



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#14-0915

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: September 3, 2014

TITLE: Motion to approve a proprietary agreement for the pay by phone parking
payment system

Recommendation

It is recommended that the City Commission approve a three-year agreement in substantially the form attached for the pay-by-phone parking payment system with Paybyphone Technologies Inc. f/k/a Verrus Mobile Technology Inc. and authorize the City Manager to approve two, one-year options.

Background

On September 15, 2009, the Parking Services Division entered into an agreement with Verrus Mobile Technology Inc. to provide pay-by-phone parking capability to City residents as well as visitors. At that time, this was fairly new technology and for the first several years, acceptance grew at a fairly modest rate. In 2012, in cooperation with Paybyphone, the City entered into a series of aggressive City promotions to encourage increased usage. The number of Paybyphone clients living within the City grew from approximately 4,800 in 2012 to over 45,000 currently. This does not count users visiting from one of the 84 Paybyphone user cities in the US and Canada, as well as those from the UK and France.

In addition to the City of Fort Lauderdale, Paybyphone is being used as a provider by the cities of Miami, South Miami, Lauderdale-by-the-Sea and Coral Gables. Paybyphone just signed a contract to provide services for Florida International University at their various campuses. This extends the potential usage, by South Florida users alone, to over 500,000. Within the City, we have promoted acceptance by independent parking lot operators and have encouraged Paybyphone to market this product to all of the independent garage and lot operators within the City. Paybyphone is the leading provider of phone parking payments in North America, processing more pay-by-phone payments than any other organization.

The Paybyphone contract is unique in that there is absolutely no cost or monetary impact to the City for the use of this service. 100% of the revenue collected by

Paybyphone is collected in the form of a user fee of \$.25 per transaction plus a \$.10 cost for a text message reminder, if the user so wishes. Other than the normal credit card processing fees, there is no cost to the City for this service. The City is planning to enter into a test promotion to absorb this user fee, at a reduced rate, in one lot for six weeks. Similar tests in other municipalities have garnered tremendous acceptance resulting in a far greater percentage of Paybyphone usage.

In addition to aggressive door to door promotion to area merchants and numerous social media promotions, the product has been promoted at several special events, such as Neighbor Support Night. Parking Services also set up pay-by-phone-only locations during the Mercedes Corporate Run and established the thirty space DC Alexander lot as pay-by-phone-only during The Tortuga Festival. During these two events, we were able to sign up approximately 100 new users. Parking Services employees work the parking lots and garages for all other major special events throughout the year. All field personnel are adept at assisting customers with establishing pay-by-phone accounts during these events and hundreds have taken advantage of it. The City currently enforces two privately owned parking lots that are pay-by-phone-only, and it is staff's intention to convert several City lots to pay-by-phone-only as well.

In FY2012, the City received Paybyphone revenue of \$360,674 compared to FY2011 of \$173,534. In FY2013, revenues of \$628,382 were generated. In the first six months of FY2014 (10/01/2013 to 3/30/2014), the City received Paybyphone revenues of \$459,162. Continued growth may allow elimination of Multi-Space meters in a number of our surface lots. This will eliminate the need for collection, repair and maintenance in these lots and greatly reduce the amount of cash handling in the back office.

The current agreement is scheduled to expire on September 14, 2014. The two renewal options have been exhausted. The process to transition from one pay-by-phone vendor to another would be difficult for the user and labor intensive for Parking Services. All of the 45,000 plus residents would need to download and register with a new smart phone application. This would impact residents and visitors from the South Florida area and surrounding areas as well. Parking Services staff would need to re-label 260 multi-space meters and over 2,200 single space meters. In addition, there are over 350 18"X12" street signs that would need to be replaced within a very short timeframe. While competitive bids could be utilized, it is in the best interest of the City to continue using the current service provided by PaybyPhone.

Pursuant to Section 2-189(a) of the Code of Ordinances, proprietary items may be purchased without the necessity of public bids.

Resource Impact

There is no current fiscal year impact to the City. Future expenditures are contingent upon approval and appropriation of the FY 15 annual budget.

Strategic Connection

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035: We are United*.

Attachment

Exhibit 1 – Agreement

Prepared by: AnnDebra Diaz, Procurement Specialist II
Elizabeth Cohen, Administrative Assistant I

Department Director: Diana Alarcon, Transportation and Mobility