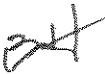


CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: January 24, 2018

To: Honorable City Council
c/o City Clerk, Room 395
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds, General Manager
Department of Transportation 

FOR Subject: **PRELIMINARY UPDATE ON PAYLOCK SMARTBOOT PILOT**

SUMMARY

In late July 2017, LADOT Traffic Officers assigned to the High-Priority Scofflaw Unit (HPS) began limited use of the Paylock SmartBoot. On August 1, 2017, LADOT implemented a full deployment of the device. The Paylock SmartBoot immobilizes vehicles upon receiving verification of their scofflaw status. This report provides a summary of the pilot enforcement project through November 2017.

RECOMMENDATION

That Council instruct LADOT to update the council on the first year of the pilot enforcement in 9 months.

BACKGROUND

In 2011, the Los Angeles City Controller's Office issued a report that outlined several areas in which LADOT was deficient in its practices in the administration of citation processing and collection. Among these areas was the enforcement of scofflaw motorists. A scofflaw is a vehicle that has acquired five or more unpaid delinquent citations and is therefore determined to be "boot eligible," under California Vehicle Code (CVC) Section 22651 (i), which authorizes Traffic Officers to impound or immobilize (boot) scofflaw vehicles.

In January 2017, LADOT expanded the deployment of Mobile License Plate Readers (MLPR) to locate and capture scofflaw and stolen vehicles. In April 2017, the Department sought to enhance its ability to address the scofflaw issue by initiating a pilot enforcement project involving the use of the Paylock SmartBoot, which is a self-release booting system used to immobilize scofflaw vehicles. The pilot approval allowed LADOT to enter into a three year contract (two years with one year option). The first year of the contract will serve as a pilot phase to allow LADOT to collect data. LADOT will evaluate the data in the second year, and extend the contract for the third year depending upon the results of the pilot.

Prior to implementing the SmartBoot pilot, Traffic Officers did not boot vehicles. Instead, officers would identify a scofflaw vehicle and dispatch a tow truck from an Official Police Garage (OPG) to tow the vehicle to an OPG, where the motorist would claim their vehicle after paying the outstanding citation fines and fees associated with towing. Under this system the OPG collects impound and storage fees; and the City receives vehicle release and occupancy tax fees.

Under the current pilot project, 15 Traffic Officers assigned to the High Priority Scofflaw (HPS) Unit patrol daily throughout the City in an effort to locate scofflaw and stolen vehicles. Upon confirmation of a scofflaw status, the Traffic Officer then immobilizes the vehicle with a self-release SmartBoot and attaches a notice on the driver's window advising them whom to contact for removal of the SmartBoot. When the motorist returns to their vehicle, they may contact Paylock's 24-hour toll free Help Center for information about removing and returning the SmartBoot. Once the Help Center has processed the payment, including a \$150 boot fee and any outstanding fines, the motorist receives a code to unlock the SmartBoot and information about where to return the SmartBoot. People can return SmartBoots to any one of four locations in the greater Los Angeles area. If a motorist experiences any issues with removal of the SmartBoot, a Traffic Officer will be dispatched to their location to provide assistance.

DISCUSSION

Officer Productivity

According to the OPG Association, the average wait time for a tow truck following dispatch is approximately 11 minutes. Upon arrival, the tow truck driver conducts a visual inspection of the vehicle and preparation of required documentation by the Traffic Officer takes place. The total time expended for this process, including the physical securing of a vehicle is on average about 30 minutes.

In the current SmartBoot enforcement pilot, upon confirmation of a boot eligible vehicle the Traffic Officer removes the SmartBoot from the City vehicle, affixes it to the curb-side wheel, and prepares the immobilization notice for the vehicle's driver/owner. The average time expended for this enforcement action is approximately 10 minutes.

Based upon the significant reduction in the time required to enforce scofflaws under the SmartBoot model, LADOT assumed an increase in both patrol hours and subsequent captured scofflaws. To determine if that assumption was correct, staff conducted a comparison of pre and post SmartBoot implementation periods. The analysis revealed an increase of almost 9% in the average number of daily vehicle seizures, 46 vs. 50 (see Exhibit 1).

