



Office of the City Manager

CONSENT CALENDAR
October 27, 2020

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Liam Garland, Director, Department of Public Works
 Subject: Contract No. 115731-1 Amendment: SKIDATA, Inc. (formerly Sentry Control Systems) for Extending Parking Access and Revenue Control System Maintenance Services and Warranties

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 115731-1 (Contract No. 10661B in FUNDS) with SKIDATA, Inc. (formerly Sentry Control Systems) to provide critical maintenance services and warranties for parking access and revenue control system equipment nearing the end of its useful life, extending the term to June 30, 2024 and increasing the contract amount by \$660,283 for a total not-to-exceed of \$1,995,540.

FISCAL IMPACTS OF RECOMMENDATION

Funding for the contract amendment of the SKIDATA Parking Access and Revenue Control System (PARCS) is available in the FY 2021 budget and is subject to appropriation in each future fiscal year through Fiscal Year (FY) 2024 of the contract term in the Off-Street Parking Fund (Fund 627).

Current contract amount	\$1,335,257
Amended contract amount (Maintenance through FY24)	\$ 660,283
Total NTE	\$1,995,540

Below is a table of anticipated annual expenditures:

Payment Term	Parking Guidance	IT Manage Service	Premium Care Equip	Replacement Parts	Server Upgrade	Annual Total
July 2021	\$20,575	\$44,583	\$110,287	N/A	N/A	\$175,445
July 2022	\$21,192	\$47,298	\$113,596	N/A	N/A	\$182,086
July 2023	\$21,828	\$49,920	\$117,004	N/A	N/A	\$188,752
July 2021 – June 2024	N/A	N/A	N/A	\$75,000	\$39,000	\$114,000
Amendment Total	\$63,595	\$141,801	\$340,887	\$75,000	\$39,000	\$660,283

CURRENT SITUATION AND ITS EFFECTS

The City entered into its current contract with SKIDATA, Inc. (formerly Sentry Control Systems) on July 1, 2017 via Resolution No. 68,009-N.S.¹ This contract provides preventative maintenance, parts, and software for the PARCS and the parking guidance system (PGS) equipment at the City's three public parking garages. The contract was first amended on September 14, 2017 to provide additional equipment associated with the Center Street Garage rebuild. On May 26, 2020 Council authorized a second contract amendment to provide funding for warranty coverage of the Center Street Garage's new parking guidance system.² This amendment was originally intended to include the recommended term extension and associated warranties, but was scaled back due to consideration of emergency COVID-19 measures. This contract is currently set to expire June 30, 2022.

The City's three parking garages are currently served by a mix of old and new equipment, with the older equipment purchased in 2011. Staff have prioritized cost savings over the duration of the contract. In 2018, during the Center Street Garage construction, staff only purchased new equipment necessary to expand the capacity of the garage while re-installing equipment originally used in the old facility.

The City assumes a ten-year lifespan for parking control equipment. Most of the existing equipment will reach this milestone next year. Older equipment is more susceptible to needing replacement parts due to accumulated wear and tear. The PARCS equipment is also in need of a software upgrade as its current Windows 7 operating system is no longer supported by Microsoft. The Windows 10 update will provide critical security upgrades for the safety and security of payment transactions conducted via the equipment. Under the existing contract, the newer equipment purchased for the Center Street Garage is under warranty through FY 2024. The recommended contract amendment would also extend the warranties of the equipment purchased in 2011 through FY 2024.

Maintenance costs will be cheaper over the recommended extended agreement length. Since vendor parts and services costs increase over time, staff seek to 'lock in' current rates for maintenance services in the contract. The longer the agreement term, the more the City saves over time by relying on the lower initial rates. By contrast, shorter contract lengths cost more over time as vendor maintenance costs increase with each incremental agreement. SKIDATA's warranty extension 'locks in' older pricing on all of the City's equipment (older and newer) through FY 2024.

