



**CITY OF MARTINEZ**

**CITY COUNCIL AGENDA  
January 11, 2012**

**TO:** Mayor and City Council  
**FROM:** Tim Tucker, City Engineer  
**SUBJECT:** Parking Meter Trial Upgrade Project  
**DATE:** January 5, 2012

**RECOMMENDATION:**

Adopt resolution authorizing the City Manager to execute an Agreement between the City of Martinez and the IPS Group, Inc., in the amount of \$7500 for the Parking Meter Field Trial Upgrade Project.

**BACKGROUND:**

The City upgraded the Downtown parking meters approximately seven years ago replacing mechanical parking meters with electrical MacKay meters. Since that time parking meter technology has advanced significantly. Many communities including Walnut Creek and San Francisco have modified their meters to accept credit card payments. IPS Inc., is the leading company providing this technology. They have an office based in San Diego. IPS claim many benefits to their system. IPS has offered a 90-day field trial to the City for an evaluation of their product. City staff has met with the sales representative Johnny Waldo for a demonstration of the new devices. Mr. Waldo previously worked with MacKay meters and has helped us over the years manage our parking meter system.

Staff is convinced this meter upgrades will be a win-win for the City and merchants. Having credit card payment options gives flexibility for the public. Typically 33% of the parking public will use credit cards. Merchants in other cities have found credit card paying customers are paying for longer parking periods allowing time for increased shopping. This has the side benefit of increasing parking meter revenues for the City. Credit card transactions, on average, pay for three times the parking time than the public using coins. The overall affect is an average increase in revenue to the City of 25%. Staff proposes to install the new devices on Main Street between Court and Castro Streets for the trial.

Besides the obvious financial benefits to the City there are other benefits we will realize. The new meter head will automatically call our maintenance division should there be a failure with a meter. This will decrease down time for the meters insuring maximum utilization. The meter system can be monitored and reports run through the internet with the use of a password. The City currently out-sources parking meter violation collection and appeals. This company can access the data base to adjudicate tickets. The meter heads can work in concert with a device the size of a hockey puck that can be placed in the parking space pavement. This device will reset the meter once a car leaves, again increasing revenues. This device along with the meter head can detect if free loaders are using the space and notify our parking enforcement.

The Trial area is the sixty, two-hour meters, on Main Street between Castro and Court Streets. The Trial period is 90 days. If the devices prove successful staff would anticipate converting approximately 180 meters in the highest use areas. The total cost of a project this large would be approximately \$200,000, which includes installation costs. Staff will return to Council prior to the conclusion of the 90-day trial with a recommendation on whether to purchase the credit card reading devices or not. At that time an allocation of funds would be required.

**FISCAL IMPACT:**

There are costs associated with the trial and with ongoing fees for the wireless technology and credit card use should the City decide to keep the devices. IPS is confident these costs can be paid from increased revenue. The Trial Agreement limits the costs to not exceed the increased revenues.

The total Trial price shall not to exceed a one-time credit card processor set-up fee of \$125; Thirteen Cents (\$0.13) per credit card transaction; Three Dollars and Seventy-Five Cents (\$3.75) per meter per month for the secure wireless Gateway Data Rate; and Two Dollars (\$2.00) per meter per month for the web-based management system fee. The 90-day Trial is estimated to cost \$7,500 and will be absorbed within the existing budget.

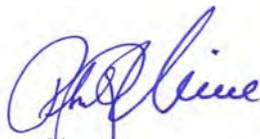
The funding source would be the Parking Fund which has more than sufficient funds to cover the costs. All corresponding revenue will go back into the Parking Fund. Should the City elect to keep the devices the purchase price is \$500 per unit. The optional, in ground, reset device are \$200 each plus installation.

**ACTION:**

Adopt resolution authorizing the City Manager to execute an Agreement between the City of Martinez and the IPS Group, INC., for the Parking Meter Field Trial Upgrade Project.

Attachments: Resolution & Agreement

**APPROVED BY:**

  
City Manager

RESOLUTION NO. -12

**AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF MARTINEZ AND THE IPS GROUP, INC., FOR IMPLEMENTING THE PARKING METER FIELD TRIAL UPGRADE PROJECT IN THE AMOUNT OF \$7500**

**WHEREAS**, the City Council of the City of Martinez is supportive of proving convenient and equitable parking for downtown merchants; and

**WHEREAS**, the technology for parking meters now includes the ability to accept credit card payments; and

**WHEREAS**, the use of credit card payments has shown to increase revenues for the cities using parking meters fitted with such a reading device; and

**WHEREAS**, due to an average increase in time paid per credit card transactions businesses have found shoppers tend to stay in the parking zone longer resulting in increased shopping; and

**WHEREAS**, IPS Group Inc., manufactures credit card reading devices to fit the City's parking meters; and

**WHEREAS**, IPS Group has agreed to provide said devices for a 90-day trial period for only the soft costs associated with providing internet connection, transaction and handling fees.