Improved Customer Service Experience

Use of the SmartBoot offers several benefits to motorists, including reduced costs, easy access to customer service representatives and time savings. Under the SmartBoot alternative a motorist is charged the \$150 booting fee and can be back in operation within 15 minutes of their call to the 24/7 Paylock Service Center, thereby eliminating the need for transportation to the OPG. The average costs for one-day towing and storage is \$276.25 (excluding outstanding citation fines). Since the scofflaw no longer pays the fees associated with towing or travel to an OPG to claim their vehicle, people prefer this enforcement model to towing and impound.

Under the former enforcement model (impound only) approximately 58% of motorists reclaimed their vehicle. Under the SmartBoot pilot, 76% of motorists had their vehicle released (Exhibit 1). This substantial increase in the redemption rate is an indication the SmartBoot enforcement model provides a greater ability for motorists to retain their vehicles. Longer term analysis of this redemption rate and the net payments to the City should provide a better understanding of this result.

Scofflaw Population and Collections

A review of the Electronic Ticket Information Management System (ETims) revealed that 800 additional scofflaw motorists provided payments during the SmartBoot pilot (3153 vs. 2351). It is too early to determine the impact on revenue and collections because many citation payments are often made over an extended period. About 20% of scofflaw motorists who have their vehicle impounded or booted enter into an Installment Payment Plan (IPP). Approximately, 80% of scofflaw motorists that begin an IPP subsequently default. Essentially, these motorists make an initial payment of 40% of the amount owed, which enables them to have their vehicle released, and then they default on the remaining balance. The impact to collections will be realized in subsequent months when payment plans have been fulfilled. These results will be included in future evaluations of the pilot's effectiveness.

FINANCIAL IMPACT

Implementation of the SmartBoot Pilot has resulted in fewer vehicles being towed and impounded. However, the short duration of the pilot does not allow for a full accounting of this potential revenue loss. Currently, approximately 35% of captured scofflaw vehicles still result in a towing disposition. This is due to several reasons which may include: The high value of the amount owed, the vehicle is parked in a time limit or anti-gridlock zone, or other safety concerns, etc. An "aged tow" or vehicle that has been immobilized and remains on the street 72 hours after it has been booted is another circumstance that would require impounding. Furthermore, the prolonged duration of many motorists' citation payments will require more time to determine the true financial impact.

A longer term review of the pilot will reveal possible trends in revenue collection and what changes can be made to improve performance results of this enforcement model. Additional time will also enable an analysis of the lost OPG revenue and what is the net effect of this reduction when compared to the increased revenue from the SmartBoot enforcement strategy.

SJR/BH**Attachment**

Exhibit 1

	Pre-Pilot	Pilot - Booted Vehicles				Pilot
		Booted -		Aged Boot	Total	
		Booted - Immediate	Not Immediate			
	Tows	Tow	Tow	Tow		Tow Only
Seizures	4021	625	3527	908	4152	229
Avg Seizures/Day	46				50	3
Releases	2351	350	2612	191	3153	151
% Released	58%	56%	74%	21%	76%	66%

Note: Before pilot period is Mar-Jun 2017 (87 working days)

Pilot period is Aug-Nov 2017 (83 working days)

During pilot period, "Booted Immediate Tows" are vehicles that were booted and then towed the same day. "Aged Boot Tows" are vehicles that were towed after the boot had been on the vehicle for a minimum of 72 hours. "Total" under "Seizures" ("Pilot - Booted Vehicles") is the sum of "Booted Immediately Towed" and "Booted Not Towed Immediately." "Aged Boots" under "Seizure" ("Pilot - Booted Vehicles") is a subset of "Booted - Not Immediately Tow." "Total" under "Releases" ("Pilot - Booted Vehicles") is the sum of "Booted - Immediate Tow" + "Booted-Not Immediate Tow" + "Aged Boot Tow." "Pilot - Tow Only" are scofflaw vehicles that are impounded without having a boot placed on them.