

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	June 8, 2015
	Agenda Item No.	50E
	Roll Call No.	<u>15-946</u>
	Communication No.	<u>15-309</u>
	Submitted by:	Pamela S. Cooksey, P.E., City Engineer

AGENDA HEADING:

Approving blanket purchase order for \$66,000 to IPS Group (IPS), Dave King, President, for parking meter monthly management services and transaction fees for credit card-enabled meters.

SYNOPSIS:

Recommend approval of a purchase order for \$66,000 to IPS for parking meter management fee. IPS is the manufacturer and sole area-wide distributor for parts and repair services for the credit card parking meters currently in use by the City of Des Moines.

FISCAL IMPACT:

Amount: \$66,000

Funding Source: 2015-2016 Operating Budget, Page 72, Engineering Department, Traffic and Transportation, Parking Administration, EG062085

ADDITIONAL INFORMATION:

On April 22, 2013, by Roll Call No. 13-0656, the City Council approved the purchase of credit card-enabled smart meters from IPS that provides alternative payment options for visitors and residents in the downtown area. Since April of 2013, the City of Des Moines has purchased parking meters from IPS. Smart parking meters that accept coins, credit cards and City of Des Moines SmartCards, include maintenance of an activity database, costs incurred for wireless activity and credit card transaction fees.

As the number of parking meters with these advanced capabilities increases, the overall fees for the wireless data fee and the activity database maintenance increases. The number of credit card transactions increases as these meters become more available.

With the anticipated increase of 300 more smart meters in mid-Summer 2015, the estimated total annual fee is \$66,000 for Fiscal Year (FY) 2016.

The current fees for the upcoming FY include:

- Gateway 1 Wireless Data Fee charged at \$3.75 per meter, per month;
- Monthly management system fee charged at \$2 per meter per month; and
- Credit card transaction fee charged at \$0.13 per transaction.

The credit card transaction fee is variable. The estimated total is based on 13,000 transactions per month. In FY 2015, the annual fee was \$30,000 for the 330 smart meters. By the end of summer 2015, 630 of the City's 4,000 meters will be smart meters and subject to the described fees. The annual fee is estimated at \$66,000 for 630 smart meters. Currently, with 330 smart meters, the City is collecting \$80,000 per year in revenue. As the number increases to 630, the amount of revenue collected from these smart meters is anticipated to also double to \$160,000 per year. This is not new revenue generated by the parking system, but existing revenue that will be collected through the smart meter in a more customer-friendly way. The revenue that will be generated from the increased smart meters will also increase the credit card transaction fee amount, the wireless fees and the database management fees by the \$33,000.

PREVIOUS COUNCIL ACTION(S):

Date: April 20, 2015

Roll Call Number: [15-0669](#)

Action: Bids from the following:

- (E) [IPS](#) Group (Dave King, President), as sole area-wide distributor for monthly software support fees and transaction fees for credit card enabled meters for use by the Traffic & Transportation Division, annual estimated amount increased to \$30,000. ([Council Communication No. 15-189](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 22, 2013

Roll Call Number: [13-0656](#)

Action: Bids from the following:

- (C) [IPS](#) Group (Dave King, President) for credit card & smart card enabled single space parking meter units requested by the Engineering Department Traffic & Transportation Division, \$115,800. (Four bids mailed, four bids received) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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