

0150-12541-0000

TRANSMITTAL

TO
The City Council

DATE
01/11/2024

COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
All

Proposed Fifth Amendment to Contract C-124676 with Conduent State and Local Solutions, Inc. for parking citation processing and collection services

Approved and transmitted for your consideration. The Council has 60 days from the date of receipt to act; otherwise, the agreement will be deemed approved pursuant to Los Angeles Administrative Code Section 10.5(a).

Please see the City Administrative Officer report attached.



MAYOR
(Carolyn Webb de Macias for)

MWS:SMC:06240040t

Report From

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Analysis of Proposed Contract

(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 12-15-23	C.D. No. All	CAO File No.: 0150-12541-0000
Contracting Department/Bureau: Department of Transportation		Contact: Lindsey Estes (213) 928-9772; Robin Quintanilla (213) 972-4945	
Reference: Transmittal from the Department of Transportation dated November 20, 2023; referred for report on November 22, 2023; revised amendment from DOT on December 14, 2023			
Purpose of Contract: To extend the contract term for up to 18 months, on a month-to-month basis, retroactive from June 26, 2023 to December 25, 2024 for parking citation processing and collection services.			
Type of Contract: () New contract (X) Amendment, Contract No. C-124676		Contract Term Dates: September 26, 2014 to December 25, 2024 (Full Contract Term) Term of Proposed Fifth Amendment: 18-months extension on a month-to-month basis, retroactive from June 26, 2023 to December 25, 2024	
Contract/Amendment Amount: \$153,373,451 Proposed amount \$ 22,000,000 + Prior award(s) \$ 131,373,451= Total \$ 153,373,451 (compensation determined on a per citation basis)			
Source of funds: General Fund			
Name of Contractor: Conduent State and Local Solutions			
Address: 2711 North Haskell Avenue, Dallas, Texas 75204			
	Yes	No	N/A
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed			X
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: N/A %			
8. Business Inclusion Program	X		
9. Equal Benefits & First Source Hiring Ordinances	X		
10. Contractor Responsibility Ordinance	X		
11. Disclosure Ordinances	X		
12. Bidder Certification CEC Form 50	X		
13. Prohibited Contributors (Bidders) CEC Form 55	X		
14. California Iran Contracting Act of 2010	X		


RECOMMENDATIONS

That the Mayor and Council approve the proposed fifth amendment to Contract C-124676 with Conduent State and Local Solutions to continue parking citation processing and collection services for an additional 18 months, on a month-to-month basis, retroactive from June 26, 2023 to December 25, 2024, subject to the approval of the City Attorney as to form.

SUMMARY

In accordance with Executive Directive 3, the Department of Transportation (LADOT) requests authority to execute the proposed fifth amendment with Conduent State and Local Solutions to continue providing parking citation processing and collection services for an additional 18 months, on a month-to-month basis, retroactive from June 26, 2023 to December 25, 2024. This is to ensure no gap of service while the LADOT completes the new contract for parking citation processing services.

On April 15, 2022, the LADOT issued a Request for Proposal to seek a contractor to provide parking citation processing and collection services. The LADOT received two proposals, one from the current contractor, Conduent and one from Professional Account Management, LLC (also known as Duncan Solutions). A five-person evaluation team reviewed and scored the proposals, with Conduent receiving

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SMC	Analyst	06240040	

the highest score. In August 2023, the LADOT recommended to award the proposed contract to Conduent (C.F. 22-0375), but the non-selected proposer submitted a protest letter. Subsequently, on October 25, 2023, the LADOT convened a protest hearing to allow Duncan Solutions to voice its objections. The Protest Committee did not find sufficient evidence to overturn the LADOT recommendation.

In accordance with Charter Section 1022, the Personnel Department determined in December 2021 that City employees do not possess the expertise to perform the proposed work. Since there is no change in the scope of work, the determination is still valid.

The LADOT estimates that it will take about 18 months, including the protest hearing period, to negotiate, prepare, and execute the new contract. Therefore, the LADOT is requesting to execute a fifth amendment with Conduent to continue parking citation processing services. The proposed amendment does not change the scope of work and citation processing costs. The proposed amendment includes updates to the contract term and the Standard Contracting Provisions.

In accordance with Los Angeles Administrative Code Section 10.5(a), Council approval of the proposed amendment is required because the contract term, including the proposed amendment, exceeds three years.

FISCAL IMPACT STATEMENT

Funding of \$8.77 million is budgeted in the Department's Contractual Services Account in the 2023-24 Adopted Budget. The LADOT reports that the cost to provide parking citation and permit processing services is approximately \$800,000 per month. There may be an additional General Fund impact should actual costs exceed budgeted funds. The 2023-24 Adopted Budget projects collection of \$115.0 million in General Fund revenue. The LADOT estimates that total projected revenue for the 18-month term is \$171.5 million. Should this amendment not be approved, the City will not collect these funds until an alternative method of collection is identified.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City Financial Policies in that budgeted funds are available for this purpose.

