


CITY COUNCIL ACTION REQUEST

Department(s): Finance Transportation	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	Coordination: City Attorney's Office and City Manager's Budget Office	Dept. Approval: /s/ Rick Bruneau /s/ John Ristow
Council District(s): Citywide			CMO Approval:  1/23/24

SUBJECT: AMENDMENT TO THE AGREEMENT WITH IPS GROUP, INC. FOR SINGLE SPACE SMART METERS, PARKING SENSORS, AND DATA MANAGEMENT SYSTEM

RECOMMENDATION:

Adopt a resolution authorizing the City Manager or her designee to:

- (a) Negotiate and execute the Third Amendment to the Agreement for the purchase of Single Space Smart Meters, Parking Sensors, and Data Management System with IPS Group, Inc., (San Diego, California);
- (b) To extend services for up to five additional one-year option terms through February 23, 2029 under the same terms and conditions as the original agreement; and
- (c) Provide for a maximum compensation of \$700,000 for the option period beginning February 24, 2024 and ending February 23, 2025, subject to the appropriation of funds.

Desired Outcome: Authorizing the City Manager or her designee to take this action provides ongoing services for the City's single space smart meters, parking sensors, and data management system.

BASIS FOR RECOMMENDATION:

The Department of Transportation manages approximately 2,600 metered on-street parking spaces located around the downtown, Japantown, San José State University, and Santa Clara County Civic Center areas. In February 2014, City Council passed a [resolution](#) authorizing the City Manager to negotiate and execute an [agreement](#) with IPS Group, Inc. for the purchase of single space smart meters, parking sensors, and data management system in accordance with [San José Municipal Code Section 4.12.225](#).

The original agreement had an initial term that began February 24, 2014 and ended February 23, 2015, set a maximum compensation for the initial term of \$1,294,653, and included nine one-year options to extend the agreement. Staff subsequently executed two amendments to purchase additional meters, upgrade existing meters, and add additional scope. Nine options have been executed to extend the term of the agreement through February 23, 2024 for ongoing services and meter repair and maintenance, as required. Total not-to-exceed costs to date for this agreement, inclusive of both amendments and all options executed, is \$4,968,635. Ongoing service costs include monthly wireless gateway and meter management fees as well as per transaction credit card fees. These costs are offset by parking meter revenue collected by the vendor on behalf of the City, which is estimated to be approximately \$3 million for fiscal year 2023-2024.

The current option ends February 23, 2024; however, the City's existing parking meter equipment and infrastructure are estimated to have five years of useful life remaining. Staff requests authority to add up to five additional one-year option terms, for a total of 14, to extend the agreement through February 23, 2029, to allow the City to take advantage of this remaining useful life, provide staff sufficient time to request and appropriate funds to replace the equipment and system, complete a competitive solicitation or other procurement process allowed under the San José Municipal Code to meet the competitive requirement, and execute a new agreement.

Approval of this recommendation authorizes staff to negotiate and execute the Third Amendment to the agreement to add five additional one-year options for a total of 14 options to extend the agreement through February 23, 2029 as required, and provides for a maximum compensation of \$700,000 for the option period beginning February 24, 2024 and ending February 23, 2025, subject to the appropriation of funds.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

COST AND FUNDING SOURCE:

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Recommendation*	2023-2024 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
533	0512	Non-Personal/Equipment	\$7,555,053	\$700,000	1012	06/20/2023, 30933

* Funding for ongoing fees beyond fiscal year 2023-2024 is subject to the appropriation of funds through the City's annual budgeting process.

FOR QUESTIONS CONTACT: For program-related questions, please contact Heather Hoshii, Deputy Director, Department of Transportation, at heather.hoshii@sanjoseca.gov. For contract- and procurement-related questions, please contact Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at albie.udom@sanjoseca.gov.