



# Procure for a Modern Enforcement Solution to Fully Monetize the Curb

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# The Modern Day Curb

Today's city leaders are facing new challenges at a rate never experienced by their predecessors. Innovations and trends trigger the need for new approaches to planning, policy, and procurement. Economic pressures require creative thinking to ensure costs are covered. And social issues call for intentional action. These challenges come together at the curb.

Curb space is a valuable resource. Single-occupancy vehicles, rideshares, scooters, and delivery and fleet vehicles are all clamoring for access. And new demands are increasingly being generated by restaurants seeking space to set up outdoor dining areas, the public as they lobby for "parklets," and others desiring non-traditional use of streets and sidewalks. While the growing demand presents a headache, it also presents an opportunity. If city leaders reimagine their traditional parking operation and the technology supporting it, they can tap into new monetization strategies for the curb while generating goodwill.

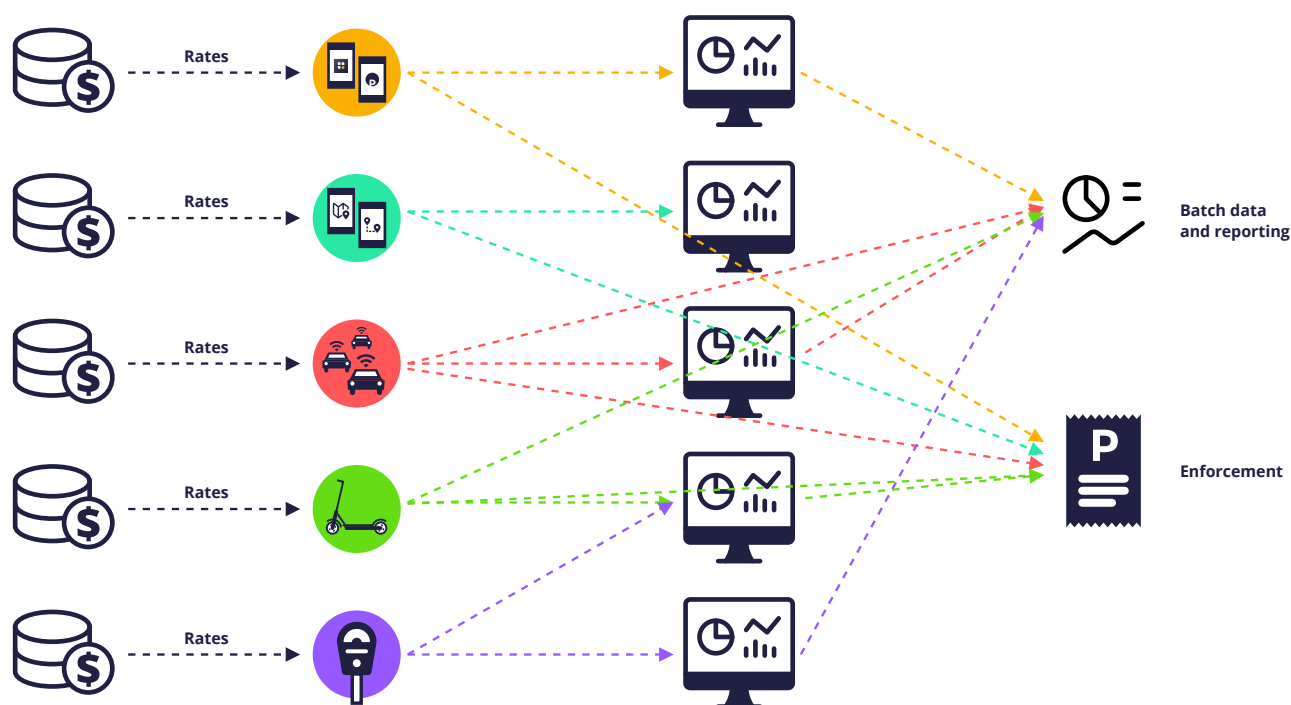
In this guide, we explore the opportunity for parking departments to deliver additional revenue to the city, what the near future of parking will look like, and how a focus on compliance is more beneficial than enforcement alone. We then look at how cities can update their RFP process to

procure for a solution that allows them to seize this opportunity.