MWS:SMC:06240040

Attachment

**FIFTH AMENDMENT TO AGREEMENT NUMBER C-124676
BETWEEN
THE CITY OF LOS ANGELES
AND
CONDUENT STATE & LOCAL SOLUTIONS, INC.**

This Fifth Amendment to Contract Number C-124676 (“Agreement”) between the City of Los Angeles, a municipal corporation (“City”), acting by and through the Department of Transportation (“LADOT”), and Conduent State & Local Solutions, Inc. (Formerly Xerox State & Local Solutions, Inc.), a New York corporation (“Contractor”), collectively referred to as “Parties” or individually as “Party”, is entered into with reference to the following:

WHEREAS, the LADOT released a Request for Proposal (RFP) on February 27, 2012, to solicit proposals to provide parking citations processing, collection services, and related systems support and services; and

WHEREAS, the Contractor submitted a proposal in response to the RFP and the City found the Contractor’s response to satisfy the level of qualifications and experience necessary to provide the type and level of service required by the City; and

WHEREAS, the Contractor’s proposed services are expert and technical in nature, and the work could be performed more economically and feasibly by independent contractors rather than by City employees; and

WHEREAS, the Parties entered into Agreement C-124676 on September 26, 2014, wherein the Contractor agreed to provide parking citations processing and collection services for a five-year term with an option to extend the term for an additional year; and

WHEREAS, on February 16, 2017, Xerox State & Local Solutions, Inc. changed its name to Conduent State & Local Solutions, Inc.; and

WHEREAS, on March 28, 2018, the Parties entered into the **First Amendment** to Agreement C-124676 to reflect the name change; and

WHEREAS, on December 23, 2019, the Parties entered into the **Second Amendment** to Agreement C-124676 to exercise the option to extend the term of the Agreement through September 25, 2020, update the City’s Standard Provisions for City Contracts (Rev. 10/17) [v.3], and add certain City contracting provisions as required by various ordinances; and

WHEREAS, on October 5, 2021, the Parties executed a **Third Amendment** to Agreement C-124676 to add a 12-month extension with an option to extend the term of the Agreement

another nine (9) months through June 25, 2022, and modified the pricing to reflect a fixed and variable fee structure for the Contractor; and

WHEREAS, on April 15, 2022, the City released a RFP for Parking Citation and Permit Processing Services with submission deadline of August 5, 2022; and

WHEREAS, on October 4, 2022, the Parties executed a **Fourth Amendment** to Agreement C-124676 to exercise the option to extend the term of the Agreement on a month-to-month basis up to twelve (12) months through June 25, 2023, and update the City Standard Provisions for City Contracts (Rev. 10/21) [v.4] to allow execution of a new Operating Agreement and transition time, if applicable, with the City's selected contractor; and

WHEREAS, the Parties desire in this **Fifth Amendment** to Agreement C-124676 to exercise the option to extend the term of the agreement on a month-to-month basis up to eighteen (18) months through December 25, 2024, as a Recommendation of Contract Award was released on August 2, 2023, under Section 2 of the said RFP named Schedule for RFP Process, and a new Operating Agreement is tentatively anticipated for the second quarter of 2024; said Fifth Amendment will give the City time to complete the execution of a new Operating Agreement and transition time, if applicable, with the City's selected contractor and update the City Standard Provisions for City Contracts (Rev. 9/22) [v.1].

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the Parties agree as follows:

1. **SECTION 6, PERIOD OF PERFORMANCE**, first paragraph is hereby amended in its entirety to read:

The Period of Performance will be from September 26, 2014 ("Effective Date") and end on December 25, 2024, unless otherwise terminated earlier as provided herein.

1.1 Ratification. The Contractor may have provided prior services to the City of Los Angeles under the terms of an executed Agreement, which included a requirement to adhere to the City's Standard Provisions for City Contracts. To the extent that the Contractor provided services to the City prior to the execution of this extension, and the Contractor's services were performed in accordance with the terms and conditions of this extension and the original Agreement, including the City's Standard Provisions for City Contracts, those services are hereby ratified.

2. Effective the date of attestation by the City Clerk of this Agreement, all or any partial references to the Standard Provisions for City Contracts revised 10/21, or (rev. 10/21), in the Agreement, RFP, or any exhibits/attachments are hereby deleted and replaced with Standard Provisions for City Contracts (Rev. 9/22) [v.1].

3. Exhibit 2 – Standard Provisions for City Contracting (10/21) [v.4] is hereby replaced in its entirety by Exhibit 2 – Standard Provisions for City contracts (Rev. 9/22 [v.1].
4. **SECTION 7 – CITATION PROCESSING COST**, Subsection A, “Impact Period” is hereby amended to “September 26, 2020, through December 25, 2024.”
5. Except as provided herein, all other terms and conditions of this Agreement shall remain unchanged.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

THE CITY OF LOS ANGELES

**CONDUENT STATE & LOCAL SOLUTIONS, INC.,
a New York Corporation**

By: _____
Laura Rubio-Cornejo
General Manager
Department of Transportation

By*: _____
Frank Harrison
Vice President, General Manager
Conduent State & Local Solutions, Inc.

