

ORDINANCE/RESOLUTION REQUEST

Please email requests to Jason Gallardo, Department of Transportation and Infrastructure
at pw.ordinance@denvergov.org by **12:00pm NOON on Monday**. Contact Jason with questions.

Date of Request: **March 9, 2023**

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract Intergovernmental Agreement (IGA) Rezoning/Text Amendment
- Dedication/Vacation Appropriation/Supplemental DRMC Change
- Other:

2. Title: (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Amends the professional services technology Contract (No. 202055581) with PAYBYPHONE TECHNOLOGIES, INC. to add service fee and extend term. Current Term 11/01/2020 – 10/31/2023. New Term 11/01/2020 – 10/31/2025

3. Requesting Agency: DOTI MOP TOP Transport Operations

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Alyssa Alt	Name: Jason Gallardo
Email: Alyssa.Alt@denvergov.org	Email: jason.gallardo@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The PaybyPhone mobile pay application allows customers to pay for parking with a mobile application or with their phone and is currently in use in on-street paid parking areas. The application allows for people to pay for parking without touching any infrastructure and extends the life of the current on-street meter technology. This amendment request is to extend the contract term by two years from 11/01/2020 – 10/31/2023 to 11/01/2020 – 10/31/2025, and to add a service fee for technology integrations with other parking and enforcement companies. DOTI has not utilized full contract amount the total amount of the contract is not changing. Current contract amount \$1,000,000.00. DOTI has paid out \$150,000.00 in total costs so far – even with increased costs DOTI will not meet the contract cap. The service fee addition is adding scope to the contract, which comes with a cost but there is not an increase to the overall contract. The transaction fees have increased as well, but again, will not hit contract cap. No fees are being passed along to the parking customer at this time. (See executive summary for more)

6. City Attorney assigned to this request (if applicable): Andrew Riester

7. City Council District: Citywide

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Professional Services (Technology)

Vendor/Contractor Name: PAYBYPHONE TECHNOLOGIES, INC.

Contract control number: DOTI-202055581-01 / DOTI-202266147-01

Location: Citywide

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** 1

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): Current Term November 1, 2020 – October 31, 2023. New Term November 1, 2020 – October 31, 2025

Contract Amount (indicate existing amount, amended amount and new contract total): \$1,000,000.00

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$1,000,000.00	N/A	\$1,000,000.00

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
11/1/2020 – 10/31/2023	Two years	11/1/2020 – 10/31/2025

Scope of work: See attached Executive Summary on following page.

Was this contractor selected by competitive process? Yes, by General Services **If not, why not?**

Has this contractor provided these services to the City before? Yes No

Source of funds: General Funds

ELEVATE DENVER BOND:

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Executive Summary

The current PayByPhone contract is being amended to update the scope of work to add in functionality for integrations with other parking software DOTI is currently using to analyze and manage on-street parking. The DOTI PayByPhone contract expires, 10/31/2023. The contract did not contemplate this need originally, as it was not something DOTI was doing at that point (besides with our enforcement software that was called out in the contract). These integrations are to push or pull transaction data (non-PII) between the software systems. The primary integration is with Turnstone, which is a technology company DOTI piloted with and are now contracting with to analyze transaction data from all on-street paid parking sources, meters and pay stations (IPS) and mobile payments (PayByPhone). Through the Turnstone integration, DOTI will be able to use the data to build and sustain an on-street performance-based pricing model. Allowing DOTI to right-size parking costs based more fully on actual demand. This additional scope will also allow DOTI to integrate with other parking technologies should they come forward and was initiated by DOTI.

DOTI fully intended to extend the current contract with PayByPhone for an additional two years (total of five years) in the fall when the contract expired to build on the positive adoption rate we have experienced. We have been happy with the service and have seen adoption of the mobile application rise to almost 25% of all revenue collected for on-street parking since launch in January 2021. There has been effort to increase adoption as DOTI expands paid parking areas with pay stations to manage on-street parking instead of single space meters. We see a much higher use of PayByPhone in areas of the city that have pay stations, such as Cherry Creek North, close to 80% of all transactions. To reduce the number of amendments to the contract DOTI worked with PayByPhone to update the scope to include the monthly integration fee and extend the contract for the additional two years. During the negotiations, PayByPhone provided increased transaction fees and asked to include fees for SMS and application use. Because these were not part of the original contract DOTI would not move forward with the additional fees through an amendment. PayByPhone agreed to only increase the transaction fees to reflect increased operating cost. The increased transaction fees are in-line with other municipal and private parking operations throughout the country. This amendment does not require an increase in total contract cost. Average ~\$100,000/year in the past two years of the contract and expect ~\$250,000/year for the remaining years of the contract. At this time, DOTI absorbs all fees and none are passed along to the parking customer.

About the current PayByPhone application and benefits to the city:

PayByPhone is allowing DOTI to be innovative at the curbside with paid parking options, utilize our current IPS meter system more efficiently and provide additional flexibility for our customers paying to park. Drivers can pay for their parking using a smartphone app, telephone call, interactive voice response (IVR), or PayByPhone's mobile website. For the website option, drivers can park and pay quickly without registering for an account. PayByPhone doesn't require pre-registration to park, and they also operate a "guest account" service for parkers. There is also 24x7x365 customer support for parking customers to mitigate any issues with the service.

PayByPhone notifies the driver via an SMS alert that their parking session is about to expire. It allows for the extension of time from the mobile device, provided the additional time purchased does not exceed the maximum time allowed for that specific parking space. Benefits to be realized through the introduction of On-Street Mobile Parking Payment applications include:

- Improved on-street parking experience by increasing flexibility, reliability and convenience.
- New revenue streams such as tiered pricing and payment structures, with an opportunity to introduce business programs and reward programs. (This is an option, but not included in the initial rollout)
- Reduced operational costs through reduction in cash collections, reduced and streamlined enforcement and technology integration.
- Better management of the City Parking Program from insights gained through the collection of data and identification of trends from the use of Mobile Parking Payment applications.
- Increased brand image and improved citizen goodwill by adopting and offering cutting- edge technology within the City.
- Increase citizen health safety and support Public Health initiatives by providing contactless payment methods.

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____