

Automated Red Light Enforcement Camera Program

Vendor Selection Process and
Recommendation

Public Safety Council Committee

September 5, 2006

Purpose

- Respond to questions raised at the Aug 7, 2006 Public Safety Committee meeting
- Recommend vendor for committee approval and forward to full council for award

Selection Process Overview

- February 23, 2006 - Issued RFCSP
- March 24, 2006 - 4 Proposals received
- April 26, 2006 - Presentations
- May 17, 2006 - Scoring and short list
- May 23, 2006 - Short listed second presentations and revised offers
- May 31, - June 1, 2006 – Camera site visits
- June 23, 2006 - Final Committee scores

Vendor Selection Criteria

- 25% Back office performance and overall customer services
- 25% Overall cost of the program
- 20% Technology, hardware performance and conformance to technical specifications
- 10% Experience and Success (Current and Past Projects)
- 10% Project termination plan
- 10% Good Faith Effort plan

Evaluation Committee

- Comprised of individuals representing applicable stakeholders in the City of Dallas:
 - Communication and Information Services
 - Court and Detention Services
 - Dallas Police Department, Traffic Unit
 - Public Works and Transportation, Traffic Engineering
 - Public Works and Transportation, Parking Enforcement
- Business Development & Procurement Services contacted client references

Committee Process

- 4 Proposals were received in response to the RFCSP:
 - Redflex Traffic Systems
 - American Traffic Solutions (ATS)
 - Nestor Traffic Systems
 - ACS State and Local Solutions
- On April 26, all four vendors made presentations to the evaluation committee
- Committee members interacted with the vendor representatives while discussing their products
- Short listed two top ranked teams:
 - American Traffic Solutions (ATS)
 - ACS State and Local Solutions

Committee Process

- Reasons for not short listing Nestor Traffic Systems:
 - Proposal documentation and presentation to committee were minimal
 - Committee felt Nestor had technical expertise but showed little in the way of customer service orientation
 - Additionally, financial health of Nestor is in question as they acknowledged they had not been profitable and were requiring additional outside capital to maintain operations

Committee Process

- Reasons for not short listing Redflex
 - No turnkey service for city the size of Dallas, Redflex concentrates on smaller cities
 - Non-invasive technology required in the RFCSP by the City of Dallas was only recently deployed by Redflex in the City of Plano and had problems where a number of photos were captured when no violation had occurred
 - Redflex indicated that at some point they replaced the computer circuit boards on the video detection equipment and solved the problem, but committee felt their experience with non-invasive technology was still limited
 - Committee judged the software shown in presentation was not user friendly
 - Costs are approximately \$1,000,000 more than lowest proposer, and \$780,000 more than ATS

Redflex

- At direction of Public Safety Committee, further due diligence was done for Redflex:
 - Redflex Traffic Systems is an Australian owned company with experience in photo enforcement both overseas and domestically
 - Redflex has domestic operations in Scottsdale Arizona serving a number of cities throughout the US
 - Redflex's main clientele is smaller communities - averaging only 8 camera systems per contract
 - Some smaller communities do have a large number of cameras
 - Example: Culver City, CA and Toledo, OH have 26 cameras each
 - Redflex handles all processing components in-house with no outsourcing for those services contracted
 - Redflex has several installations in smaller Texas cities

Redflex

- Redflex included a no-cost project termination plan whereby the City would not have any financial obligation if program is terminated for any reason
- Redflex offers a multiple camera system

Redflex

- Issues since proposal was submitted:
 - Redflex was offered opportunity to submit another best and final offer
 - No reduction in pricing, Redflex costs remain higher
 - Offered guaranteed net revenue figure of \$630,000 for an installation covering 60 intersection approaches
 - Redflex has offered to open data processing center in Dallas
 - Not a requirement of RFSCP, and contrary to Redflex strength of demonstrated performance at Scottsdale processing center

