



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
September 19, 2023

TOPIC: First Amendment to Agreement with IPS Group, Inc. for Smart Parking Meters

AGENDA TITLE

Approve the First Amendment to the IPS Group, Inc. Agreement for Increased Monthly Smart Parking Meters Service Cost, Warranty Purchase, Repair, Modem Upgrades, and Contingency Cost in the Amount of \$540,000 (Non-General Fund)

RECOMMENDED ACTION

Authorize the City Manager to execute an amendment to the agreement with IPS Group, Inc. for increased monthly smart parking meters service cost, warranty purchase, repairs, and modem upgrades, to increase the compensation amount by \$540,000, for a total amount not to exceed \$840,000 for the existing term of February 15, 2022 to February 14, 2027, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

Parking meters were authorized by the City Council in the late 1980s with the objectives of improving traffic circulation and parking availability due to the increasing density of the area. In accordance with Section 36-398 of the Santa Ana Municipal Code, there are approximately 1,300 meters within the Parking Meter District as shown in Exhibit 2.

Meter Areas	Meter Total
Downtown (includes Civic Center, Library, & Old OC Court)	540
Mid-Town	373
Willard	349
Total	1,262*

**Note: Some meters were temporarily or permanently removed due to construction, new developments, or reserved as backup inventory.*

In 2014, the City of Santa Ana entered into an agreement with IPS Group, Inc. for the purchase and installation of approximately 593 credit card-enabled parking smart meters. IPS Group, Inc. presented quality equipment, approach, and methodology with the credit-card enabled meters, real-time data, and sensors. These smart meters have three forms of payment: credit card, coin, and mobile app. Smart meters were installed in more active areas, such as Civic Center and Downtown. The monthly service cost and credit card processing fees for smart meters are absorbed by the City. However, the City has the ability to pass those fees on to the end users, if desired.

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In February 2022, the City Council approved an agreement with IPS Group, Inc. in the amount of \$300,000 for modem upgrades. The wireless carriers, Verizon and T-Mobile, are planning to sunset the older networks of 2G/3G to the new technologies of 4G/5G. The smart meters require the modem upgrade in order to continue their functionality of accepting all payment options: coin, credit card, and tracking of data. IPS Group, Inc. provides proprietary smart meters and are the only firm that can provide such an upgrade.

Given the significant surge in parking demand within the metered districts and to maintain current operations, an amendment to the existing IPS Group, Inc. agreement is warranted. The proposed amendments include:

- Completion of modem upgrades from 2G to 4G
- Procurement of an extended warranty to extend meter lifespan by five years
- Allocation of adequate funding to cover escalating monthly operational costs
- Provision for repairs of meters without warranties
- Potential replacement of coin-only meters with smart meters to offer multiple payment options
- Contingency provisions for inflation-related costs and repairs outside warranty coverage.

FISCAL IMPACT

Funds are available in the Parking Meter account (02718131-62300 Contract Services) and funding for subsequent fiscal years will be included in the proposed budgets for City Council consideration as seen below:

Fiscal Year	Accounting Unit-Account	Fund Description	Amount
FY 2023-2024	02718131-62300	Parking Meter	\$ 200,000
FY 2024-2025	02718131-62300	Parking Meter	\$ 140,000
FY 2025-2026	02718131-62300	Parking Meter	\$ 100,000
FY 2026-2027	02718131-62300	Parking Meter	\$ 100,000
TOTAL			\$ 540,000

EXHIBIT(S)

1. First Amended Agreement – IPS Group, Inc.
2. Map & Statistics – Parking Meter District

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Kristine Ridge, City Manager