**WHEREAS**, the City must enter into a Parking Meter Field Trial Agreement to take advantage of IPS Groups offer.

**NOW, THEREFORE, IT BE RESOLVED** by the City Council of the City of Martinez authorizes the City Manager to execute an Agreement between with IPS Group, INC., for the Parking Meter Field Trial Upgrade Project in the amount of \$7500.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 11th day of January, 2012 by the following vote:

AYES:  
NOES:  
ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ

**IPS GROUP, INC.  
PARKING METER FIELD TRIAL AGREEMENT**

**THIS AGREEMENT** made \_\_\_\_\_, 2012, by and between the **City of Martinez**, whose principal place of business and mailing address is 525 Henrietta Street, Martinez, CA 94553, (hereinafter called the "**CITY**") and IPS GROUP, INC., a Pennsylvania corporation, whose principal place of business and mailing address is 6195 Cornerstone Ct E, Suite 114, San Diego, CA 92121 (hereinafter called the "**IPS**").

**WHEREAS**, the **CITY** desires to contract with the **CONTRACTOR** to perform a parking meter field test within the **CITY** using the patented IPS credit card enabled single space parking meter (SSPM); and

**WHEREAS**, the **CONTRACTOR** will install approximately Sixty (60) SSPM ("Meters") within **CITY** with no charge for installation and equipment to the **CITY** for a trial operational period of ninety (90) days;

**WHEREAS**, the **CITY** shall pay the **CONTRACTOR** a total amount not to exceed a one-time credit card processor set-up fee of \$125;Thirteen Cents (\$0.13) per credit card transaction; Three Dollars and Seventy-Five Cents (\$3.75) per meter per month for the secure Wireless Gateway Data rate; and Two Dollars (\$2.00) per meter per month for the web-based management system fee; Field trials that extend beyond the initial period outlined above shall then be charged an additional meter hardware rental fee of \$15 per meter per month (30 days), and will be prorated in the event of a partial month of use.

These fees will be collected out of any increase in revenue produced by the installation of the IPS meters only, for this trial. No fees shall be charged in excess of increased revenues as calculated by the City.

**WITNESSETH:**

The **CITY** and **IPS**, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1. **Recitals.** Each party named in this Agreement agrees to execute the Agreement and to diligently undertake the acts necessary to consummate the transaction contemplated by this Agreement. Each party shall use its best efforts to consummate the transaction contemplated by this Agreement.

**Contract Price.** The **CITY** shall pay the **CONTRACTOR** a total price not to exceed a one-time credit card processor set-up fee of \$125; Thirteen Cents (\$0.13) per credit card transaction; Three Dollars and Seventy-Five Cents (\$3.75) per meter per month for

the secure wireless Gateway Data Rate; and Two Dollars (\$2.00) per meter per month for the web-based management system fee;

**Payments.** Payment shall be made to **IPS** as follows:

- a) **CONTRACTOR** will invoice the **CITY** at the end of each month after the trial period for all costs outlined in the contract price in paragraph 2 above.
- b) The contract price in paragraph 2 excludes any taxes that may be applicable to the **CITY**. Any applicable taxes will be added to the fees per paragraph 2 and will be paid by the **CITY**.
- c) The contract price in paragraph 2 excludes any additional costs associated with applicable permits that may be applicable and required by the **CITY**. Any applicable costs associated with permits will be added to the fees per paragraph 2 and will be paid or waived by the **CITY**.

2. **IPS's Duties.** **IPS** shall be responsible for providing the following:

- a) Approximately Sixty (60) single space parking meters ("meters"); Meter Management System (MMS), and PCI-DSS Level 1 Certified Payment Gateway Services.
- b) Configure the meters and sensors as directed by the **CITY** with regards to rates, hours of operation and credit card acceptance.
- c) Lead, with supervision of the **CITY**, the installation of the meters, sensors, and associated meter and management system training;
- d) Provide full technical support throughout the duration of the field trial via phone support, but will come on-site if required;
- e) Pay for shipping to/from the **CONTRACTOR's** facility for any repair services that cannot be successfully completed by the **CITY**;
- f) Meet with the **CITY** on a regular basis (via conference call) to review the field trial and performance of the units;
- g) Measure the performance of the meters to determine the usage of credit cards and the corresponding benefit to the **CITY**;

3. **CITY's Duties.** The **CITY** shall be responsible for providing the following:

