

23. Approve a First Amendment to Agreement with Data Ticket, Inc. (General Fund)

Department(s):

Recommended Action: Authorize the City Manager to execute the first amendment to the agreement with Data Ticket, Inc. for automated parking citation and processing services for an additional amount of \$730,351.69, for a total aggregate amount not to exceed \$2,000,000 for the remaining term of the agreement expiring February 14, 2025 (Agreement No. A-2024-XXX).



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
January 16, 2024

TOPIC: Automated Parking Citation and Processing Services

AGENDA TITLE

Approve a First Amendment to Agreement with Data Ticket, Inc. (General Fund)

RECOMMENDED ACTION

Authorize the City Manager to execute the first amendment to the agreement with Data Ticket, Inc. for automated parking citation and processing services for an additional amount of \$730,351.69, for a total aggregate amount not to exceed \$2,000,000 for the remaining term of the agreement expiring February 14, 2025 (Agreement No. A-2024-XXX).

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

In February 2022, the City Council approved a three-year agreement with Data Ticket, Inc. after a competitive Request for Proposal process to provide automated parking citation and processing services on behalf of the Traffic Division of the Santa Ana Police Department. Data Ticket, Inc.'s services include managing the parking citation database, sending out daily notices for payment collection, and hosting a full-service, bilingual customer service call center that allows motorists to obtain general information regarding the citation process and specific information on particular citations. Data Ticket, Inc. has been the City's provider of these services since 2017 and continues to perform in a professional and competent manner.

The original term of the agreement covers the three-year period of February 2022 through February 2025, with two one-year extension options. Based on the current fee trajectory, the projected total expenditures will exceed the total budgeted aggregate cost payable to Data Ticket for collection by next month.

The original agreement budgeted costs were based on California Franchise Tax Board (FTB) and Data Ticket delinquency collections data from 2020 and 2021, during the height of the pandemic. Throughout calendar year 2022 and 2023, the City has experienced a consistent and higher degree of individuals failing to pay their citations timely, resulting in an increase in collections through FTB and Data Ticket's delinquency

program. This trend has been consistent to date and the increased monthly costs are directly attributable to the increased collection efforts.

The original agreement also included automatic and immediate increases in the fees for letters and notices sent via the United States Postal Service (USPS) if postal rates increased during the term of the agreement. Since February 2022, the USPS has announced four price increases totaling an additional ten cents per First-Class Mail.

The amendment for the additional \$730,352 will be sufficient to cover the increased fees through the end of the initial three-year period ending in February 2025. The total three-year agreement not-to-exceed amount will increase from \$1,269,648 to \$2,000,000. If the vendor continues to perform well, a future amendment to the agreement will be brought before City Council for consideration of the first one-year extension and corresponding increase in the contract authority.

FISCAL IMPACT

The current fiscal year funding is available in the FY 2023-24 budget and future fiscal year funding will be included in the proposed budgets for City Council consideration as follows:

Fiscal Year	Accounting Unit – Account No.	Fund Description	Accounting Unit – Account No. Description	Amount
FY 23-24 (Jan.-June)	01114405-62300	General Fund	Traffic Division, Contract Services- Professional	\$295,000
FY 23-24 (Jan.-June)	02718131-62300	Parking Fund	Parking Meter, Contract Services- Professional	\$ 5,000
FY 24-25 (July-Feb.)	01114405-62300	General Fund	Traffic Division, Contract Services- Professional	\$390,000
FY 24-25 (July-Feb.)	02718131-62300	Parking Fund	Parking Meter, Contract Services- Professional	\$ 40,352
Total				\$730,352

The amounts above are estimated projections and are subject to change.

EXHIBIT(S)

1. First Amendment with Data Ticket

Submitted By: Robert Rodriguez, Acting Police Chief

Approved By: Tom Hatch, Interim City Manager

**FIRST AMENDMENT TO AGREEMENT WITH DATA TICKET, INC. TO
PROVIDE AUTOMATED PARKING CITATION PROCESSING**

THIS FIRST AMENDMENT ("First Amendment") to Agreement with Data Ticket, Inc. to Provide Automated Parking Citation Processing is entered into on January 16, 2024, by and between Data Ticket Inc., a California corporation ("Contractor"), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California ("City"). The Contractor and City shall hereinafter be referred to collectively as "the Parties."

