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April 28, 2022

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: Approval of Agreement for Parking Meter Coin and Parking Data Collection Services,
with LAZ Parking California, LLC.

Honorable Members of the Board of Supervisors:

The San Francisco Municipal Transportation Agency (SFMTA) respectfully requests that the Board of Supervisors approve Contract No. SFMTA-2022-13, for Parking Meter Coin and Parking Data Collection Services, with LAZ Parking California, LLC for a total amount not to exceed \$50.8 million and for a total term of ten years (five base years, with an option to extend for up to five additional years).

The Cost Breakdown is as follows:

Categories	Annual	Main Term	Extension	Contract Total
Fixed Costs				
Management Fees	\$1,456,200	\$7,281,000	\$7,963,098	\$15,244,098
Meter Maintenance Application	\$60,000	\$300,000	\$330,000	\$630,000
Variable Costs				
Non-CBA Labor	\$969,816	\$4,849,080	\$5,303,351	\$10,152,431
CBA Labor	\$2,001,000	\$10,005,000	\$10,942,288	\$20,947,288
Parking Meter Cards	\$120,000	\$600,000	\$0	\$600,000
Support Meter Equipment	\$120,000	\$600,000	\$660,000	\$1,260,000
Optional Data Services	\$50,000	\$250,000	\$250,000	\$500,000
Contingency @	3%			\$1,465,015
Total		\$23,635,080	\$25,198,738	\$50,798,833

Total ten-year contract "not-to-exceed" amount (SFMTA and SF Port): \$50,798,833

Background

The Parking Meter Program was established to maintain parking availability in high-demand areas and manages 26,000 parking spaces on-street and in parking lots for the SFMTA and the Port of



San Francisco. The SFMTA uses demand-responsive pricing to adjust metered parking rates to help drivers find parking more quickly, thus reducing congestion. San Francisco parking meters currently generate approximately \$6.2 million in annual coin revenue (the pandemic has reduced parking revenues by approximately ten percent since 2019). Since 2012, the SFMTA has collected approximately \$180 million in parking meter coin revenues, which are used to support on-street parking programs and public transit.

Parking meter collections services have been outsourced since 1978. In 2012, the SFMTA Board approved SFMTA Contract No. 2011-12-08 with Serco, Inc., for Parking Meter Coin Collections, Counting, and Support Services (Contract), for an amount not to exceed \$46.4M. In 2021, LAZ Parking California, LLC (LAZ) acquired Serco's coin collection division, and the Contract was subsequently assigned to LAZ. The Contract will expire on July 31, 2022.

In addition to managing parking availability and mitigating traffic, the Parking Meter Program is a consistent source of revenue to fund transit. This contract also serves an important equity function: the option to purchase parking time by coins provides a method of payment for people who do not have a credit card or phone.

Proposed New Agreement

Contractor will perform the following Services:

- Single- and multi-space parking meter coin collection services.
- Daily meter condition reports (vandalism, public hazard, credit card security inspections). (Reports will be made more frequently as compared to the current agreement.)
- Provision of brand-new coin and data collection fleet to replace the current fleet that is nearly 10-years old and reaching the end of its useful life.
- Parking data collection support (a new service not provided under the existing contract).
- Coin revenue reconciliation services.
- Product support services for meter electronic lock software and parking meter repair maintenance application.
- Procurement of parking meter cards.
- Materials and support for meter maintenance and vandalism repair.
- Support for single- and multi-space meter management systems.

This new contract has been structured to reduce fixed costs as compared to the current contract, allowing for greater flexibility in reducing coin collection costs if the public reduces coin meter payments.



The total ten-year cost of the new agreement is approximately 9.5 percent higher than previous ten-year agreement. The increased cost is mainly due to: (1) new fleet of collection vehicles (current fleet is ten years old); (2) addition of new data collection crew to perform various parking studies, such as occupancy, utilization, and parking census; (3) new analyst position (revenue reconciliation, coin collection optimization); and (4) increase in labor rates under the collective bargaining agreement with Teamsters Union, Local 665.

The reasons for the additional expenditures are as follows:

- (1) Current coin collection vehicles have been in use since the beginning of the previous agreement in 2012 and must be replaced as soon as possible.
- (2) The new data collection crew will allow San Francisco to continue to be a world leader in demand-responsive parking pricing by facilitating a much-needed update to the underlying data used to support occupancy calculations and price changes. In addition, this data-collection crew will enable the collection of significantly more parking data to support strategic policy decisions, respond to requests from elected officials and the public, and support the effectiveness of the City's new virtual permitting and pay-by-license plate technology.
- (3) Having proper analytical resources as part of this agreement is crucial to managing a more variable coin and data collection deployment, and thus in reducing variable costs.
- (4) The new agreement complies with all terms of the City's prevailing wage ordinance (passed since the signing of the current contract) and ensures that coin and data collectors employed under this agreement are paid fairly and have strong union protections.

This Parking Meter Coin and Parking Data Collection Services Agreement supports no fewer than four of the SFMTA's strategic plan goals:

- Goal 5:** Deliver reliable and equitable transportation services (e.g., coin payment method provides an ability to purchase parking in absence of credit card, bank account or phone).
- Goal 6:** Eliminate pollution and greenhouse gas emissions by increasing use of transit, walking and bicycling (e.g., helps manage parking demand and reduces time to find available parking).
- Goal 9:** Fix things before they break and modernize systems and infrastructure (e.g., ensuring our contracts are up to date, modernizing our equipment, keeping parking meters in good state of repair by collecting weekly meter condition reports).
- Goal 10:** Position the agency for financial success (e.g., raise revenue for transit and other operations).



Thank you for your consideration. Should you have any questions or require more information, please contact Janet Martinsen at janet.martinsen@sfmta.com or 415.646.2302.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey P. Tumlin'.

Jeffrey P. Tumlin
Director of Transportation

cc: Tom Maguire, Director of Streets Division
Ted Graff, Director of Parking, Operation and Curb Management – Streets Division