## New Opportunities Demand New Thinking

The parking industry is changing rapidly, and many city procurement groups have found it challenging to keep up with the resulting developments. The typical enforcement RFP seeks a solution that focuses on parking enforcement alone, with the management of other mobility types siloed into separate operations despite all modes of transportation occupying the same physical space at the curb.

But with these functions siloed, city leaders and officials lack a comprehensive view of how a city's streets and sidewalks are being used and a way to regulate and manage them together. It's extremely difficult to make informed decisions and implement an appropriate policy for the current variety of vehicle traffic. As a result, city leaders won't have the opportunity to see what neighborhoods have what space available, how demand is spread throughout the city, how spaces or lanes are being utilized at various times of the day, and so on. Additionally, when new types of demand arise, city leaders must scramble to figure out how to address it using the siloed systems in place today or creating a new silo altogether.





Stephen Goldsmith, Professor of Urban Policy at Harvard Kennedy School, explains, “Data allows you to be more efficient. If you combine data from meters, parking apps, nontraditional apps like map finders, phone transactions, etc., you get a clearer picture of what the needs are. For example, is someone parked in a loading zone when UPS has reserved it? Your enforcement solution needs to digest this data and get it out to enforcement officers in real-time. Cities are dynamic, situations are dynamic, and the needs are dynamic. Your enforcement system needs to be dynamic as well.”

## Everything is Parking

With its rapid pace of development, the modern world requires a new way of thinking about the curb. Now everything is “parking” — vehicle time at the curb carries a cost, and a proportional penalty accompanies non-compliance with the rules and restrictions. From designating loading zone times to restricting bus lanes to reserving handicapped access, city leaders need to know how they can make the best use of their streets and sidewalks to strategically serve their public and their businesses.



Ahmed Darrat, Market Lead at Cityfi, a consulting firm for municipal innovation, says, “From a regulatory perspective, cities are trying to get more creative with their space, from loading zones to parks in the street. The pandemic has increased this push with the rise in e-commerce boosting the need for loading zones and outdoor dining. Cities need to be able to manage curb space flexibly. They need to be able to apply policies quickly to all functions.”

## Why the Enforcement RFP Needs to Be Updated Now

To generate the highest and best use of curb resources while providing equitable access, cities need a modern central management system that serves as a single source of truth and is flexible enough to accommodate new technology driven by the changes that the future holds.

The city’s control of the curb today sits on technology and a system of record designed primarily for the parking of single-occupancy vehicles. The next-generation version of the system of record for enforcement should be flexible enough to accommodate other use cases and modalities.

But the traditional enforcement RFP has no way of allowing for the purchase of an agile type of central management system since many teams focus on procuring for particular parking enforcement capabilities only. Cities should consider updating their RFPs to procure an enforcement tool that includes a back-end central management system that will consolidate disparate work streams and systems. This new RFP will allow cities to accommodate more uses of the system and to address dynamic change.

## There is an Increased Focus on Compliance, Not Just Enforcement

Curb space is valuable because of its proximity to desirable destinations. This value enables cities to realize the revenue that can be generated from parking fees, permit fees, and fines. However, focusing primarily on writing tickets overlooks the fact that compliance with upfront fees can generate more revenue than the fines collected from citations. When the goal is to reduce the number of tickets written and increase parking compliance, goodwill rises, and a more positive image of the enforcement team is created.

For example, Detroit, MI recently conducted a parking study resulting from business owner complaints on how many tickets were being written. Leaders found that 70% of drivers weren't paying for parking meters resulting in 90% of tickets being written for meter violations. This study allowed Detroit to prove that the problem was resulting from non-compliance, not enforcement, and the city was able to work with businesses to change parker behavior and promote compliance<sup>1</sup>.

