

SLPPC 12-15-11
Item V. B.

SLPPC

Duncan Pay stations

March 2011, the City initiated a 12 month pilot test of CALE pay and display multi space meters. This was in response to the following significant issues:

Customer Complaints

Enforcement - Customers complained of being cited as they were either en route to a pay station or at the pay station making their payment. Customers complained about the inaccurate clock/timing mechanism.

Operations – Customers complained about the frequency of the pay stations being inoperable (these complaints increased ten-fold during inclement weather). Customers complained about being charged multiple times for one transaction. Customers complained about mistakenly paying for the wrong stall (somewhat related to parking outside the stall issue. Customers complained about the length of time taken to process their payment (in some cases several months). Customers complained about the inability to receive a receipt.

Customer requests

Customers frequently inquired about the ability to receive a receipt for their transactions.

Policy Change

To not enforce parking outside the marked stall greatly hampers a pay by space environment. It only takes one vehicle parked outside the stall to impact the entire block face and generate customer confusion and unnecessary citations.

Staff complaints

Adjudication – Staff adjudicating citations complain about the time consuming process of having to research meter transactions to determine customer intentions (paid for wrong stall, paying as the officer was citing the vehicle). Staff complains about the pay stations not communicating with each other, thus creating more work (citations that should not have been issued)

Finance – Finance staff complain about the volume of citizen complaints regarding the delayed processing of credit card payments (in some cases 2-3 months). They also complain the impact this has on their ability to accurately record revenues, thus creating additional work. We lose a substantial amount of money to charge backs due to the amount of time the credit card payment stayed within the machine. The Duncan reconciliation reports have never balanced. Finance staff complains that the transaction reports and the revenue reports are consistently out of balance. This is due to the lag in payment processing and chargebacks.

Meter Technicians – Meter Techs complain that during inclement weather they have to service each pay station multiple times a day to keep them operational.

The techs have voiced concerns regarding the cost of pay station batteries and the frequency they must be changed.

The techs have pointed out the current pay stations have yet to function as marketed. The modems do not function as expected. This is the cause for the credit card processing, enforcement, citation, and customer service issues.

The prices for parts are significantly higher than when the pay stations were purchased (see attached parts list). Our technicians are replacing parts with greater frequency, due in part to the quality and age of the equipment and

The current vendor does not permit our technicians to change pay station configurations. Whenever we need to modify rates, hours, add or eliminate spaces we are required to request the vendor to make the changes, this has an additional cost (\$65 per configuration change) and takes them anywhere from 1-3 weeks to complete.

Enforcement Staff – Complain that the current equipment is difficult and time consuming to enforce. Staff has to go to each machine and generate a stall report before they begin issuing citations. The challenge is that while the officer is at one machine generating the report, a citizen could be at a different machine paying for the space.

Vendor related issues

Our current vendor has acknowledged the communication (modem) and customer support issues. Their recommendation for improvement is for us to upgrade the modems in each of the machines. This has a significant cost (see attached). However, city staff is not confident that this will resolve the issue. During the last 18 months we have interfaced with four different representations from the vendor. Each of them promising to resolve all our equipment related concerns, which has yet to occur. Upgrading the modems definitely will not resolve issues related to aged equipment, increasing price for parts, our not being able to change configurations as needed, and customer requests for receipts and more accurate credit card readers.

To date the pilot of CALE pay stations has exceeded our expectations. We have not received any customer complaints regarding the pay & display meters. We have received several positive comments regarding the operability of the credit card reader, and having tangible proof of payment. The modular aspects of the internal components equate to “plug & play” in terms replacing parts. This serves to lower maintenance and repair cost. The CALE pay stations are all equipped with solar panels which charge the batteries. Batteries are touted to last a minimum of five years (a significant cost savings).

Costs

At inception, the Duncan meters were approximately \$7,125.00, per meter.

Currently, the Duncan pay stations cost us .36 a transaction, CALE costs are .23 a transaction (.13 savings). Additionally, because of the Duncan's communication issues, credit transactions are processed multiple times (at a cost of .36 each time). These fees are EIRF fees that are a result of the delay in processing at the point of sale (pay stations).

The system was set up to process credit card transactions as card not present. Duncan pay stations do not validate the credit cards in real time. Duncan cannot change that setup unless we upgrade the modems. CALE meters valid the credit cards real time, but transfer the transactions in batch mode. According to our Finance Staff, the reconciliation process with CALE meters /reports is seamless and not as time consuming as the Duncan meters.

