



Legislation Text

File #: 23-0700, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Sole Source Procurement 23-189, PayByPhone Mobile Application, to PayByPhone Technologies, Inc. for an amount not to exceed \$250,000 and for a three-year term

DEPARTMENT: Transportation, Engineering and Development

SUBMITTED BY: William J. Novack, Director/City Engineer

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

As a sub-contractor to Standard Parking on Contract 11-028, PayByPhone Technologies (formerly Verrus) established pay-by-phone service at the Naperville and Route 59 Metra stations in 2011. Since that time, commuters and visitors have set up PayByPhone accounts in order to use their mobile phones for the payment of daily fee parking. The accounts include the commuters' contact and credit card information and payment history. In addition, the City has established the necessary connections to make the PayByPhone system compatible with the daily fee payment machines at the stations.

DISCUSSION:

TED has identified this purchase as a Sole Source because the City has standardized accounts based on proprietary software only available through PayByPhone. Therefore, to remain consistent and avoid disruption to commuters, it is in the best interest of the City to retain the PayByPhone mobile application.

The contract between the City and PayByPhone allows the City to extend the contract term. The contract provides for the City to make payments to PayByPhone for the actual number of payment transactions. Each transaction is collected by the City from the commuters at the time of the transaction and then paid by the City to PayByPhone.

The transaction fee has remained at \$0.35 since 2011. This year, PayByPhone requested an increase in fees to account for their rising costs due to inflation. In the new contract, fees would remain at \$0.35 through 2023. Fees would then increase following this schedule:

- January 1, 2024: \$0.40
- October 1, 2024: \$0.42
- October 1, 2025: \$0.45

Between October 2022 and April 2023 on average there were 7,400 monthly PayByPhone transactions. In May 2023, monthly transactions were 9,300. This is a relatively large increase, and the city is anticipating more with the conversion to daily fee. It was assumed that there would be 15% growth annually in the number of PayByPhone transactions for the length of this contract.

This Sole Source is requested for a three-year term from October 1, 2023, through September 30, 2026.

FISCAL IMPACT:

CIP #: N/A

PayByPhone is expensed to the Administrative Service Fees account listed below. \$30,000 was budgeted for PayByPhone expenses in 2023. Staff will ensure the appropriate amount is budgeted in 2024, 2025 and 2026, to ensure the expenses associated with the contract are fully funded. The transaction fees are paid by the commuter and passed through the City to PayByPhone. The total value of the contract covers the anticipated cost of the transaction fees through the full contract term.

Account Number	Fund Description	Total Budget Amount
30101200-532316	Commuter Parking Fund	\$158,000