Agenda Item #:

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

#### **AGENDA ITEM SUMMARY**

#:	<b>A</b>	1
1.	B	
b		

Meeting Date: July 22, 2008		Consent Workshop		Regular Public Hearing
Department:				

Submitted By:

**Engineering & Public Works Department** 

Submitted For: Traffic Division

#### I. EXECUTIVE BRIEF

**Motion and Title: Staff requests Board direction:** regarding the degree of the County's financial exposure in obtaining equipment and professional services as part of the Request for Proposal (RFP) for choosing a vendor to implement the Red Light Camera Program.

**SUMMARY:** At one end of the spectrum, the County could run the entire program inhouse, purchase the equipment, buy software, maintain the hardware and software and staff would do the billing and collection of fines. At the other end of the spectrum, the County could contract with an outside vendor to do most or all of the above. If an outside vendor is desired, additional direction is requested relating to vendor compensation--monthly fee vs. percentage of collected fines. Countywide (MRE)

**Background and Justification:** At the May 20, 2008 meeting, the Board directed that the red light camera program be implemented "without cost to the County". The options for implementing a red light camera program are:

- 1. The County can purchase the equipment and run the program. This option requires an up front capital outlay and hiring employees to administer the program. This option may not meet the Board directive, as the County could lose money with this approach, if the revenue collected does not cover the costs.
- 2. The County can purchase the equipment and obtain professional services from a vendor to run the program. This option requires an up front capital outlay. This option also may require hiring some employees to implement and administer the program. This option may not meet the Board directive, as the County could lose money with this approach, if the revenue collected does not cover the costs.
- 3. The County can obtain professional services and equipment from a vendor. The vendor would purchase, install and maintain the equipment and administer the program. Depending on how it is structured, this option has the potential to meet the Board directive. (Continued on Page 3)

Recommended	by:				
	Division Director	Date			
Approved By:	Sa J. Will	7/14/08			
	<b>J</b> County Engineer	Date			

## II. FISCAL IMPACT ANALYSIS

A.	A. Five Year Summary of Fiscal Impact: See Comment Section B.				
Ca Op Ex Pro In- NE	2008   2009   2010   2011   2012   2014   2015				
	SITIONS (Cumulative)				
is i Bu	tem Included in Current Budget? Yes No dget Acct No.: Fund Dept Unit Object Program				
B.	Recommended Sources of Funds/Summary of Fiscal Impact:				
	This item has no immediate fiscal impact.				
	Depending on Board direction, a vendor will be selected and an agreement negotiated which will allow for the red light program to be implemented at no cost to the County.				
C.	Departmental Fiscal Review: F.D. Wowd 6/30/08				
	III. REVIEW COMMENTS				
A.	OFMB Fiscal and/or Contract Dev. and Control Comments: Fiscal Impact induterminable at this time.				
_Q	OFMB 52 08 CT 15 08 COntract Dev. and Control				
В.	Approved as to Form and Legal Sufficiency:				
<u> 1</u>	Assistant County Attorney				
C.	Other Department Review:				
<u> </u>	Department Director				

This summary is not to be used as a basis for payment.

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### Background and Justification: (continued from page 1)

There are several ways of structuring vendor fees with red light camera vendors:

- •Pay a monthly fee to the vendor for each installation location. The County would receive all of the collected revenue from the violations. The fee would hopefully cover the cost of paying the vendor's costs including equipment, installation, maintenance and violation processing. The disadvantage of this option is that the vendor receives a fixed monthly amount regardless of the number of fines collected. This option may result in County costs if the revenue collected does not cover the monthly vendor fee and the County's operational costs.
- •Pay a monthly fee to the vendor for each installation location and an amount for each fine collected. The monthly fee would cover the cost of equipment, installation and maintenance. The County would receive all of the collected revenue from the violations and then pay the vendor a fixed amount for each location and each collected violation. The advantage of this option is that the majority of vendor compensation would be related to their capital and operating costs. This option may result in the County incurring costs if the revenue does not cover the costs.
- •The vendor keeps a percentage of each violation fine collected. The vendor would absorb most/all of the capital, operating, billing and collection costs. The vendor percentage may or may not cover all the vendor capital and operating costs. However, this option would also not result in any County costs. The January 2005 Federal Highway Administration (FHWA) RED LIGHT CAMERA SYSTEMS OPERATIONAL GUIDELINES recommends that vendors not be compensated based on the number of violations issued. However, many governments around the country have chosen this approach. Staff believes that issues related to the vendor and/or standards used in determining violations can be eliminated through proper County oversight.

County oversight will be required in site selection, violation verification and program auditing for any of the options chosen.