RECITALS

- A. On February 15, 2022, the Parties entered into Agreement #A-2022-022 ("Agreement"), by which Contractor agreed to provide automated parking citation and processing services. The original term of the agreement covers a 3-year period from February 2022 through January 2025, with two one-year extension options. The not to exceed amount to be expended during the term of the Agreement was \$1,269, 648.31.
- B. Throughout calendar year 2022 and 2023, the City has experienced a consistent and higher degree of individuals failing to pay their citations timely, resulting in an increase in collections through FTB and Data Ticket's delinquency program. This trend has been consistent to date and the increased monthly costs are directly attributable to the increased collection efforts.
- C. The Agreement included automatic and immediate increases in the fees for letters and notices sent via the United States Postal Service (USPS) if postal rates increased during the term of the agreement.
- D. Additional funds are now needed to cover costs for the remaining term of the Agreement. The Parties now wish to amend the Agreement to increase the compensation by an additional \$730,351.69 to cover costs for the remaining term of the Agreement.

NOW THEREFORE, in consideration of the mutual and respective promises, and subject to the terms and conditions of the Agreement, except as hereinafter modified, the Parties agree to the following:

- 1. **Section 2, Compensation**, shall be amended to increase the compensation for services provided under this Agreement by \$730,351.69. The total amount to be expended during the term of this Agreement shall not exceed \$2,000,000.
- 2. **Exhibit B** attached to the Agreement shall be amended to reflect the automated parking citation and purchase charges as set forth in the new Exhibit B attached hereto and incorporated herein.
- 3. Except as modified by this First Amendment, all terms and conditions of the Agreement, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

ATTEST:

CITY OF SANTA ANA

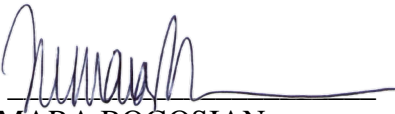
JENNIFER L. HALL
City Clerk

THOMAS R. HATCH
Interim City Manager

APPROVED AS TO FORM:

RECOMMENDED FOR APPROVAL:

SONIA R. CARVALHO
City Attorney

By: 
TAMARA BOGOSIAN
Senior Assistant City Attorney

ROBERT RODRIGUEZ
Acting Chief of Police

DATA TICKET, INC.

By:

Data Ticket, Inc.
Irvine, CA
O: 949 752-6937; O: 949 428-7240

City of Santa Ana
RFP NO. 21-128
Automated Parking Citation and Processing Services

Attachment A: Proposer's Certification & Proposal Item Pricing



CITY OF SANTA ANA

ATTACHMENT A

PROPOSER'S CERTIFICATION & PROPOSAL ITEM PRICING

XVIII. PROPOSER'S CERTIFICATION & PROPOSAL ITEM PRICING – ATTACHMENT A

Certification - I certify that I have read, understand and agree to the terms and conditions of this Request for Proposals. I have examined the Scope of Services (Exhibit 1) and am qualified to provide services being requested as specified herein. I understand and agree that I am responsible for reporting any errors, omissions or discrepancies to the City for clarification prior to the submission of my proposal.


Proposal Item Pricing - Fees must be inclusive of all costs, including but not limited to, direct and indirect costs for labor, overhead, incidental supplies, travel, mileage, and fuel. Any special materials will be purchased by the contractor only after discussed and authorized by the City projects manager or designee in writing. Include attachments related to pricing and/or potential optional services.

PROPOSER'S STATEMENT: I have read, understood and agree to the terms and conditions on all pages of the Request for Qualifications. Upon request, I will transfer and deliver goods or services to the City in accordance with said terms and conditions.