The following table shows meter related expenditures, not including lease payments:

DUNCAN PARKING TECHNOLOGIES

Fund 213

	Meter Parts	Meter Monitoring
FY06	15,905.00	0
FY07	3,842.07	0
FY08	5,060.52	5,747.56
FY09	9,365.43	9,462.31
FY10	9,267.49	14,299.74
FY11	7,483.64	15,331.68
	50,924.15	44,841.29

TOTAL 95,765.44

Meter Parts and Repair Quote



Prepared by: Meigan Lindholm
 Prepared for: Pasadena

Date Prepared: 09/22/2011
 Ship-to Region: CA

Valid for **30 Days** from Date Prepared

Product ID	Description	New Part Price**	Repair or Replace w/ Refurbished Price*	Qty	Total
1. Spare Parts/Accessories					
385-0381-1015	VM / VS Electronics Module w/ GPRS Module	1,900.00	1,330.00	0	
380-0206-9044	Coin Validator - Cash Flow 330 Wet Deck	490.00	343.00	0	
380-0208-0001	Opto-Sensor PCA - Coin Jam Sensor	35.00	24.50	0	
381-0114-0004	Piezo Keypad Assm VS/VM	450.00	315.00	0	
381-0006-0001	Door Sensor VM/VS	35.00	24.50	0	
381-0006-0002	IR Sensor Board	40.00	28.00	0	
385-0381-1008	Credit Card - Hybrid Card Reader Assembly	650.00	455.00	0	
381-0206-0006	Hybrid Card Reader Loom/Cable	50.00	35.00	0	
381-0206-0001	VM/VS Main Loom	350.00	245.00	0	
380-0000-9036	Green Cell Battery	95.00	N/A***	0	
385-0000-0034	"P" Parking Decal	18.00	N/A***	0	
385-0000-0012	Payment Instruction Decal	15.00	N/A***	0	
Subtotal					\$ -
Total					\$ -

2. Comments

Sales Tax will be added to the invoice if applicable.

Freight/Shipping to be added to the invoice.

Payment Terms: NET 30 Days

Standard Manufacturer's Warranty on repaired/refurbished parts is three (3) months. All new parts have a Standard Manufacturer's Warranty of twelve (12) months.

*Part sent in for RMA will be evaluated and either repaired or replaced with refurbished parts, only on an as-available basis.

**If a part cannot be repaired or replaced with refurbished parts, a new part will need to be purchased (with the customers approval)

***Repairs not applicable, purchase of a new part required.

Please Send Purchase Order To:
 Duncan Parking Technologies, Inc
 Attn: Meigan Lindholm
 5924 Balfour Court Suite 102
 Carlsbad, CA 92008
 Ph: (760) 688-1522 Fax: (760) 688-1622
mlindholm@duncansolutions.com

City of Pasadena has currently installed 1200 CK's SSM's and 86 MSM's.

- The city has 2 phased meter installations:
 - Phase 1 – Approximately 36 MSM's
 - Phase 2 – Approximately 50 MSM's
 - Currently use 20 to 30 X3's to write parking tickets. Enforcement officers are required to pull paid stall data from meters prior to enforce.
- When the new meters were installed in phase 2 they were installed with "old" functionality. City would have preferred to have new functionality and upgrade older meters to be consistent with new system. Felt they were given an obsolete modem in new meters
- MSM's are currently offline processing and only batch transaction information and alarms 1 time every 24 hours.
- City has a proposal in front of them for around 90K to upgrade all 86 meters.
- All meter cellular accounts are on AT&T voice plans not data plans
- Client has had great service in the past from Glen Pappas, Steve Jones and Fred Mayo. Also with Gavin Jones and Meigan Lindholm.
- Service levels have decreased significantly and Duncan staff do not respond quickly enough for the client
- Client feels that there is an executive decision to cut back staffing and service levels suffer
- ReinoNet has issues. Meters not showing up and data is lost consistently. Took a long time to get any info back from Duncan and when this did happen the City was flat out told that the city was changing configuration cards and that is was the reason for the issues.
- Meter SL10 has never worked from day 1. Meter is continuously problematic
- 2 meters were never installed and now have been pillaged for parts to keep installed meters running
- Takes too long for Duncan to change rates. They want them to do this themselves.
- They get consistent false warnings. Example is cash box full alarms.
- Cash box reports show inaccurate levels. Sometimes reports show up to 10K in coin, when meters are collected there is only \$300
- City was told to shut off a modem they need to send back sim cards to Carlsbad. When the city wants to re commission the modems, was told that sim cards are not available for them. City researched directly with AT&T, this is not the case.
- When city was in San Diego looking at CALE meters. Stopped by Carlsbad to ask this question. Was Told from Steve Jones that sims were not available.
- Handhelds have been upgraded to WiFi capability.
- Pricing for spare parts is too costly. Example was a new face plate costs \$400.
- Upset that every repair, regardless of issue (battery or board replacement) with CPU issues cost \$300. Does not make sense to them.
- All products are out of warrantee
- "Flip Dot" support is not available from Duncan.

