



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** September 11, 2012

**TO:** Mayor and Councilmembers

**FROM:** Business Division, Waterfront Department

**SUBJECT:** Purchase Order For Digital Payment Technologies Parking Equipment

### RECOMMENDATION:

That Council find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.070 (L), and authorize the General Services Manager to issue a purchase order to Digital Payment Technologies Corporation for three self-pay parking stations for Waterfront Department parking lots, in an amount not to exceed \$40,000.

### DISCUSSION:

Waterfront staff has been installing self-pay parking stations to upgrade the self-service Honor Fee systems (cash pay boxes) in Harbor West, Garden Street, Palm Park, Cabrillo East and Cabrillo West parking lots.

In February 2011, the City's Purchasing Division initiated the bid process to buy self-pay parking equipment. The bid package was sent to several companies that provide self-pay parking stations that accept credit cards in addition to cash and coins. Digital Payment Technologies (DPT) was the successful bidder.

The self-service payment device from DPT is known as the "Luke" system. DPT's Luke parking stations are capable of accepting cash, coins, and credit/debit cards and are very user-friendly. Due to its ability to accept credit/debit cards and interface with the Department's computer network, the Luke system has the capability to increase revenue control and significantly increase efficiency in Waterfront self-service parking lots. Luke systems are currently used at UCSB and have also been installed by several cities including Glendale, Huntington Beach, Beverly Hills, and Santa Monica.

The first two Luke machines were installed in the Harbor West parking lot and began operating on July 1, 2011. Approximately half of all payments made in the Harbor West lot are now made by credit cards. The system has reduced staff time by 50% due to

efficiencies involving monitoring the lot and tracking parking revenue. The Garden Street and Palm Park lots were converted to the Luke system in May 2012.

Staff plans to install Luke self-pay parking machines in the remaining two Honor Fee lots (Cabrillo East and West) this year. Staff does not intend to install the machines in staffed lots such as Leadbetter and the Main Harbor lot or on Stearns Wharf. In order to maintain the consistency of self-pay parking systems in Waterfront Honor Fee lots, staff is requesting to waive the formal bid process and continue with the Luke system from DPT. Digital Payment Technologies has submitted a proposal for three more machines and associated equipment at a cost not-to-exceed \$40,000.

When the Luke system is implemented in the remaining Honor Fee lots, cost savings for the entire self-pay parking system in Waterfront lots is projected to be \$50,000 annually. The project should pay for itself within one to two years following installation of the machines in all five lots. Funding of \$40,000 for the Luke system upgrade is included in the Waterfront Parking/equipment account and, if approved, installation would take place by the end of the calendar year.

**PREPARED BY:** Brian Bosse, Waterfront Business Manager

**SUBMITTED BY:** Scott Riedman, Waterfront Director

**APPROVED BY:** City Administrator's Office