Date: _____

Date: _____

APPROVED AS TO FORM:

Hydee Feldstein Soto, City Attorney

By**: _____

By: _____
Michael Nagle
Deputy City Attorney

Title: _____

Date: _____

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

NOTE: If Contractor is a corporation, two signatures are required.

By: _____

* The signature of President, Chairman of the Board, or Vice President is required here; and

** an additional signature of Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer is also required for the Corporation

Date: _____


City Agreement Number: C-124676

Council File Number: 13-0586

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: November 20, 2023

To: The Honorable Karen Bass, Mayor
Office of the Mayor
Attention: Heleen Ramirez, Legislative Coordinator

From: Laura Rubio-Cornejo, General Manager 
Department of Transportation

Subject: **AUTHORIZATION TO AMEND AGREEMENT C-124676 TO EXTEND THE CONTRACT TERM BETWEEN THE LOS ANGELES DEPARTMENT OF TRANSPORTATION AND CONDUENT STATE & LOCAL SOLUTIONS, INC. FOR PARKING CITATION PROCESSING AND REQUEST AN EXECUTIVE DIRECTIVE 3 WAIVER FOR THE AMENDMENT**

SUMMARY

The Los Angeles Department of Transportation (LADOT) requests authority to execute an amendment to Agreement C-124676 with parking citation processor, Conduent State & Local Solutions, Inc. (Conduent), to extend the term of the contract. Additionally, LADOT requests a waiver out of the Mayoral Executive Directive 3 (ED3) review process due to the urgency to continue operations while the Request for Proposals (RFP) and contract process continues.

RECOMMENDATION

That the City Council, subject to concurrence by the Mayor:

AUTHORIZE the LADOT General Manager to execute an amendment to Agreement C- 124676 with Conduent to extend the term of the contract to allow a month-to month extension up to 18 months from June 26, 2023 to December 25, 2024.

BACKGROUND

LADOT issued an RFP for the parking citation processing and collection services in February 2012. On September 26, 2014, LADOT entered into an Operating Agreement (C-124676) with Conduent for the City's parking citations processing and collection services. On December 23, 2019, LADOT and Conduent entered into a second amendment to exercise the option to extend terms of the agreement through September 25, 2020. Due to service impacts brought on by the pandemic, Council approved a third amendment allowing for a contract extension up to June 25, 2022. Due to staffing challenges to timely release an RFP to establish a new contract, Council approved a fourth amendment on September 2, 2022, allowing for a contract extension through June 25, 2023 (C.F. 13-0586).

On April 15, 2022, LADOT released an RFP for parking citation and permit processing services. The submission deadline for proposals was July 15, 2022. LADOT received two proposals, one from

Conduent, and a second from Duncan Solutions. LADOT's Evaluation Committee completed the rating, evaluation, and selection process for the RFP, and recommended Conduent as the contractor in August 2023. LADOT provided a report to Council on August 2, 2023, outlining the RFP scope, evaluation process, and recommendation.

The non-selected proposer, Duncan Solutions, submitted a protest letter in accordance with RFP Section 9.5, and on October 25, 2023, LADOT convened a protest hearing to hear Duncan's objections. The Protest Committee did not find sufficient evidence to overturn the Evaluation Committee's recommendation.

DISCUSSION

The current citation processing contract expired on June 25, 2023, and LADOT estimates it will take up to 13 months from the date of this report to: complete the protest process; negotiate, prepare and submit a contract for City Council approval; and execute the new approved contract. In order to continue operations, LADOT requests authority to execute the attached Fifth Amendment to extend the current agreement month-to-month, up to an additional 18 months, from June 26, 2023 to December 25, 2024. LADOT shall terminate the extension as soon as the new operating agreement is executed and the transition period ends, if applicable. Furthermore, given the urgency of keeping operations running while the above-referenced RFP and contract process continues, LADOT requests a waiver of the ED3 requirement for this Fifth Amendment. This will expedite the process to execute the amendment and pay the contractor for services rendered since June 2023.

FISCAL IMPACT STATEMENT

The expected parking citation revenue deposited to the General Fund in Fiscal Year (FY) 2024 is approximately \$115 million. The cost to provide parking citation and permit processing services under the existing contract is approximately \$800,000 per month in direct expenditures to the General Fund and are budgeted within the LADOT budget. The month-to-month cost would be offset by the parking citation revenue deposited to the General Fund in FY 2024. Should this amendment not be approved, the City will not collect these funds until an alternative method of collection is identified.

LRC:KH:mg

Attachment