Redflex

- Issues since proposal was submitted:
 - Redflex has informally proposed a reduction in the number of equipment field housings This option was not proposed originally
 - This system has **not been installed and demonstrated successfully** anywhere in the U.S. It is scheduled for initial installation in September, 2006
 - Committee did prefer pole mounted system that does not require large, ground-mounted cabinet as part of its evaluation comments
 - Redflex was asked if they could provide 24/7 video feed with remote retrieval capabilities
 - They have committed to provide this capability at no extra cost

Redflex References

- Redflex has several positive references and has a history of good performance on most of its contracts
- Dallas staff reviewed Houston, TX procurement as they asked for same type of non-invasive detection
 - Redflex did propose in Houston, but withdrew citing their belief that a head to head competition was not necessary
 - Houston officials could not speculate why Redflex refused to compare systems side-by-side with other vendors
 - ATS, in contrast did install equipment successfully and implemented all portions of the turnkey system, including violation photos, back office functions, video, training of police officers, and issuance of warnings

Redflex References

- Site visit was conducted at Redflex processing center verifying staffing and facility information listed in the proposal
- Redflex identified Chicago (its largest customer and only city with population over 1 million) as a client with full turnkey service
 - However, IBM does the payment processing and collections for the City of Chicago
 - Redflex responded to question regarding this discrepancy by stating they had “learned the term “turnkey” is subject to state and local laws and statutory requirements”

Redflex References

- Staff found documented instances of performance problems with Redflex installations
 - Plano is using Redflex, but they are still not in compliance with contract requirements regarding lockbox for payment processing
 - Union City, California has had camera malfunctions resulting in loss of significant revenue (Attachment A)
 - Scottsdale, Arizona has had to refund ticket revenue due to Redflex issuing citations without necessary data to match drivers to violations (Attachment B)
 - Minneapolis program was shut down due to incorrect violations being issued by Redflex and subsequent lawsuit against City (Attachment C)
- Redflex has demonstrated efforts to quickly resolve each of these problems and each agency is currently satisfied with their performance

Redflex References

- Another issue that was identified during the evaluation process was the vendors ability to access the National Law Enforcement Telecommunications System (NLETS)
 - NLETS is national database of vehicle data allowing identification of ownership of out-of state license plates
 - ATS, Nestor, and ACS have direct access to NLETS at their processing facilities
 - Reflex does not yet have approved direct access and has an employee physically drive to Paradise Valley, AZ police station to access out-of-state data and bring it back to their facility

Single vs. Multiple Camera

- Committee assessed multiple camera vs. single camera systems and determined the single camera system as most advantageous for Dallas program
- The single camera system captures both violation images
 - “A” picture – vehicle not yet in intersection when light is red
 - “B” picture – shows vehicle in intersection when light is red
- The license plate image is extracted from the same high resolution images that show the vehicle before and after entering the intersection
- The system does not require another camera to take another image of the license plate and then require the system to match the images

Single vs. Multiple Camera

- Dallas engineering and law enforcement staff on the committee evaluated the single camera system to be superior
 - Multiple camera systems rely on correct synchronization between video detection camera and at least one other violation-capturing camera
 - Multiple cameras capture fewer closely spaced violations on multiple lane approaches if the cameras do not have time to reset to capture new images – resulting in missed violations
 - Multiple camera systems can also incorrectly identify an adjacent vehicle as the violator
 - Depending on set-up, violators who pass between lanes may escape detection because the plate cameras may be focused closely on one area of one lane

Single vs. Multiple Camera

- Recently awarded large City contracts to single camera systems
 - St. Louis
 - Seattle
 - Washington DC
 - Phoenix
 - Houston
 - Houston's 30-day test period showed superior performance for the single camera system vs. multiple camera system

Committee Recommendation -ATS

- **American Traffic Solutions (ATS)**
 - Headquartered in Scottsdale, Arizona
 - Owners: ATS is a closely held, private company owned by the active Executive Management Team
 - Company founded in 1992
 - The ATS Principal has been active in the photo enforcement business since its inception 20 years ago founded and operated the first company to offer fully outsourced photo enforcement services to public agencies (1987)
 - Each of the members of the ATS management and delivery teams has been in the business for an average of 10 year
 - Sole professional focus is providing automated photo traffic enforcement and revenue collection systems and services
 - Utilizes only digital camera equipment (7 yrs experience, longest in the industry)

