



City of Huntington Beach

File #: 20-1840

MEETING DATE: 9/8/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Chris Slama, Director of Community Services

Subject:

Approve the Purchase of Parking Meters and Associated Service Agreement between the City of Huntington Beach and MacKay Meters Inc.

Statement of Issue:

The purchase and installation of new smart parking meters is required. The City's current inventory is well beyond the average life expectancy of smart meters. In addition, the current smart meters use 2G cellular network technology, which is scheduled to be discontinued by T-Mobile and Verizon at the end of this calendar year. The 2G network is required in order to transmit credit card information for most of the City's existing smart meters.

Financial Impact:

Funding for the purchase in the amount of \$446,000 is included in the FY 2020/21 Equipment Replacement Fund 324, along with \$827 in Parking Meters General Supplies 10045203.63100.

Recommended Action:

A) Approve the purchase of MacKay parking meters and associated Gateway/Hosting services in the amount of \$446,827; and,

B) Authorize the Mayor and City Clerk to execute the Service Agreement between the City of Huntington Beach and MacKay Meters, Inc., for Gateway/Hosting services.

Alternative Action(s):

Do not approve the recommended action and direct staff accordingly.

Analysis:

The City currently has 808 designated single space, smart parking meter spaces. Many of the meters utilized in these spaces are well beyond their average useful life expectancy of approximately 5-7 years, making repairs increasingly costly. Additionally, 80% of the City's smart meters function with 2G modems using T-Mobile or Verizon cellular networks. Early this calendar year, staff became aware of the phone companies' plans to discontinue their 2G network services at the end of the year,

which will render 80% of the City's on-street meters obsolete for credit card transactions. Due to the age of the majority of the smart meter inventory and the need for newer technological capabilities, upgrading the existing meters was not a viable option.

In light of this information, Parking Meter and Purchasing staff worked together to prepare and release a Request for Proposals (RFP) for the selection of a new vendor. Included in the RFP were requirements for 4G modems or better, card, coin, and Near Field Communication (NFC) acceptance capabilities. NFC technology allows users to tap their credit card on the meter instead of inserting it, as well as use Google Pay and Apple Pay. The RFP scope also included meter upgrade options, such as sensors and pay-by-phone options, as well as dual space equipment. On February 12, 2020, the RFP was released.

A total of four bids were received: IPS Group (existing vendor), Civic Smart, MacKay Meters, and POM Parking Meters. Of these, POM Parking Meters was eliminated from further consideration due to their inability to provide 4G network modems, which was a requirement of the RFP.

As part of the bidding requirements, meters from the remaining three companies were tested for a 45-day period (June 1, 2020 - July 15, 2020) at a total of four highly utilized parking stalls.

During this period, the meters were evaluated according to the below categories:

- Screen Appearance/Resilience
- Communications
- Keypad Feedback
- Display Screen Light
- LED Indicators on Both Sides of the Meter
- NFC (Near Field Communication) Functioning
- Card Stuck Alerts
- Coin Jam Alerts
- Fake Coins
- Fraudulent coin and bank card use

Following the ranking and review of all these items by a committee of Community Services, Finance, and Police Department staff, MacKay Meters scored the highest and also offered the option of dual space meters. The advantages of dual space meters include more efficient meter collection procedures, reduced maintenance (one meter instead of two meters for every two spaces), and reduced costs associated with the initial capital outlay. Additionally, MacKay meters provide pay-by-phone and sensor upgrade options creating increased parking collection opportunities.

The proposed purchase of the 440 MacKay parking meters includes 375 dual space meters and 65 single space meters, covering a total of 815 parking spaces (with spares). Once received, staff plans to install the meters in various locations identified along Pacific Coast Highway, Pacific View, Walnut, Olive, Orange, Main, and 3rd and 5th Streets.

The purchase also includes ongoing Meter Management System (MMS) Gateway/Hosting service fees estimated to cost approximately \$50,000 annually. While the MacKay MMS Gateway/Hosting service fees are higher than the current vendor, staff estimates a net overall annual savings of approximately \$40,000, due to the elimination of transaction fees charged by the current vendor for all credit card transactions. Staff also anticipates both short and long-term repair savings, due to the initial five-year product warranty and the fact that the MacKay meters can be repaired in-house, whereas the current vendor requires that broken meters be shipped and repaired at their facility. Due to this capability, meter repair response times will also be significantly improved.

The total cost for this purchase is \$446,827, which includes a five-year warranty, training, shipping, tax, and the associated MMS Gateway/Hosting start-up services. Funding in the amount of \$446,000 is set aside in Equipment Replacement Fund 324 for the purchase. The balance of \$827 will be funded from the Parking Meter General Fund operating budget.

The City of Redondo Beach has recently purchased MacKay meters after testing for over one year. Staff has also spoken with the cities of Walnut Creek, California, and Ocala, Florida, who have been operating with MacKay meters and expressed only positive feedback regarding their product and services.

Based on staff's review and evaluation, as well as the above reference checks, staff is recommending the purchase of the MacKay meters.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Enhance and maintain infrastructure

Attachment(s):

1. Service Agreement between the City of Huntington Beach and MacKay Meters, Inc.