

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-271
JUNE 24, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
MANAGEMENT OF MUNICIPAL PARKING FACILITIES	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JAMES THOMPSON TRAFFIC & TRANSPORTATION DIRECTOR

SYNOPSIS —

The current contract for management of the Municipal Parking Facilities expires on June 30, 1996, and although the contract allows for one additional one-year extension, it has been determined that increased management services will be required. On May 6, 1996, Council authorized the solicitation of proposals of said management services. A Council Subcommittee assisted by representatives of the Downtown Business Community reviewed the proposals submitted, conducted interviews of four proponents and rated Central Parking as the preferred operator. A contract has been negotiated with Central Parking for management of the Municipal Parking Facilities beginning on July 1, 1996.

FISCAL IMPACT —

Gross revenues during FY1994-95 from the Municipal Parking Facilities were about \$4.2 million. The management fee proposed by Central Parking is \$120,000 for 1996-97, and \$126,000 for 1997-98.

RECOMMENDATION —

Approve the selection of and a contract with Central Parking to provide management services for the Municipal Parking System for a two-year period beginning July 1, 1996, with three one-year extensions subject to the approval of the City Council.

BACKGROUND —

On May 6, 1996, by Roll Call No. 96-1725, Council authorized the solicitation of proposals for increased management services for the Municipal Parking Facilities and established a Council Subcommittee to assist in the selection process. The Council Subcommittee consisted of Council Members Hensley, Vlassis, and Phillips and representatives of the Downtown Business Community. The business representatives that participated in the selection process were Frank Cownie and Jim Hubbell, III, representing Des Moines Partnership, and Red Brannan, representing Des Moines Development Corporation.

Proposals were received from five companies: Allright Parking, APCOA, Central Parking, Parking Inc., and Republic Parking. Allright Parking, with headquarters in Minneapolis, Minnesota, operates parking facilities in over 70 cities in 28 states and provinces in the United States and Canada. APCOA is a national parking firm with headquarters in Cleveland, Ohio. It operates parking-related services in over 400 locations serving municipalities, airports, downtowns, and hospitals. Central Parking, with headquarters in Nashville, Tennessee, operates over 1,200 municipal and other parking facilities in the United States, Mexico, and Europe. Parking Inc. is located in Des Moines, Iowa, and is the current management firm for the City of Des Moines. Republic Parking has its headquarters in Chattanooga, Tennessee and operates parking facilities in 87 cities in the United States and seven cities abroad.

Republic Parking is the present operator of the parking facilities at the Des Moines International Airport.

Each of the submittals included fee proposals for the five-year period, the maximum term of the operating agreement. Attached is a tabulation of the fee proposals as submitted.

Staff provided a preliminary analysis of the proposals for the Subcommittee and recommended that four of the firms be interviewed. Because of the large discrepancy in the fee schedule submitted by Allright Parking, staff did not propose that they be considered for an interview.

On June 18, 1996, interviews of each of the four firms were conducted by the Council Subcommittee and the three representatives of the business community. Upon completion of the interviews, each of the firms were ranked according to the ranking method contained in Council Communication Number 96-196 by each Subcommittee member. Attached is a compilation of the average ratings by the Subcommittee. It is noted that Central Parking was the highest rated firm in each of the individual ratings.

Additionally, upon reviewing the proposals received, including the interviews, staff rated each of the firms, and the rankings were identical to the overall ranking of the Subcommittee. Based upon the rating of the Subcommittee and staff ratings, a proposed Management Agreement has been negotiated with Central Parking for management of the Municipal Parking System. The agreement is a two-year agreement beginning on July 1, 1996, and terminating on June 30, 1998. Provisions allow for the extension of the agreement for three one-year periods upon approval of Council. The management fee is as contained in Central's proposal, as identified above. Central Parking is prepared to initiate the transition of operations on June 25, 1996, and is able to take over the management as of July 1, 1996.

Proposals for the Operation of Management Services
for
Municipal Parking Facilities
City of Des Moines
Traffic and Transportation Department
May 28, 1996

Management Company	1996-97		1997-98		1998-99		1999-00		2000-01		5 Year Total
	Fee per Month	Total Fee Per Year	Fee per Month	Total Fee Per Year	Fee per Month	Total Fee Per Year	Fee per Month	Total Fee Per Year	Fee per Month	Total Fee Per Year	
Allright Parking	\$157,006.00	\$1,884,072.00	\$157,006.00	\$1,884,072.00	\$160,931.16	\$1,931,173.92	\$164,954.43	\$1,979,453.16	\$169,078.30	\$2,028,939.60	\$9,707,710.68
APCOA	\$9,991.00	\$119,892.00	\$10,191.00	\$122,292.00	\$10,394.00	\$124,728.00	\$10,602.00	\$127,224.00	\$10,812.00	\$129,744.00	\$623,880.00
Central Parking	\$10,000.00	\$120,000.00	\$10,500.00	\$126,000.00	\$11,166.00	\$133,992.00	\$11,584.00	\$139,008.00	\$12,166.00	\$145,992.00	\$664,992.00
Parking Inc.	\$10,200.00	\$122,400.00	\$10,506.00	\$126,072.00	\$10,506.00	\$126,072.00	\$10,821.18	\$129,854.16	\$10,821.18	\$129,854.16	\$634,252.32
Republic Parking	\$11,861.00	\$142,332.00	\$12,311.00	\$147,732.00	\$12,761.00	\$153,132.00	\$13,261.00	\$159,132.00	\$13,761.00	\$165,132.00	\$767,460.00

CONSOLIDATED RATING FORM
MUNICIPAL PARKING FACILITIES OPERATOR PROPOSALS

COMPOSITE RATING
CITY COUNCIL SUBCOMMITTEE -- AVERAGE

SELECTION CRITERIA	PARKING INC.	REPUBLIC	APCOA	CENTRAL
<p>Fee Proposal (0-30 Points) The lowest fee proposal submitted will be assigned 30 points. All other proposals will each be assigned points corresponding to its position between the lowest and highest fee proposals.</p>	28	25	29	27
<p>Revenue Enhancement Plan (0-10 Points) An innovative formal revenue enhancement plan is required which will help increase parking revenues. It shall be the sole discretion of the City to determine the viability and soundness of each plan, and to accept or reject said plan in its entirety or parts thereof.</p>	6	9	6	9
<p>Experience (0-25 Points) Points will be assigned based on Proponent's successful experience in managing, and operating public parking facilities over the past ten (10) years.</p>	14	19	21	25
<p>Financial Responsibility (0-10 Points) Points will be assigned based on the gross revenues of the publicly owned parking concessions managed by the Proponent over the past (5) years and the substantiated favorable references provided by the Proponent.</p>	5	7	8	10
<p>Formal Proposal (0-10 Points) Points will be assigned based on the completeness and quality of the formal proposal submitted by the Proponent.</p>	6	8	8	9
<p>Formal Interview (0-10 Points) If invited, points will be assigned based on the quality and thoroughness of the formal interview with the City Selection Committee.</p>	6	9	6	9
<p>Additional Factors (0-10 Points) Points will be assigned based on any of these items: 1. Prior parking management agreement with the City. 2. Geographic location of central office. 3. Special equipment, facilities, or capabilities which Proponent will contribute to the success of the operation.</p>	6	9	8	10
<p>References (0-5 Points) Points will be assigned based on substantiated favorable references which indicate a Proponent is competent, trustworthy and possessive of noteworthy parking management capabilities.</p>	4	5	5	5
TOTAL POINTS	74	91	92	100