



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

98-272

SYNOPSIS –

AGENDA:
JUNE 22, 1998

SUBJECT:
MUNICIPAL
PARKING
FACILITIES
MANAGEMENT
CONTRACT

The current contract with Central Parking System of Iowa, Inc. for management of the Municipal Parking Facilities was approved by Council Roll Call No. 96-2328 on June 24, 1996, for a period of two years, with an option to extend the contract for three additional one-year periods. The initial two-year contract expires on June 30, 1998, and it is necessary to continue the contract management of the parking system. On June 15, 1998, by Roll Call No. 98-1934, the City Council deferred a contract extension to the June 22 meeting and directed staff to consider a contract extension with no increase in management fee, during the first six months.

TYPE:
**RESOLUTION
ORDINANCE
RECEIVE/FILE**

SUBMITTED BY:
HAROLD SMITH
CITY ENGINEER

FISCAL IMPACT —

The current management contract provides for a management fee of \$10,500 per month (\$126,000 per year) for fiscal year 1997-98. The one-year contract extension continues the management fee at the same rate of \$10,500 per month. If Central Parking meets performance standards during the first six months, it is expected a 6.4 percent increase in the fee to \$11,167 per month would be approved for the second six months.

Total cost for the one-year extension would be \$130,000 if the increase is approved. The management fee and other parking system expenses are paid out of parking system revenues under Operating Budget Index Code 080069, Parking Administration.

RECOMMENDATION —

Approval of the one-year contract extension with Central Parking System of Iowa, Inc. for the management of the Municipal Parking Facilities from July 1, 1998 through

June 30, 1999.

BACKGROUND —

In 1996, the City solicited proposals from companies interested in providing management services for the operation of the Municipal Parking Facilities. A subcommittee of the City Council and representatives of the downtown business community evaluated the proposals received and recommended the firm of Central Parking System of Iowa, Inc. as the preferred management company.

On June 24, 1996, by Roll Call No. 96-2328, the City Council approved a contract with Central Parking System of Iowa, Inc. for management of the Municipal Parking Facilities for a period of two years, with an option to extend the contract for three additional one-year periods. The initial two-year contract expires on June 30, 1998.

On June 15, 1998, by Roll Call No. 98-1934, the City Council deferred a contract extension to the June 22 meeting, and directed staff to consider a contract extension with no increase in management fee, along with a list of performance measures for the parking operator.

On the agenda for the June 22, 1998 meeting is a roll call providing for a one-year extension of the initial contract with Central Parking System of Iowa, Inc. with the monthly fee remaining at the existing amount of \$10,500 per month for the first six months. Attached to the roll call are performance standards that identify measurable results in three major areas: cleanliness, safety, and customer service. If Central Parking makes satisfactory progress in meeting these performance standards during the first six months, it is expected that a 6.4 percent increase in the fee to \$11,167 per month, as provided in the original contract, would be approved for the remaining six months, along with an additional one-year extension through June 30, 2000.

Central Parking will provide information on a regular basis, supplemented by spot checks by City staff and Operation Downtown patrols, to identify progress in meeting the performance standards. Staff will provide quarterly reports to the Council advising of the performance under the management contract.

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