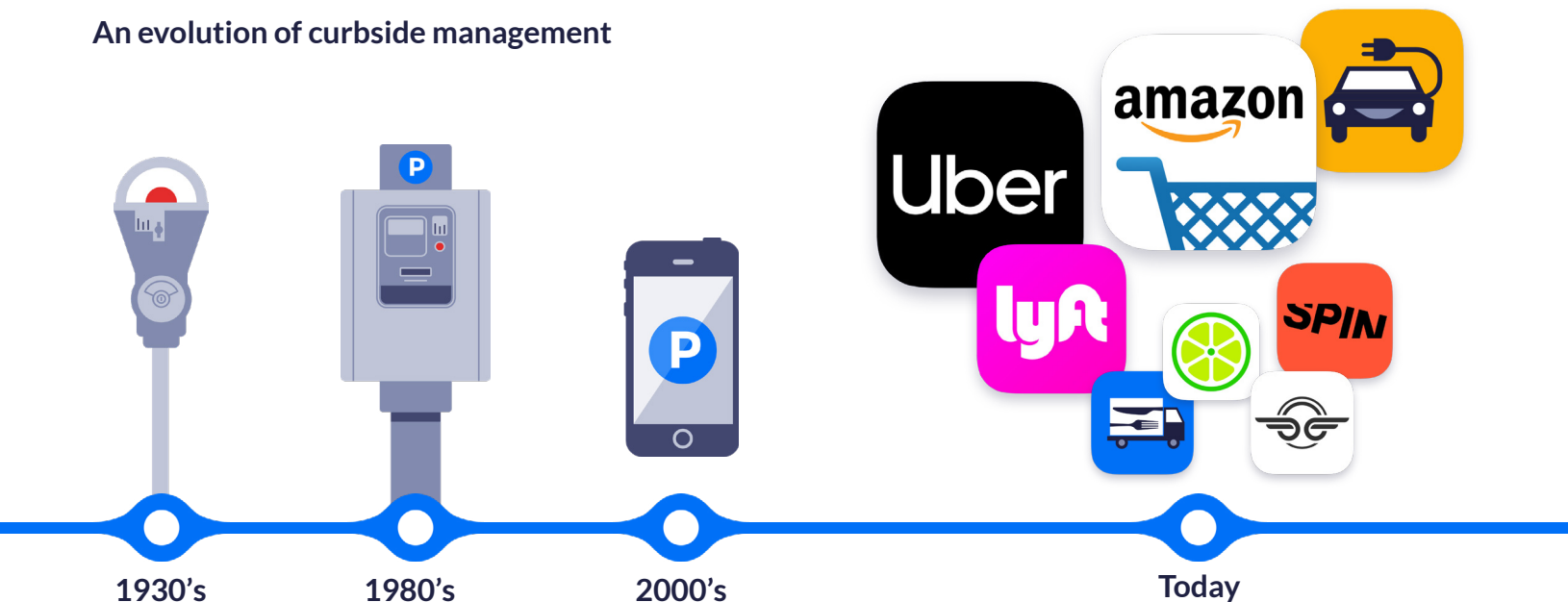
This focus is significant for cities seeking to create a more equitable enforcement climate. A robust and flexible system that enables cities to drive compliance through rules and regulations for single occupancy vehicles as well as scooters, delivery vehicles, rideshare, and gig economy workers will ultimately drive revenue and equitable outcomes.

## Parking Departments are Shifting to Become All-Encompassing Mobility Departments

With a holistic view and control of the curb, parking departments take on the role of managing all aspects of curb usage, generating additional value for the city. Parking enforcement continues to be a priority. But the department can also monetize curb use by rideshare services, food delivery services, scooter companies, fleet vehicles, outdoor restaurant seating, etc.-- with each commercial provider being charged for time spent at the curb.

And when the parking department becomes a mobility management department, operating on a central management system, the city is better prepared for a future that includes autonomous vehicles and other innovations. This future isn't far away. Alphabet's Waymo is already operating its "robotaxi" project in the suburbs of Phoenix. Other innovations like bike share and scooter services that require docking stations have been rapidly gaining traction in Seattle, and interest is spreading across the nation to other cities<sup>2</sup>. We can expect to see this trend in mobility innovation accelerating.

### An evolution of curbside management



# Recommendations on How to Update the Enforcement RFP

Starting with a focus on goals and objectives, cities should create a list of questions for the RFP that will ensure the solution helps meet those goals and objectives. Identify outcomes, such as congestion relief, that a well-managed program could help drive. From there, ladder down to problems that a vendor could help solve in pursuit of that goal, such as how to passively manage e-scooter fleet sizes. These new requirements should be complementary and in addition to the baseline needs for writing and managing parking tickets so as not to lose the baseline. This will elevate the entire department's understanding of how daily tasks will result in the betterment of the city as a whole.

