

# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

## COMMISSION MEMORANDUM

TO: Honorable Mayor Steven Meiner and Members of the City Commission

FROM: Alina T. Hudak, City Manager 

DATE: January 31, 2024

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING THE AGREEMENTS WITH PARKMOBILE, LLC, AND PAYBYPHONE US INC., PURSUANT TO REQUEST FOR QUALIFICATIONS (RFQ) NO. 2023-051-WG, FOR MOBILE PARKING PAYMENT SYSTEMS; AND AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE FINAL AGREEMENTS**

### RECOMMENDATION

It is recommended that the Mayor and City Commission adopt the Resolution approving the agreements with ParkMobile, LLC, and PayByPhone US, Inc., pursuant to Request for Qualifications (RFQ) 2023-051-WG for mobile parking payment systems. The Resolution also authorizes the City Manager and City Clerk to execute the final agreements.

### BACKGROUND/HISTORY

Mobile parking payment systems provide an alternative to the traditional ways of paying for parking such as parking meters. Many firms offer mobile parking payment technology to users through the use of a telephone application. Over the past ten (10) years, the City has engaged with ParkMobile USA, Inc. for provision of these services. The agreement with ParkMobile was set to expire on February 23, 2023.

On October 26, 2022, the City Commission directed the Administration to explore options for contracting with the best mobile parking payment application service, including, but not limited to, mobile parking payment applications being used by neighboring jurisdictions to maximize convenience to residents and local visitors.

Pursuant to the City Commission's direction on October 26, 2022, staff returned to the City Commission on December 14, 2022, after having researched which mobile parking payment solutions were being utilized by neighboring jurisdictions and whether the City could piggyback any of the contracts executed by these agencies. All local jurisdictions were queried, and responses were received from the following:

- 1) City of Miami/Miami Parking Authority;
- 2) City of Coral Gables;
- 3) City of Doral;
- 4) City of Hallandale and
- 5) City of Fort Lauderdale.

The City of Miami/Miami Parking Authority responded that its contract had been competitively solicited and awarded to PayByPhone US Inc. ("PayByPhone") in 2014 and is scheduled to expire in 2025. The other four (4) agencies responded that they were piggybacking off the City of Miami/Miami Parking Authority Contract.

The City of Miami/Miami Parking Authority's contract with PayByPhone is similar to the City's current contract with ParkMobile in that it allows for a resident discount rate and does not charge residents a transaction fee. However, unlike the City's current contract, under which the City does not pay any charges (resident transaction fees are absorbed by visitors in the visitor rates charged), the City of Miami/Miami Parking Authority contract would allow the City to absorb the resident transaction fees. Doing so is estimated to cost the City \$136,000.00 annually. This estimate is based on approximately 503,000 resident transactions at the current PayByPhone convenience fee of \$0.27.

Staff also identified competitive contracts awarded to PayByPhone by the National Cooperative Purchasing Alliance (NCPA) and the City of Tampa. However, the NCPA contract does not allow for discounted rates and no transaction fees to residents. Further, the Agreement with the City of Tampa contains local preference language that typically precludes other agencies from piggybacking.

Staff was unable to identify a contract awarded to PayByPhone that meets the City's current requirements to offer residents discount rates and fee waivers. This is an important distinction because piggybacking typically requires that the agency desiring to piggyback accept the terms, conditions, and pricing of the other agency's contract without modification.

During the research process, staff learned that some jurisdictions (e.g., the City of Tampa) had awarded contracts for mobile parking payment solutions to more than one provider as a means of extending convenience to visitors traveling into the City from areas serviced by other providers.

As a result, the Administration recommended the City Commission authorize the preparation of a competitive solicitation for a replacement contract for mobile parking payment solutions that appropriately prioritizes, among other relevant factors, the convenience to the customer and potential benefits to the City of utilizing a mobile parking payment solution provider used by a majority of neighboring jurisdictions. The solicitation would also allow an award of a contract to more than one mobile parking payment solutions provider if the City Commission deems that doing so is in the City's best interest.