Questions from Public Safety Committee

- Q: What is the ownership and history of ATS
 - American Traffic Systems is a privately held U.S. company founded in 1992 with business services including traffic and toll management services and technology and has been in continuous operation since that time
 - Key component of ATS experience is with its principal management which has a long history of providing photo enforcement services dating back to 1987
- Q: What is relationship with Mulvihill?
 - Mulvihill is wholly owned subsidiary of ATS (acquired in 2005) and is contracted vendor for New York City, fully utilizing ATS technology and management

Questions from Committee

- Q: What does ATS outsource in the services it contracts for?
 - ATS completes all processing services with ATS staff
 - ATS has partnered with local legal firms with demonstrated success to provide delinquent collections services
 - Like Redflex, ATS does have clients that allow other firms or municipalities to do some back office functions based on the requirements of the state or local jurisdiction

Questions from Committee

- Q: Does ATS data transfer requirements allow the use of standard phone lines?
 - Yes, Dallas Communications and Information Services staff has reviewed the data requirements
 - Uploading a 2 Mb file over 25 second period translates to an effective upload rate of 80 kbps well within the range of DSL service available through standard copper wire phone line
 - Additionally they concur with ATS's assessment that the streaming video would need 128kbps (translates to 25% of the DSL service capacity)

Questions from Committee

- Q: Does ATS have the capacity to service the City of Dallas contract
 - ATS currently has over 80 employees engaged in processing violations, maintaining systems, and providing customer service
 - City requested pricing for up to 60 cameras
 - Assuming 15 cameras - each identifying 20 violations per day (a total of 300 violations per day)
 - Each violation takes only 30 to 45 seconds to review prepare and submit to the City for approval
 - This time is cumulative of review by three employees
 - This represents less than half a day of work or 0.5 of an FTE that would need to added, well within the capacity of ATS
 - Additional cameras would likely result in adding 1 employee for every additional 30 camera systems

Questions from Committee

- Q: What is the O&M cost?
 - Depending on the number of cameras, the City will have staff providing contract management, police review and ticket issuance, adjudication, and engineering review and site selection
 - Current proposed budget includes additional staff costs
 - All maintenance of the systems, software development, and training will be done by vendor

Questions from Committee

- Q: Explain the difference in percentage of issuance rates highlighted in material distributed by Redflex
 - These numbers are misleading if a citation issuance rate does not take into account images that are rejected by vendor
 - City will determine rejection criteria, listed in ordinance, to be used by vendor, public safety vehicles, funerals, no plate, blocked plate, and violations where the plate information is not available from the motor vehicle database
 - All rejected images are documented and stored in database for review by City
 - ATS uses the 80% as a benchmark which is inclusive of all factors, however actual performance is much higher when rejections are taken out of computation
 - Seattle and Philadelphia programs have over 95% citation issuance rate using the same criteria as Redflex

Questions from Committee

- Q: Redflex has offered to make mobile red-light camera system available
 - The mobile system is actually a vehicle mounted system that has to be operated manually
 - The vehicle has to be parked at the side of the road next to the intersection
 - The City sees very little use for this system as it relies on the attentiveness of the operator
 - Studies show that periodic enforcement does not create a long term change in driver behavior

Questions from Committee

- How can Redflex claim to return the highest revenue to the City?
 - This estimate is contingent on the Redflex issuance rate being significantly higher than ATS
 - There have been no scientific, side-by-side tests conducted independently that can verify the difference in issuance rates
 - Staff believes the lower cost of the ATS system, when coupled with the realistic projection of a 90% citation issuance rate, will yield a similar revenue by proposers

Questions from Committee

- What will ATS do if the program is terminated?
 - Redflex proposed to remove all equipment at no cost if program is discontinued,
 - ATS will charge depreciated installation costs
 - ATS has indicated they are open to negotiating these costs in the final contract