Data Ticket, Inc.	949-428-7240 / 949-281-3195
LEGAL NAME OF COMPANY	PHONE AND FAX NUMBERS

2603 Main Street, Suite 300 Irvine, CA 92614
BUSINESS ADDRESS

Brook Westcott	Chief Operating Officer
PRINTED NAME OF AUTHORIZED AGENT	TITLE

	11/8/2021	ClientServices@dataticket.com or BWestcott@dataticket.com
SIGNATURE OF AUTHORIZED AGENT	DATE	E-MAIL ADDRESS

93-1010811	n/a
FEDERAL ID NUMBER (IF APPLICABLE)	CONTRACTOR LICENSE NUMBER (IF APPLICABLE)

**THIS FORM MUST BE COMPLETED AND INCLUDED WITH THE PROPOSAL.
PROPOSALS THAT DO NOT CONTAIN THIS FORM WILL BE CONSIDERED NONRESPONSIVE.**

Cost Proposal Pricing - ATTACHMENT A (CONT.)											
Service	Cost per Unit Year 1	Estimated Units per Year	Year 1 Cost	Cost per Unit Year 2	Estimated Units per Year	Year 2 Cost	Cost per Unit Year 3	Estimated Units per Year	Year 3 Cost	Total	Cost per unit as of January 2024
Parking Citation Processing:											
Handwritten Paper Citations	0.38	6,000	2,280.00	0.38	6,000	2,280.00	0.38	6,000	2,280.00	6,840.00	0.38
Electronic Citations	0.25	85,000	21,250.00	0.25	85,000	21,250.00	0.25	85,000	21,250.00	63,750.00	0.25
Notices:											
1st Courtesy Notice	0.78	91,000	70,980.00	0.78	91,000	70,980.00	0.78	91,000	70,980.00	212,940.00	0.88
2nd Notice	0.00	50,000	0.00	0.00	50,000	0.00	0.00	50,000	0.00	0.00	0.00
3rd Notice	0.00	30,200	0.00	0.00	30,200	0.00	0.00	30,200	0.00	0.00	0.00
Drive Away Notice/Fled Letter	0.80	100	80.00	0.80	100	80.00	0.80	100	80.00	240.00	0.90
Letter of Correction	0.80	250	200.00	0.80	250	200.00	0.80	250	200.00	600.00	0.90
Custom Notice	0.80	100	80.00	0.80	100	80.00	0.80	100	80.00	240.00	0.90
Adjudication:											
1st Level Disposition Letter Review	0.80	5,000	4,000.00	0.80	5,000	4,000.00	0.80	5,000	4,000.00	12,000.00	0.90
1st Level Review Hold	0.50	6,000	3,000.00	0.50	6,000	3,000.00	0.50	6,000	3,000.00	9,000.00	0.50
2nd Level Hearing/Administrative Result Letter	0.80	250	200.00	0.80	250	200.00	0.80	250	200.00	600.00	0.90
Hearing Officer Time (hr)	85.00	168	14,280.00	85.00	168	14,280.00	85.00	168	14,280.00	42,840.00	85.00
Payment - Collection Processing:											
Payment Processing	0.00	88,000	0.00	0.00	88,000	0.00	0.00	88,000	0.00	0.00	0.00
Credit Card Usage Fee (Citizen Payment)	0.00	54,000	0.00	0.00	54,000	0.00	0.00	54,000	0.00	0.00	0.00
Payment Plan Administration (AB 503)	6.00	9,000	54,000.00	6.00	9,000	54,000.00	6.00	9,000	54,000.00	162,000.00	6.00
FTB Collections	0.15	\$ 200,000	30,000.00	0.15	\$ 200,000	30,000.00	0.15	\$ 200,000	30,000.00	90,000.00	0.15
Out of State Collections	0.21	\$ 130,000	27,300.00	0.21	\$ 130,000	27,300.00	0.21	\$ 130,000	27,300.00	81,900.00	0.21
Other:											
Process NSF's	1.25	30	37.50	1.25	30	37.50	1.25	30	37.50	112.50	1.35
Total:			227,687.50			227,687.50			227,687.50	683,062.50	

Please note: Credit Card Usage Fee (Citizen Payment) has not been included as it is charged to the individual who elects to pay using a credit / debit card. This fee is \$3.50 per transaction
Please note: All correspondence and noticing charges include 1st Class Postage. As the USPS increases the postal rate, so too will these costs.

