

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-030

SYNOPSIS -

AGENDA:

JANUARY 25, 1999

SUBJECT:

MUNICIPAL
PARKING
FACILITIES
MANAGEMENT
CONTRACT

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

SUBMITTED BY:

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ACTING CITY
ENGINEER

The initial 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. On June 22, 1998, by Roll Call No. 98-2082, the City Council approved a one-year contract extension with no increase in management fee for the first six months, and an evaluation of performance standards during that six-month period. Central Parking has made substantial improvement in meeting the established performance standards. It is recommended that the 6.4 percent increase in the management fee, as provided in the original contract, be implemented effective January 1, 1999, and that an additional one-year contract extension for the period July 1, 1999, through June 30, 2000, be approved.

FISCAL IMPACT -

The current management contract provides for a management fee of \$10,500 per month (\$126,000 per year). The 6.4 percent increase in the fee, as provided in the original contract, will increase the fee to \$11,167 per month (\$134,004 per year). As provided in the original contract, the management fee for July 1, 1999, through June 30, 2000, will increase 3.7 percent to \$11,583 per month (\$138,996). The management fee and other parking system expenses are paid out of parking system revenues under Operating Budget Index Code ENG100701, Parking Administration.

RECOMMENDATION -

Approval of the six-month management fee increase and a one-year contract extension with Central Parking System of Iowa, Inc., for the management of the Municipal Parking

Facilities from July 1, 1999, through June 30, 2000.

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 expired 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 June 22, 1998, by Roll Call No. 98-2082, the City Council approved 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, and an evaluation of performance standards during that six-month period.

Attached to the roll call is a two-page summary of Central Parking's progress in meeting the performance standards in three major areas: cleanliness, safety, and customer service. As shown in the summary, Central Parking has made substantial progress in meeting these performance standards during the six-month extension period. Central Parking has improved the cleanliness and image of the parking facilities, has increased security coverage by 50 percent, and has aggressively pursued a number of actions to minimize exiting delays and increase customer satisfaction.

In October 1998, Central Parking also conducted a follow-up customer survey of the City parking facilities, to compare with the previous survey that was completed in July 1998. Over 4,000 survey cards were distributed to parking customers in

each of the City garages, and the responses were tabulated and evaluated by an independent company, Data Management and Research, Inc. The average satisfaction rating for the City garages was 93.4 percent, which is a high rating and well above the average rating of 85 percent for municipal parking facilities. Although it is difficult to compare with the July survey results because a somewhat different rating was used, the average satisfaction rating of 93.4 percent is also an increase over the average performance rating of 92.1 percent in July.

Based on the high customer satisfaction rating and the substantial improvement Central Parking has made in meeting performance standards, it is recommended that the 6.4 percent increase in the management fee, as provided in the original contract, be implemented effective January 1, 1999, and an additional one-year contract extension for the period July 1, 1999, through June 30, 2000, be approved.

On January 14, 1999, the Downtown Parking Committee considered this item and recommended approval of the management fee increase and the contract extension. The Committee further recommended that the City not exercise the final one-year contract option, but take new bid proposals for management of the Municipal Parking System beginning July 1, 2000. These bid proposals would be solicited from nationwide parking management firms, including Central Parking, in early 2000.