The process of updating an RFP will result in significant time and effort saved in the long run, along with access to the new opportunities we've outlined above. Here are three steps to consider.

## 1. Focus on Outcomes

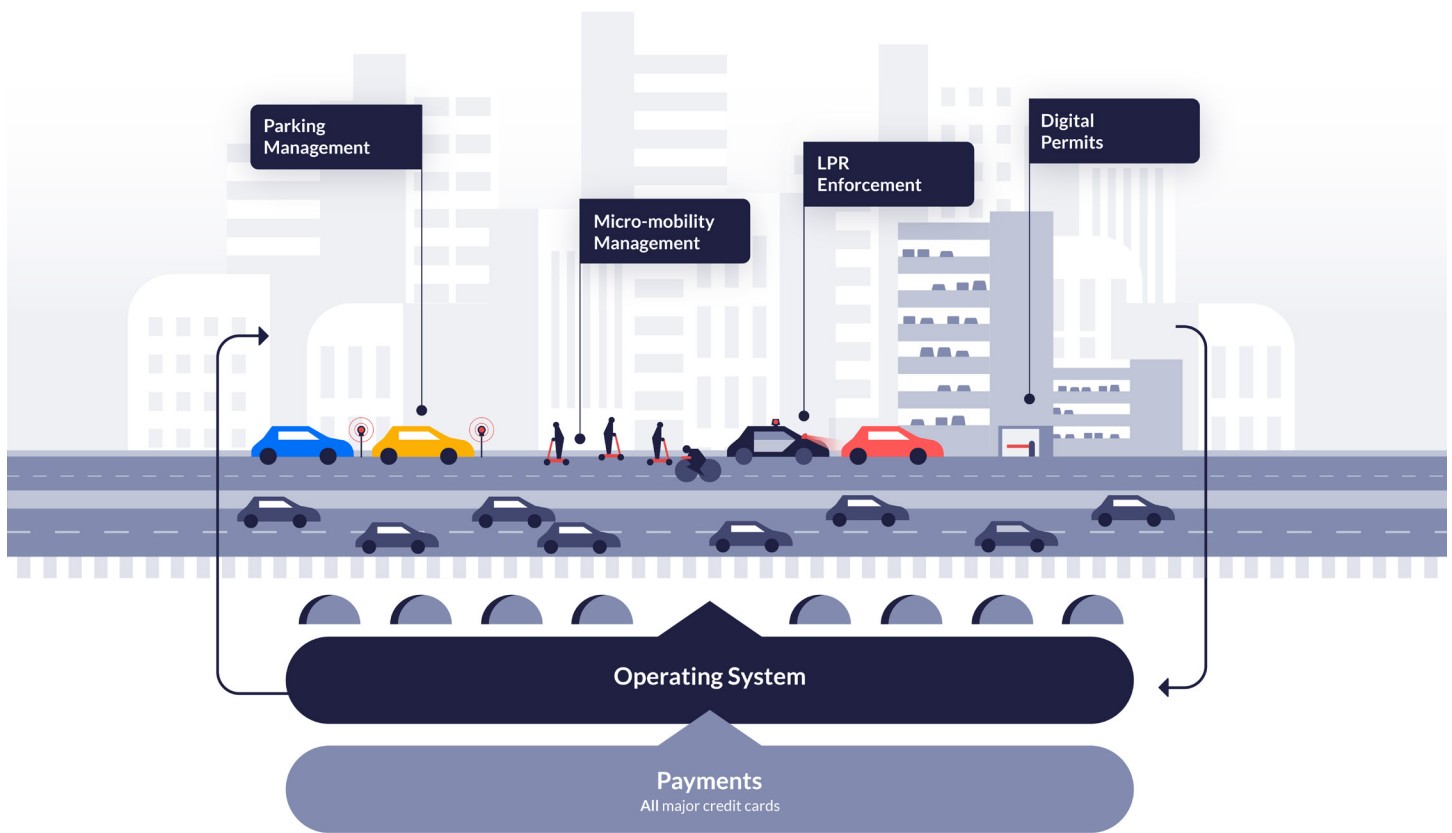
Rather than merely detailing the specs, an enforcement system must identify outcomes and goals the city is looking to accomplish that will depend on a curb management system. For example, if congestion relief is a goal, it will be imperative to improve accessibility for the types of vehicles that double park in traffic, like delivery vehicles. This will require dedicated space, ways to charge and collect payment for time spent at the curb, and a way to drive compliance scalably.

