

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 PASSPORT LABS,
INC. TO PROVIDE DIGITAL BILLING, TRANSACTION, AND
MANAGEMENT SERVICES FOR THE PAYMENT OF PARKING
METERS VIA MOBILE PHONE

AGENDA ACTION: MOTION

RECOMMENDATION

The Finance Department recommends that the Council, by motion: 1) approve a Purchase Order to continue the Mobile Payment for Parking Platform provided by Passport Labs, Inc. for a total amount not to exceed \$210,000, for an initial one-year term with four optional one-year extensions; and 2) delegate authority to the Purchasing Agent to execute the Purchase Order and 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.

EXECUTIVE SUMMARY

The Parking Division requires a new Purchase Order for ongoing use of the Mobile Payment for Parking Platform provided by Passport Labs, Inc. The services provided by Passport include the software license and service agreement, the use of the Mobile Payment app, Payment Processing Services, and management of the Passport Managed Wallet Program for users. The proposed one-year Purchase Order, with an option of four one-year extensions, will fund these services and ensure that the app remains operational for mobile meter payments.

GOAL

This item relates to Council Goal #1 - Achieve and Maintain Budgeting Excellence and Fiscal Stability by reducing the need for daily coin collections at parking meters, thereby lowering staffing and bank processing costs while expanding convenient and flexible payment options for the public.

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BACKGROUND/PRIOR COUNCIL REVIEW

On August 31, 2015, Council approved a Professional Services Agreement F001005 with Passport Labs, Inc. to provide digital billing, transaction, and management services for the payment of parking meters via mobile phones.

The City and Contractor amended the Agreement by the First, Second, Third, Fourth, Fifth, and Sixth Amendments dated October 18, 2018, October 14, 2019, December 3, 2020, June 22, 2021, February 13, 2023, and February 24, 2025, respectively.

The City has utilized the Passport mobile app since 2015 as its primary mobile payment option for metered street and surface lot parking.

ANALYSIS

The City's parking meters take coin and credit card payments at the machine. Adding the mobile payment option has allowed users to pay for their meter fees remotely, extend their sessions without returning to their vehicles, and utilize the app to manage their parking funds via a wallet tied to the app. The app is used by an average of 7,200 unique parkers each month, generating approximately 15,000 monthly transactions and accounting for 11% of parking meter revenue, or about \$47,000 per month.

In addition to customer convenience, the mobile payment platform supports operational efficiency by reducing reliance on physical meter interactions and the volume of in-person coin collections. Mobile payments improve compliance by allowing parkers to easily initiate or extend parking sessions remotely, which reduces expired meter violations caused by users being unable to return to their vehicles on time. The platform also provides the Parking Division with transaction data and administrative tools that assist with monitoring usage trends, managing parking assets, and supporting enforcement activities. Continued use of the Passport platform ensures reliability, customer familiarity, and uninterrupted access to a widely used payment option that represents a meaningful portion of overall parking meter revenue.

Approval of the proposed Purchase Order also ensures continuity of service and avoids disruption to the thousands of parkers who routinely rely on the Passport mobile app for parking payments. Any change in service could result in customer confusion, reduced payment compliance, and potential revenue impacts. Continuing with the current platform, maintains operational stability, preserves user familiarity, and ensures uninterrupted access to a dependable and widely used payment option. 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 \$210,000 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 \$42,000 in Fiscal Year 2026-27, and a total of \$210,000 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 software licensing and mobile payment 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 – Scope of Work
- Attachment 2 – City of Santa Rosa Terms and Conditions

PRESENTER(S)

Scott Wagner, Chief Financial Officer, Finance Department