Extending the contract term through FY 2024 will allow staff time to fully analyze the COVID-19 financial impacts in order to issue a Request for Proposals (RFP) for

¹ May 30, 2017 *City Council Agenda*: <https://bit.ly/2XOGGvp>

² May 26, 2020 *City Council Agenda*: <https://bit.ly/33yb4LC>

replacement PARCS equipment in alignment with future budgetary conditions, while keeping the existing PARCS and PGS equipment well-maintained. While the May 26, 2020 contract amendment was originally intended to include the recommended term extension and associated warranties, it was scaled back due to consideration of emergency COVID-19 measures.

BACKGROUND

In March 2012, based on a recommendation from the City Auditor to fully automate the garage revenue system, the City purchased SKIDATA PARCS equipment for its three public parking garages: Oxford Garage, Telegraph Channing Garage, and Center Street Garage. Sentry Control Systems (now a subsidiary of SKIDATA, Inc.) installed and currently maintains the revenue system, and provides periodic Payment Card Industry (PCI) compliance upgrades.

ENVIRONMENTAL SUSTAINABILITY

As part of the goBerkeley demand-responsive parking program, the City's three parking garages play an important role in improving parking availability and reducing congestion and greenhouse gas emissions in the Downtown Berkeley and Southside/Telegraph areas.

RATIONALE FOR RECOMMENDATION

PARCS equipment in the City's three public parking facilities has a useful lifespan of ten years, beyond which repair becomes much more costly as the equipment is less reliable and replacement parts are harder to obtain. Most of the City's equipment is now nine years old and in need of routine parts replacement. Extending the contract term allows the City to cover needed invoice costs in Fiscal Year 2021, and to lock in lower maintenance costs over a longer warranty agreement, saving money over time.

Additionally, from July 2019 through February 2020, the City's three parking garages generated nearly \$358,000 per month in gross revenue. Well-running equipment allows the City to collect this revenue without service interruptions, supporting the City's current and future fiscal health.

ALTERNATIVE ACTIONS CONSIDERED

If this contract amendment is not approved, funding will be unavailable for critical maintenance of the City's PARCS equipment through the contract term. The effects of malfunctioning or inoperable equipment are far reaching. If equipment fails, the City may need to revert to processing payment transactions manually at parking facilities, resulting in higher contractor costs. Alternatively the City would need to shut down any malfunctioning off-street parking facility entirely, resulting in loss of revenue that would risk the fiscal health of programs and bond payments reliant on this source of funding.

CONTACT PERSON

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Contract No. 115731-1 Amendment: SKIDATA, Inc.
(formerly Sentry Control Systems) for Extending Parking Access and
Revenue Control System Maintenance Services and Warranties

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Attachment:
1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 115731-1 AMENDMENT: SKIDATA, INC. (FORMERLY SENTRY CONTROL SYSTEMS) FOR MAINTENANCE AND WARRANTIES AND EXTENSION OF CONTRACT TERM

WHEREAS, the City of Berkeley owns and operates three public parking facilities with automated entry/exit and payment capabilities; and

WHEREAS, the City of Berkeley is currently under contract with SKIDATA, Inc. (formerly Sentry Control Systems) to install and maintain the Parking Access and Revenue Control System (PARCS) at the three facilities; and

WHEREAS, FUND\$ Contract No. 10661 was executed July 1, 2017 as authorized by Resolution No. 68,009-N.S., was subsequently amended on September 14, 2017 to include maintenance and extended warranties, and will expire June 30, 2022; and

WHEREAS, the contract was amended on May 26, 2020 to provide warranty coverage for the Center Street Garage's new parking guidance system, but was scaled back in scope due to COVID-19 cost considerations; and

WHEREAS, PARCS equipment in the City's three public parking facilities is now nine years old and in need of routine parts replacement; and

WHEREAS, extending the contract term an additional two years until June 30, 2024 will lock in lower cost warranty rates for all of the City's PARCS equipment and allow staff adequate time to conduct an RFP process for replacement equipment; and

WHEREAS, funding for extending maintenance and warranties for existing equipment through FY 2024 is subject to appropriation in each fiscal year of the contract term in the Off-Street Parking Fund (Fund 627).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. 115731-1 with SKIDATA, Inc. (formerly Sentry Control Systems) to provide maintenance services and warranties for parking access and revenue control system equipment, increasing the contract amount by \$660,283 for a total not-to-exceed amount of \$1,995,540, and extending the contract term by two years to June 30, 2024.