On February 1, 2023, the Mayor and City Commission approved the issuance of RFQ No. 2023-051-WG for mobile parking payment solutions and also approved a month-to-month extension of the current agreement with ParkMobile USA, Inc. until a replacement agreement is executed and mobile parking payment service has been transitioned to a new service provider. RFQ responses were due and received on April 5, 2023. The City received nine (9) proposals from the following firms: Frogparking, Inc., Honkmobile USA LTD., Hotspot Parking Inc., Mobile Smart City Corp, Parkeon, Inc., ParkMobile, LLC, Passport Labs, Inc., PayByPhone US Inc., and Zipby USA LLC

On May 26, 2023, the Evaluation Committee, appointed by the City Manager via Letter to Commission No. 223-2023, convened to consider the proposals received. The results of the Evaluation Committee process are detailed in Attachment A and resulted in the following rankings:

- 1st ranked – ParkMobile, LLC
- 2nd ranked – PayByPhone US Inc.
- 3rd ranked – Parkeon, Inc. (Flowbird)
- 4th ranked – Mobile Smart City Corp

- 5th ranked – HonkMobile USA LTD.
- 6th ranked – Passport Labs, Inc.
- 7th ranked – Zipby USA LLC
- 8th ranked – Hotspot Parking Inc.
- 9th ranked – Frogparking, Inc.

On June 28, 2023, the Mayor and City Commission approved Resolution No. 2023-32625 (attached hereto) authorizing the Administration to simultaneously negotiate with ParkMobile, LLC, and PayByPhone US Inc., the first and second-ranked firms, respectively. The Resolution also requires that the final negotiated Agreement(s) with the recommended proposer(s) shall be subject to the prior approval of the Mayor and City Commission.

### **ANALYSIS**

As directed by the City Commission, staff negotiated agreements with ParkMobile, LLC and PayByPhone US Inc, the 1<sup>st</sup> and 2<sup>nd</sup> ranked firms, respectively. ParkMobile and PaybyPhone are leaders in the mobile parking payment field, both were founded over fifteen years ago and have contracts with multiple municipalities in Florida. As the City already has history with ParkMobile as a service provider, adding PaybyPhone to our payment options will further facilitate the parking user experience in the City. Despite the many similarities between these companies, there are also major differences, including management of transaction fees. Negotiation discussions commenced on July 6, 2023, negotiating the waiver of transaction/convenience fees and agreeing to an acceptable resident access format resulted in extensive negotiations. ParkMobile waives transaction fees for City residents. PaybyPhone agreed to the terms proposed by the City and committed to developing technology and implementing operational changes to allow for the waiver of transaction fees for City residents. The Administration's goal was to negotiate similar contracts with both firms to provide for easier enforcement of the agreements, while providing seamless options to customers. Through extensive discussions and a cooperative spirit, this goal was reached. The negotiated Agreements are attached hereto as Attachment A.

The most significant terms are highlighted below.

- The initial term of this Agreement shall be for a period of five (5) years. At the City Manager's sole and absolute discretion and provided further that the concessionaire is not in default under this Agreement, the City may extend the term of this Agreement for two (2) additional two-year periods. The concessionaire shall maintain, for the entirety of any renewal period, the same revenue share, terms, and conditions included within the originally awarded contract. Continuation of the contract beyond the initial period and any renewal option subsequently exercised is not a right of the Concessionaire.
- Both firms have agreed to waive transaction/convenience fees for City residents.
- Both firms agree to Transaction/Convenience fees for non-residents of \$.35 per session.
- PaybyPhone and ParkMobile will collaborate to provide signage (ParkMobile will design, procure and deliver the signage and PaybyPhone will cover all costs).
- ParkMobile will continue to utilize the current zones deployed throughout the City.
- For non-residents, PaybyPhone will utilize the same zones deployed by ParkMobile.
- However, for residents, PaybyPhone will require unique zones to access the \$.35 transaction fee waiver.

### **LOBBYIST DISCLOSURE**

In accordance with Resolution No. 2023-32857, adopted by the City Commission on December 13, 2023, the following information has been provided by the Administration.

1. Was the Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

2. If so, specify name of lobbyist(s) and principal(s): Not Applicable

**SUPPORTING SURVEY DATA**

Not Applicable

**FINANCIAL INFORMATION**

For FY23 total parking meter revenue was \$27,943,000 of which 85% or \$23,751,550 was collected through ParkMobile. Pursuant to this agreement ParkMobile and PayByPhone will collect parking revenue for the City of Miami Beach. A \$.35 transaction/convenience fee is charged to non-residents. Transaction/convenience fees are waived for City of Miami Beach residents.

**ACCOUNTS:**

This is a revenue collection agreement.


**CONCLUSION:**

Based on the foregoing, it is recommended that the Mayor and City Commission adopt the Resolution, approving the agreements with ParkMobile, LLC, and PayByPhone US Inc., pursuant to Request for Qualifications (RFQ) No. 2023-051-WG, for mobile parking payment systems. The Resolution also authorizes the City Manager and City Clerk to execute the final agreements with ParkMobile, LLC, and PayByPhone US Inc.

**ATTACHMENTS:**

**A – Agreement with ParkMobile, LLC**

**B – Agreement with PayByPhone US Inc.**

  
RW / MB / AD / KB