May 10, 2011

RE: CALE PARKING SYSTEMS PRICING for PASADENA, CA

Dear Mr. Kindred,

Pricing is based the initial offer made to the City on July 26, 2010. The following pricing is for 46 Pay & Display meters, model MP104 Compact. Pricing is based on ordering an additional 46 meters.

	<u>UNIT PRICE</u>	<u>EXTENDED PRICE</u>
<u>CALE MP104 – Pay and Display</u>	\$7,550	\$347,300
<i>Price Includes</i>		
<ul style="list-style-type: none">• Solar powered with battery back-up• 1 Year Parts Warranty• Coin Acceptance• Credit and Debit Card Acceptance• Rate Software• Stainless Steel Construction• Includes training of Maintenance, Collections, Enforcement and Management • Standard Black Color with Gray patron interface area• Wireless Communications Capable<ul style="list-style-type: none">○ Alarm notification /Statistical Reports/ Credit Card Validation/Transfers • Hardware for ground preparation• Installation to prepared ground		
Shipping	<u>\$150</u>	<u>\$6,900</u>
Sub Total for 46 new meters	\$7,700	\$354,200
Sub Total for 7 Pay & Display Meters currently installed	\$7,550	\$52,850
Sub Total for 3 Pay by Space Meter currently installed	\$8,050	<u>\$24,150</u>
Grand Total, sans any applicable taxes		\$431,200

Optional Costs:

Options

Light Bar with Motion Sensor	\$400
Tilt Board with Alarm	\$125
Extended Parts Warranty	\$29/Month

Associated Costs

- **Receipt Paper** \$18.50/Roll
 - Minimum order for paper is 100 rolls. Shipping not included
- **CALE Web Office** \$45/Meter/Month

Summary

Duncan Pay stations

*1st year, year 4 Monitoring/back office increases \$13 per meter per month (at a minimum)

CALE meters - \$7,150.00 per meter (per Baltimore's contract). Purchase of 48 pay stations = \$343,200.00

No upfront costs, 24, 36 or 60 month buy back lease.

24 Month lease	\$18,084.00 per month (48 meters)
\$331.75 per meter per month	
+ <u>\$45.00</u> (back office fees)	= \$434,016
\$376.75 per meter per month	

36 Month lease	\$12,833.76 per month (48 meters)
\$222.37	
+ <u>\$45.00</u>	= \$462,015.36
\$267.37	

60 Month lease	\$9037.92 per month (48 meters)
\$143.29	
+ <u>\$45.00</u>	= \$542,275.20
\$188.29	

For all the above, at the end of the lease term, we pay \$1.00 per meter and take ownership.

Here is the breakdown of Cale vs. Duncan for September in the Civic Center

September 2010 vs 2011					
Civic Center	Duncan		Cale		% change
Revenue	\$7,051.95		\$8,735.10		24%
# Trans	9929		8931		-10%
Avg Trans	\$ 0.71		\$ 0.98		38%
Cash	\$4,047.80	57%	\$3,280.25	38%	-19%
# Trans	7426	75%	4636	52%	-38%
Avg Cash Trans	\$ 0.55		\$ 0.71		30%
Credit	\$3,004.15	43%	\$5,454.85	62%	82%
# Trans	2503	25%	4295	48%	72%
Avg Credit Trans	\$ 1.20		\$ 1.27		6%

Using the above chart as a comparison,

$$2503 \times .36 = \$901.08$$

$$4295 \times .23 = \$987.85$$

Intangible benefits should also be considered

1/10-30/11	# of meters	Total Sales	Total # trans	Avg. trans	Credit Sales	Credit #	Avg. Credit Trans	Cash Sales	Cash #
opper's ne	26	\$ 39,094.80	51,132	\$ 0.76	\$ 25,959.15	9,795	\$ 2.65	\$ 13,135.65	41,3
uth Lake	22	\$ 176,633.58	304,146	\$ 0.58	\$ 60,253.58	68,634	\$ 0.88	\$ 116,380.00	235,5

\$18, 038.67 (trans x .23)

\$28, 234.44 (trans x .36)