



August 17, 2016

**The Honorable Members of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton Goodlett place, Room 244
San Francisco, CA 94102**

Subject: Extension of Citation Processing Agreement with PRWT Services, Inc.

Honorable Members of the Board of Supervisors:

The San Francisco Municipal Transportation Agency (SFMTA) is exercising the option approved in September 2015 to extend the citation processing agreement with PRWT Services, Inc. for two years, and requests additional funding for ongoing services during this time of up to \$15.2 million, for a total amount not to exceed \$77,885,593.

Background

The citation processing agreement with PRWT Services, Inc. was awarded in November 2008. The original term of the agreement was for five years, with the option to extend for up to five additional years to October 31, 2018.

In September 2015, the Board of Supervisors approved the Fourth Amendment extending the agreement for one year, for an amount not to exceed \$62,725,935, and approved the option to extend for up to two additional years, which would bring the total agreement term to the original ten years approved in 2008. Although the two-year extension was approved, additional funding was not requested, but is needed in the amount of \$15,159,658 to pay for ongoing services.

At the time the Fourth Amendment was approved, the SFMTA had hired Dixon Resources, a consulting firm, to research current industry practices to form the base scope of work for the pending request for proposals (RFP). This industry practice review identified processes currently used by other municipalities, potential firms that could do the work and identified the latest available citation processing software. Twelve municipalities were researched with a focus on four cities that included Boston, Portland, Seattle and Charlotte and how they compared to the SFMTA. The review compared citation processing systems, permitting, enforcement, adjudication, accounting and collection functions.

The main finding of the report is that there is little standardization of municipal citation, permit and associated function management programs within the industry; however, there are common areas for improvement with regard to software functionality that are now available in the current market. The current software used by the SFMTA needs improvement in areas such as flexible and dynamic reporting capabilities, real-time payment options, user interaction tracking, assisted deployment and enforcement management tools, handheld citation issuance software that supports the use of

smartphones and/or tablet in addition to standard handheld citations writing devices. Many of the desired improvements to the current system under the current agreement would be a significant expense to the SFMTA in development costs. Recommended improvements from the industry review have been incorporated into the RFP released on July 22, 2016.

Modifications to Contract Components through the RFP

The current agreement combines citation processing, permit processing and special collections functions and support. Only one proposal was submitted for the current agreement due to the broad scope of service. The new RFP consists of separate citations and permit processing requirements to allow potential vendors to bid on one or the other, or both services. This allows vendors with more focused services to bid on either service. Proposals for the collection services portion of services will be sought under a separate RFP to be issued at a later date. The vendor chosen for citation processing services will not be eligible for the collection services contract in order to prevent any potential conflict of interest, whereby the vendor's citation processing efforts or lack thereof, may contribute to the citation becoming delinquent requiring collection activities where the vendor can make more profit at the expense of the SFMTA. The RFP contains an outline of citation processing types that requires special handling (e.g. out-of-state, fleet, rental vehicles), including transfer to the eventual collections vendor, once selected.

RFP summary

- Citation processing: Handheld citation writing and other enforcement tools such as license plate recognition cameras, citation writing and enforcement personnel management software, Citation processing software for cashiering and adjudication (administrative review and hearings), along with vendor support where needed.
- Permit processing: Permit processing software and vendor support where needed.
- Elements common to both services: Data migration and integration with each other's system as well as other systems used in SFMTA's parking management and enforcement programs; software acceptance testing, financial processing and audit support, reporting capabilities, staffing, and training and manuals.

The Local Business Enterprise (LBE) goal for the citations portion of the RFP will be 11 percent; the LBE goal for the permit portion of the RFP will be 12 percent.

Reasons for Exercising Two-year Extension Option

The two-year extension option is being exercised for the following reasons: 1) The RFP was released in July 2016, and it is anticipated that the proposal submittal, evaluation, contract negotiations and approval process will take longer than the time remaining in the current extension; and 2) since the competitive procurement may result in the award of separate contracts for permit processing and citation services, additional time may be needed for integration between systems, and transition between vendors and 3) to lock in the per citation processing fee of \$2.89 established in 2008, which will most likely increase with the new agreement.

Recommendation

The SFMTA recommends that the Board of Supervisors approve additional funding of up to \$15,159,658 million for the citations processing agreement to support the two-year extension option approved in 2015, for a total not-to-exceed amount of \$77,885,593.

Thank you for your consideration. Please don't hesitate to contact me should you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Reiskin', written over a light gray background.

Edward D. Reiskin
Director of Transportation