The technology solution a city procures for should be flexible enough to facilitate all types of curb-related transactions, not just citation payments for cars. The public should be able to pay for parking using popular apps that make payment convenient, boosting compliance. And various types of commercial fleets should be able to pay for time and access just as easily, at the fleet level. The simpler and more accessible the payment process is, the more likely it is that payments will be made, which ultimately drives compliance rates up. (And cities will be able to reduce money spent chasing payments.)



When you write your enforcement spec, be sure that it includes the features found in a centralized system that enables you to manage rules, rates, and regulations. Procure for a centralized operating system that includes an enforcement tool, not an enforcement tool alone. This allows the city to purchase the specific tool needed today while gaining a solution to centralize data and future-proof operations as new developments occur and new technology is required. With a flexible centralized operating system, city leaders can simply plug and play innovations as they are introduced to the city's environment.

This holistic approach will require a new pricing model that allows for continuous innovation. Ideally, strive for a pricing structure based on mutually-aligned incentives and outcomes. Pricing could take the form of customer satisfaction improvement and revenue share, which drives the vendor to help build strategies that will both boost revenue and goodwill.



## 2. Update the Existing Value Add Section to a “Future Proof” Section

Because contracts (and thus procurement cycles) last 3-5 years, cities must be cautious of getting locked into a system that won’t accommodate the needs driven by new technology. With innovation happening so quickly, cities need a solution that is flexible and has a strong product development focus.

To address this concern, update the existing Value Add section in the RFP to request information on future-proofing. This section should ask specific questions about how the vendor plans to address new developments such as autonomous vehicles. Vendors should be required to get specific in their answers, demonstrating that they actually have a workable plan.

Vendors should also be required to submit documentation of data standardization and integrations, such as accounting systems, data warehouses and ERP tools. The system needs to integrate with various tools and applications easily.

ly. Every vendor will say they offer integration, but can they provide evidence that the process will be straightforward and cost-effective? Ask for proof points or even request login credentials to verify their claims.

Additionally, ask the vendor if they have active pilot experience with other types of enforcement, including micro-mobility and fleet management. Working with someone brand new to this approach would require guidance and strategy to implement the solution for maximum results.

It would be wise to heavily weight this section in scoring since this will likely be a three to five-year commitment to the selected system. Your current scoring will probably need to be updated.

## 3. Conduct an Operational Audit to Convey True Scope of Work to Vendors

Most RFPs make it a requirement for the vendor to have worked in a city of similar size or a city with an equivalent volume of tickets. While the intention is good (to demon-



strate capability), this isn't a good measure for two reasons. First, capability rests primarily on the robustness of the solution and experience in the scope of work. The ability to handle volume merely requires compute power, which is easily demonstrated as part of the system's documentation. Secondly, when a vendor is required to have experience with a city of a similar size, other qualified vendors with robust systems and smart strategies are automatically disqualified.

Think about requiring a strategic understanding and road-map for future solutions that will benefit the city. To identify the scope of work, conduct an operational audit around all of the functions related to the curb. Consider what's currently in place and what can be expected to be in place in the next three years. For example, if city leaders expect bike share or scooters to come to the city, or if there is a growing demand for e-commerce delivery traffic, include the management of those developments in the scope of work.

## Conclusion

To get the most value from city streets and sidewalks, leaders must recognize new opportunities that have appeared in the last several years and will continue to develop over the next decade. Seizing these opportunities requires a holistic view of compliance, focusing on goals, objectives, and outcomes. On a tactical level, cities will need an enforcement system that is a part of a larger and more flexible central operating system to help future proof and provide insights to manage a dynamic curb, which they can obtain by updating their enforcement RFPs. A better approach to the curb will result in a better city.





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