- a) Provide all required information regarding credit card processing and meter configuration to **IPS** in order to install the meters; The **CITY** will not require any third party gateway, however, the **CITY** will be required to pay for all services associated with the merchant account, including account management fees, interchange and processing fees.
  - b) Supervise and be present with the **CONTRACTOR** during the installation and removal of the meters;
  - c) Remit payment to **IPS** as outlined in the contract price in paragraph 2 on a Net 30 basis;
  - d) Perform first line meter maintenance, including clearing of coin jams, card reader jams, and the like;
  - e) Actively communicate any issues to **IPS**, in order for **IPS** to respond appropriately to reach a resolution.
  - f) Provide current meter operating data to **IPS** in order to make a proper comparison between current operations and the trial meters. Data should include, but is not limited to, revenue data, paid occupancy data, meter uptime;
  - g) Allow **IPS** to use the trial data and analysis in a case study, as a customer testimonial or use the **CITY** as a reference, subject to approval by the **CITY**.
  - h) Allow **IPS** to conduct a public survey with regards to public preferences for new technology, to be paid entirely by **IPS** and approved by the **CITY** prior to commencement of survey.
4. **Term.** The term of this Agreement shall commence on the date that **IPS** shall install and make operational all trial meters and shall terminate ninety (90) days thereafter, unless mutually agreed to extend the trial in writing by both parties. **IPS** shall provide written notice to the **CITY** indicating that all trial meters have been installed, and the date of such written notice shall constitute the commencement of the field trial terms. Either party may terminate field trial by giving the other thirty (30) business day's written notice.

5. **Notice.** All notices, requests, demands, if personally delivered or mailed, certified mail, return receipt requested, to the following addresses:

As to the **CITY**:  
City of Martinez  
525 Henrietta St  
Martinez, CA 94553  
ATTN: Tim Tucker, City Engineer

As to **IPS**:  
Chad P Randall  
COO  
**IPS** Group, Inc.  
6196 Cornerstone Ct E, Suite 114  
San Diego, California 92121

6. **Assignment.** **IPS** shall not, without prior written consent of the **CITY**, assign any portion of its interest under this Agreement and, specifically, **IPS** shall not assign any monies due or to become due without the prior written consent of the **CITY**.
7. **Ownership/Use.** All equipment provided shall remain the property of **IPS** unless the **CITY** enters into a separate agreement with **IPS** for the purchase of said equipment. All equipment provided shall be used for the purpose of this agreement and evaluation only and the **CITY** shall not license, sell, dispose, or transfer the equipment to any other 3<sup>rd</sup> party without the written consent of **IPS**.
8. **Authorization.** Each party warrants to the other party that the individuals executing this Agreement are authorized to do so.
9. **Force Majeure.** If any party is prevented from performing its obligation stated in this Agreement by any event not within the reasonable control of that party, including, but no limited to, an act of God, public enemy, or war, fire, an act or failure to act of a government entity (except on the part of the **CITY**), unavailability of materials, or actions by or against labor unions, it shall not be in default in the performance of its obligations stated in this Agreement. PROVIDED, HOWEVER, any party delayed by such an event shall request an extension of time to perform its obligations stated in this Agreement by notifying the party to which it is obligated within ten days following the event. If the notified party agrees that the event was the cause of the delay, the time to perform the obligations stated in this Agreement shall be extended by the number of days of delay caused by the event. If the required notice is not given by the delayed party, no time extension shall be granted.

10. **Confidentiality/Intellectual Property.** IPS understands the nature of public information the requirement for the CITY to adhere to all rules and laws that apply to public information, such as Freedom of Information Act, Public Information Requests, and the like; However, the CITY also understands that the equipment provided by IPS contains intellectual property, copyrights and trade secrets that do not exist in the public domain. Therefore, the CITY agrees that it will not knowingly agree, assist, or sell any equipment or allow any third party to gain access to equipment, software, documentation provided by IPS for the purposes of reverse engineering or evaluation without the written consent of IPS.
11. **Severability.** If any provision in this Agreement subsequently is determined to be invalid, illegal, or unenforceable, that determination shall not affect the validity, legality, or enforceability of the remaining provisions stated in this Agreement unless that effect is made impossible by the absence of the omitted provision.
12. **Binding Document.** The CITY and IPS each binds itself, its partners, successors, assigns and legal representatives to the other party hereto in respect to all covenants, conditions, and obligations contained in the Agreement.
13. **Venue.** This Agreement shall be governed by the laws of the State of California as now and hereafter in force. The venue for actions arising out of this Agreement shall be in San Diego, CA
14. **Entire Agreement; Modification -** This Agreement between the parties consists only of the express written terms and conditions set forth in this Agreement. All understandings and agreements made between the parties are superseded by this Agreement, which alone fully and completely express the parties' understanding. There are no promises or agreements, oral or otherwise, inducing entry into this Agreement, except only as expressly in writing herein. The parties are relying only on the express terms, conditions and agreements set forth in this Agreement. The parties further agree that any promise or agreement, not expressly set forth in writing and signed by both parties, can-not be relied upon and will not be valid or enforceable.

15. **Signatures Required.** This Agreement shall be considered null and void unless signed by both **IPS** and the **CITY**.

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

**CITY**

**IPS GROUP, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: Philip Vince

Printed Name: Chad P. Randall

Title: City Manager

Title: Chief Operating Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_