Questions from Committee

- ATS has no cameras in Texas, Redflex has been awarded all the contracts
 - Program location is not a factor affecting the performance of the system
 - Experience with large cities with high-volume intersections and similar state and local laws is much more important
 - ATS has won the largest contract thus far in Texas, the City of Houston
 - They have installed 10 cameras thus far and are fully functional, program to include 50 cameras
 - ATS focuses on larger clients with robust programs
 - ATS has competed and won several large-City contracts

Selection

- The three main reason the selection committee selected ATS over all other vendors
 - The single camera system uses the latest technology and was evaluated by the engineering, law enforcement, and technology staff as the best solution for the City of Dallas
 - Less intrusive
 - Provides better evidence
 - Less complexity
 - Faster camera reload and capture time
 - Software is easy to use, intuitive, and most user-friendly of all proposers
 - ATS cost reflects the reduced complexity of their system and will maximize the net revenues to the City

Options

- **Option 1** - Award contract to most advantageous proposer (as recommended by City staff), American Traffic Systems
- **Option 2** - Award contract to ACS State and Local Solutions Inc.
 - Either of these options will allow the City to begin the rollout of the camera systems immediately
 - City will receive the anticipated revenue and will have no negative budgetary impact
- **Option 3** – Direct City Manager to re-open the evaluation process
 - Addition information to be provided in executive session

Conclusion

- After further due diligence Redflex appears to be:
 - A stable company with successful contracts for photo enforcement
 - A good history of servicing their contracts even when problems arise
 - A good track record for providing photo enforcement services
- The evaluation committee followed proper procedures, and found ATS to be the most advantageous vendor for the City of Dallas
- Staff does not recommend re-issuance RFCSP to reconsider either ACS or Redflex
- Staff recommends awarding of photo enforcement contract to American Traffic Systems on the September 13, 2006 City Council Agenda

Next steps

- Brief Council Transportation Committee on September 11
- Award contract to ATS on September 13, 2006
- Execute contract with ATS by October 1, 2006
- Begin installations
- Have first camera operational by November 15, 2006

Attachment A

California: Union City Red Light Camera Faulty

Union City, California red light cameras malfunction for more than a month before anybody notices. City loses \$1.1 million in revenue.

4/28/2006

- Australia: Speed Camera Records Car at 690 MPH
- South Africa: Innocent Motorists Receive Speed Camera Tickets
- Tennessee: Innocent Man Pays Dearly for Bogus Red Light Camera Ticket
- South Africa: 37,000 Invalid Speed Camera Tickets Issued

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Camera Enforcement

Red light cameras that caused Union City, California to refund \$1 million in illegal tickets last year have once again caused revenue problems for the city. Administrative Services Director Rich Digre admitted in a city council meeting this week that the computer control unit for more than one of the city's five intersection cameras had malfunctioned without the city or camera vendor noticing. Redflex, the Australian company in charge of the program, took two weeks to repair the devices, bringing them back online in December.



As a result of the malfunctions, the city estimates it had lost another \$1.3 million in expected revenue, \$500,000 of which would have been directed to the city budget, and the rest split between the state and Redflex.

"When the number of violations started falling off, I wondered if we all of a sudden had a great adherence to the law," the Daily Review quotes Digre saying. "Then the company apologized and said the equipment is malfunctioning."

Redflex has agreed to give the city a 25 percent rebate for nine months to pay the city back for tickets that were not issued. This payback scheme violates a provision of California law that prohibits compensation to the vendor "based on the number of citations generated, or as a percentage of the revenue generated." Last September, a court trial found the yellow signal time at the intersection of Union City Boulevard and Lowry Road was 1.3 seconds shorter than the minimum required by California law.

Now the lengthened yellow light has cut into Union City's ticket revenue. In the current fiscal year through March, the city had only generated \$344,000 in revenue -- far short of the \$1.5 million estimate prior to the engineering improvements and the malfunctions. Still, Mayor Mark Green anticipated \$600,000 in profit next year for the system, saying, "I certainly hope the prediction for next year is accurate."

