

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: SCOTT WAGNER, CHIEF FINANCIAL OFFICER, FINANCE  
DEPARTMENT  
SUBJECT: APPROVAL OF PURCHASE ORDER WITH IPS GROUP, INC. TO  
PAY SINGLE SPACE AND MULTI SPACE COMMUNICATION  
FEES, CREDIT CARD TRANSACTION FEES, AND TEXT 2 PAY  
MOBILE PAYMENT FEES

AGENDA ACTION: MOTION

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RECOMMENDATION

The Finance Department recommends that the Council, by motion: 1) approve a Purchase Order to offset ongoing secure wireless gateway and data fees, meter management software licensing, and credit card gateway fees from IPS Group, Inc., San Diego, California, for a total not to exceed amount of \$810,000 and authorize the Purchasing Agent to execute the Purchase Order; and 2) delegate authority to negotiate and execute any other documents, agreements or amendments related to the purchase, subject to approval as to form by the City Attorney. This item has no impact on current fiscal year budget.

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EXECUTIVE SUMMARY

The Parking Division requires ongoing support to effectively maintain and operate the City's metered parking program. Since entering into General Services Agreement F000656 in 2013, the City has utilized IPS Group, Inc. meters that rely on continuous operational and transaction-based services to function properly. These services include communication fees, data hosting, and software necessary for meter management and credit card processing. IPS has also introduced Text-2-Pay functionality, expanding convenient mobile payment options for parking customers. The proposed Purchase Order will fund these essential services and ensure the continued operation and reliability of the City's metered parking infrastructure.

GOAL

This item relates to Council Goal #1 - Achieve and Maintain Budgeting Excellence and Fiscal Stability by ensuring the City meets community needs through improved accountability, ease of use, payment verification, and expanded mobile payment options.

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BACKGROUND/PRIOR COUNCIL REVIEW

On December 3, 2013, Council approved RFP 13-37 solicitation award of General Service Agreement F000656 for the purchase of single space parking meters with communication services, training, and warranty.

On November 5, 2019, Council approved issuance of a five-year Blanket Purchase Order 160811 for multi-space meters, communication fees, and parts and services in the amount of \$535,000.

On December 7, 2021, Council approved an amendment to Purchase Order 160811 to incorporate all single space meters, ongoing maintenance, software support, and transaction communication under one Blanket Purchase Order.

On December 13, 2024, the City Manager approved an extension of Purchase Order 160811, without additional funding, to expire April 30, 2026.

The City Parking Division has a \$1.27+ million investment in parking meter infrastructure with IPS Group, Inc. that includes single and multi-space parking meter technology including data management systems, meters, spare parts, software maintenance support and repair services.

ANALYSIS

The City's Parking Division relies on IPS technology for the operation and management of both single-space and multi-space parking meters deployed citywide. Since installation under the original 2013 General Services Agreement, these meters have required ongoing communication services, data hosting, meter management software, credit card processing, and maintenance support to remain functional and compliant with current payment security standards. The proposed Purchase Order continues these essential services, ensuring that existing parking infrastructure remains operational and the City can continue to offer reliable, secure, and customer-friendly payment options, including the expanded Text-2-Pay feature now supported by IPS systems.

Failure to fund these operational and transaction services would result in service disruptions that could impact parking availability, revenue collection, and customer experience. Continuing services with IPS Group is the most efficient and cost-effective approach, as the City has a significant investment in IPS hardware, software, and data systems. Transitioning to a different vendor would require substantial capital outlay and operational disruption to the public. The proposed five-year Purchase Order provides predictable budgeting for ongoing operational costs and supports continuity of service for the City's parking customers.

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The Purchase Order total amount over 5 years will be \$810,000 for the gateway fees, software licensing and credit card fees. Under the City's Purchasing Policy, City Code 3-08-110(A) Authority, this request requires approval by the City Council.

FISCAL IMPACT

Approval of this action will have an impact of \$162,000 in Fiscal Year 2026-27, and a total of \$810,000 over the five-year term of the Purchase Order.

This item has no impact on FY 2025-26 budget, current budgets within the adopted Parking Fund budget in the Finance Department will meet the requirement for appropriations as previously approved by Council. Upcoming budget adoptions in the years FY 2026-27 through FY 2029-30 will include this expense going forward. Funds will be paid through the Parking Enterprise fund and are available in the Parking Reserves. This will have no fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act (CEQA) because it involves administrative and fiscal activities related to payment processing, software licensing, and communication services for existing parking infrastructure, which will not result in a direct or reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the recommended action may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Fee Schedule
- Attachment 2 – Terms and Conditions

PRESENTER(S)

Scott Wagner, Chief Financial Officer, Finance Department