Additional, optional pricing has been provided below and on the following pages.

Joint/Escrow Banking Services

\$135.00 per account per month

(\$85 +\$50 as of January 2023 for Positive Pay)

Services for the above-mentioned item include:

- Daily deposits of funds to the Agency's escrow account
- Online, real-time reconciliation reports that tie directly to the bank statement
- Processing of all credit card chargebacks and Insufficient Funds
- Month-end reconciliation of all funds collected
- Disbursement of County / State Surcharges at month-end
- Payment of Data Ticket's invoice
- Disbursement of the net remittance to the Agency
- Scanning of all payments directly to joint bank account daily using remote check deposit
- The Agency will be responsible for the purchase of banking supplies, including checks and endorsement stamps; these fees typically run \$200.00 per year

Chargebacks and NSF's

\$2.50 per issued instance

- Data Ticket will process credit card chargebacks and NSF's when notified of each occurrence
- Once processed, Data Ticket will send a custom letter to the individual detailing the returned item and the amount due on the citation

Refunds

\$2.60 per issued instance

- Data Ticket will process refunds when notified of each need
- In the event the city utilizes Joint Banking, Data Ticket will verify, generate, and send each refund due
- Refunds will be issued weekly
- Refunds will be sent via 1st Class Mail

Data Ticket, Inc.
Irvine, CA
O: 949 752-6937; O: 949 428-7240

City of Santa Ana
RFP NO. 21-128

Automated Parking Citation and Processing Services

- The anticipated costs for the city to issue refunds to individuals is expected to be \$24,000 per year. These funds are furnished by the city to Data Ticket to replenish the city's refund account.

Delinquency Collections Program

20% of amount collected

- Delinquent collections include sending an additional three notices per citation, handling all customer service and processing all payments. The estimated cost of the program is \$151,375 (20%) per year based on \$756,877 in collections in the prior year.

Parking Citation Payment Plan Processing (non-indigent)

\$12.00 per transaction

- An administrative fee will be assessed to Patrons who wish to participate in a payment plan
- The administrative fee will be added to the Agency's invoice and once the 1st payment plan installment is paid by the Patron, the administrative fee will be reimbursed to the Agency
- This fee will cover the cost of the payment plan initiation, and the cost of a confirmation letter that is sent to the Patron confirming the details of the payment plan
- The Agency will have the ability to determine whether Payment Plans are accepted and if so, what the parameters for payment will be

Payment Plan Administration (AB 503 – indigent)

\$6.10 per transaction

- Acceptance and scanning of Indigent payment plan requests
- Approval/Denial by Data Ticket
- Inclusive of the approval/denial letter

Credit Card Chargeback Processing

\$30.00 per transaction

- If a chargeback occurs, a fee will be charged to the Patron for the processing of the chargeback
- No fee will be charged to the Agency

Postal Rate Increase Offset – If postal rates increase during the term of the agreement, fees to DTI shall be raised immediately to offset the effect of the actual postal rate increase.

DETAILED ANDROID PRICING

3 Year Lease Price

Samsung Galaxy A52+ & New 3" Printer

\$39.00 per unit per month

OR

Purchase Price

Samsung Galaxy A52+ & 3" Printer

\$1,277.00 per unit

The city states it would like to proceed with the existing printers utilized by the city. If so, we have provided Lease and Purchase prices below for the handheld ticket writers only below.

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3 Year Lease Price
Samsung Galaxy A52+ **\$30.00 per unit per month**

OR

Purchase Price
Samsung Galaxy A52+ **\$1,000.00 per unit**
Handheld Software Licensing **\$100.00 per unit per year**
This fee covers all software licensing and upgrades provided to the city.

Handheld Software Maintenance **\$25.00 per unit per month**
This fee covers complete repair and replacement of any handheld unit damaged for any reason. There is no deductible charged to the city. Upon notification of damage, we simply prepare a unit to be FedEx'd to the City for replacement.

Data Plan **~\$45.00 per unit per month**
This fee will be a passed through from the selected cellular provider.