Source: Faulty red-light cameras cost Union City \$1 million (Daily Review (CA), 4/28/2006)

Regional News:

Other news about Union City, California

Permanent Link for this item
Return to Front Page

Back To Front Page

Attachment B



<< Back

Hundreds Get Refunds In Photo Citation Mix-Up

SCOTTSDALE, Ariz. (AP) -- Hundreds of drivers cited for speeding or running red lights using photo-enforcement cameras this year won refunds because of printing errors on the mailed tickets.

Scottsdale's City Court sent out 580 refunds totaling more than \$51,000 between July 28 and Nov. 7 for mistakes made by the camera operator, Reflex Traffic Systems. The photo-enforcement company reimbursed the city \$33,548 for money it had to return to drivers and defensive driving schools.

A Reflex spokesman said the problem occurred when tickets were sent out without the required information matching the driver with the violation and was not a systematic problem with the cameras.

"I don't think this has ever happened before, and I don't think it will ever happen again," said Jay Heiler of Reflex. "But it is important that if we make a mistake, that we take the time to correct it."

Scottsdale is getting ready to launch the nation's first photo-enforcement effort on a freeway early next month. The city won approval from the state to place photo-radar devices on an eight-mile stretch of the Loop 101 freeway earlier this month.

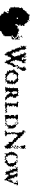
The cameras will begin operating on the freeway on Jan. 9 and warnings will be issued for the first month before actual citations begin.

Tickets will be issued to drivers traveling more 11 mph over the 65 mph speed limit.

Scottsdale's existing speeding and red light cameras generated 64,858 citations in the year ending June 30. The city operates nine fixed cameras to capture speeders and red light runners and four photo-enforcement vans.

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Attachment C

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More problems with camera cop system



Video

Minneapolis police admit another mistake has been made by the red light camera system.

A ticket was issued based on video from the photo cop camera system, but it was issued to the wrong person.

Despite this, police say this is an isolated incident. But you won't be able to convince Minneapolis resident Don Zimmerman of that. This is the second time in two months that he's had a red light ticket erroneously issued to him.

Police Lieutenant Greg Reinhardt looked at the video and said it was clear a mistake was made. "Due to human error we issued the ticket to the wrong person."

red light. Police say the vendor they hire in Arizona to review the videotapes and ultimately one of their own officers were both responsible for the wrong ticket.

Reinhardt said it's clear we need to do more training, adding "realize we process hundreds if not thousands of these within a week and sometimes due to the sheer volume I think we rush to judgment."

Actually some 21,000 red light running tickets have been issued in the first six months that the cameras were up and running. In the first year of operation police estimate they'll take in \$1 million in fines.

As for cases like Zimmerman's Lt. Reinhardt calls it isolated.

But Don Zimmerman says he has no faith in the system. Earlier this fall he was ticketed for jumping a green light. But he denied it and a close look at the video never showed him in the intersection when the light was red. In that case the ticket was dropped.

Then there was the case of Golden Valley motorist Steve Spriggs who was wrongfully ticketed. Again, like in Zimmerman's latest ticket, the wrong vehicle was ticketed. Instead of capturing the license plate from the offending vehicle, Spriggs' vehicle which was stopped at the red light, had a picture taken of his plate and a ticket wrongfully went to Spriggs.

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"There's a glitch in the system, the first thing they should do is admit there's a problem," said Zimmerman.

But Lieutenant Reinhardt maintains they've only had the cases KARE 11 has brought to their attention and no other tickets have been mistakenly issued. But Zimmerman believes a lot of motorists don't review the video or pictures and are probably paying tickets that weren't warranted.

"People should go on-line and check the video if you get a photo cop ticket because there are mistakes in the system," advises Zimmerman.

After KARE 11 brought this latest case to the attention of police, they dismissed Zimmerman's latest ticket.

While police and Zimmerman may be at odds over this latest technology, there's one thing they both agree on, red light runners are dangerous and a reduction in accidents is a worthy goal.

While Zimmerman believes city dwellers that drive city streets frequently are being unfairly targeted, police say a survey they did shows four in ten motorists ticketed live outside the city.

By [Bernie Grace](#), KARE 11 News

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