		Bill Reader	included		
City of Ft Lauderdale	DG-CBV		9740		
		Coin	included		
		Bill Reader	included		
		Solar Power	995		
		Mixed reader	1500		
			12235	8750	28.48%
Metro Dade Transit	DG		6550	5395	17.63%
		Coin	included		
MPA	DG-CBV		9740		
		Coin	included		
		Bill Reader	included		
		Solar Power	995		
		Mixed reader	1500		
			12235	8595	29.75%
Miami Beach (offered)	DG-CBV		9740		
		Coin	included		
		Bill Reader	included		
		Solar Power	995		
		Mixed reader	1500		
			12235	8595	29.75%

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, APPROPRIATING, AND ESTABLISHING A WORK ORDER, IN THE AMOUNT OF \$2,439,250, FROM PARKING REVENUE BOND FUND NO. 481, FOR THE PURCHASE AND INSTALLATION OF 250 MULTI-SPACE PARKING PAY STATIONS.

WHEREAS, the Parking Department has field tested the multi-space pay station technology for an extended period of time with a leader in the industry (Schlumberger), at no cost to the City; and

WHEREAS, this new technology has received a public acceptance rating averaging 76% over single space parking meters; and

WHEREAS, this technology provides increased customer convenience via multiple payment options, including coins, bills, credit cards, and debit cards; and

WHEREAS, the test period yielded an increase in revenue of 21%, as compared to the same period in the prior year, and there are also operational cost savings achieved through more efficient collection services and maintenance; and

WHEREAS, there are improved aesthetics for both on-street and off-street applications, as street furniture is reduced by placing one pay station as opposed to single space meter posts; and

WHEREAS, the Administration has been vested with the purchasing authority to procure multi-space pay stations from Schlumberger Industries through Miami-Dade County/Miami-Dade Transit Agency's existing contract with Schlumberger Industries for multi-space pay stations; and

WHEREAS, the Transportation and Parking Committee has endorsed the purchase and installation of multi-space pay stations on Monday, January 5, 2004.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA that the Mayor and City Commission, upon recommendation of the Administration, herein approve, appropriate, and establish a Work Order, in the amount of \$2,439,250, for the purchase and installation of 250 multi-space parking pay stations.

PASSED AND ADOPTED this _____ day of _____, 2004


MAYOR

ATTEST:

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

CITY CLERK

JMG/CMC/SF
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City Attorney

12-31-03
Date