



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION—

Agenda Date: May 23, 2005
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Roll Call

Submitted by: Jeb E. Brewer, P.E., City Engineer

SUBJECT—

Authorization to Negotiate Two-Year Parking System Management Contract Extension with Ampco System Parking.

SYNOPSIS—

The current contract with Ampco System Parking for management of the Municipal Parking Facilities was approved by the City Council on August 7, 2000, 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, 2002, and Council has approved all three one-year options, which will expire on June 30, 2005. Because of the significant changes to the parking system in conjunction with the construction and opening of the new 8th & Mulberry Garage, it is recommended that a two-year extension be negotiated with Ampco System Parking to continue the contract management of the parking system.

FISCAL IMPACT—

The current management contract provided for a management fee of \$17,169 per month (\$206,028 per year) for fiscal year 2000-01, with annual increases equal to the annual increase in the Consumer Price Index (CPI). For FY 2001-02, the CPI increased 3.4 percent; for FY 2002-03, the increase was 1.4%; for FY 2003-04, the increase was 2.1%; and for FY 2004-05, the increase was 2.8%. The management contract provides separate fees for individual garages, with a provision to increase or decrease the total fee if garages are added or deleted. Because the 8th

& Mulberry Garage has been removed for demolition and reconstruction, the management fee for that garage was deleted from the total management fee for FY 2004-05. The current fee for FY 2004-05 is \$17,081 per month (\$204,972 per year). It is anticipated that the new fee for FY 2005-06 would be a 1.0% increase from the current base fee, with the cost for Worker Comp Insurance removed from the management fee and made part of the overall parking system operating expenses. This estimated fee for FY 2005-06, excluding the new 900-space 8th & Mulberry Garage expected to begin operation in February of 2006, would be \$17,252 per month (\$207,024 per year). Funds for the management fees and the operating costs of the parking system are included in the Traffic and Transportation Division Operating Budget.

RECOMMENDATION—

Authorize the City Manager to negotiate a two-year contract extension with Ampco System Parking for management of the Municipal Parking Facilities for FY 2005-06 and 2006-07, and bring the proposed contract back to Council for final approval.

BACKGROUND—

In 2000, the City of Des Moines solicited proposals from companies interested in providing management services for the operation of the Municipal Parking Facilities. A selection subcommittee of the Downtown Parking Committee evaluated the proposals received and recommended the firm of Ampco System Parking as the preferred management company, in significant part because of their proven track record of providing innovative customer service enhancements at various locations for a number of years.

On August 7, 2000, by Roll Call No. 00-3394, the City Council approved a contract with Ampco System Parking 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, 2002, and Council has approved the three one-year options, which expire on June 30, 2005.

During their five years of operating the parking system, Ampco System Parking has performed verywell and has gained valuable experience in making the operation of each individual garage efficient and effective. This experience has been enhanced because they have retained the same management team for the entire period.

In addition, Ampco has worked with the City and Downtown Community Alliance to initiate a number of customer service programs. During the first month of operation, they brought in a training expert to provide customer service training to all the parking system employees, and have continued refresher training on a regular basis. They have provided an extensive number of free services to customers, as shown:

Car Locate Assistance	66
Lock Out Assistance	196
Vehicle Jump Starting	300
Windshield Washing	23,140

Tire Change / Inflate	175
Premium Services	349

They have installed complimentary Car Care Stations in the 7th & Grand and 5th & Walnut Garages. They introduced Premium Car Care Services at 4th & Grand and 9th & Locust in the spring of 2002, and have expanded this program to include additional vendors. Ampco has implemented several new parking validation programs that provide a popular convenience for business customers, and increases revenue to the parking system. Ampco continues to market the validation programs, and will customize a program to meet a business's needs. As a national parking operator, Ampco has been able to provide savings to the City in operating expenses by purchasing many supplies in bulk through national agreements, programs for employee training and retention, improved maintenance programs, a strong safety program, and closer review of service contracts. In conjunction with the Transportation Management Association (TMA), Ampco has recently implemented a Preferred Parking program, which helps encourage car-pooling and also enhances City parking revenue.

Ampco has provided a significant amount of additional signing and communication to the customers regarding special events and the garage and elevator rehabilitation work at 4th & Grand and 5th & Keo garages. They have also developed an extensive customer service plan to notify and assist parking customers during the elevator replacement project at the 7th & Grand Garage and the rehabilitation work at 5th & Walnut Garage. They worked very closely with businesses and individual parkers to relocate nearly 600 customers to other City parking facilities for the demolition of the 8th & Mulberry parking garage in preparation for the new City and EMC garages to be built on this site.

The planned reopening of the 8th & Mulberry Garage in February 2006 will provide significant challenges to the operation and management of the parking system. The parking and revenue control system will have to be integrated into the system used for the remaining garages, and also include the City's first automated pay stations. These automated pay stations will reduce operating costs by eliminating the need to have cashiers at the garage exits during all hours the garage is open, but will require a substantial amount of customer information and training in the proper use of the system. The opening of this new garage will also require a major shift of monthly parkers from other garages back to this garage, and the likely expansion of the Preferred Parking program to this garage and other garages that will have additional capacity.

Because of the strong need for management continuity through the start-up of operations with the new 8th & Mulberry Garage and the demonstrated experience and management capabilities of Ampco System Parking, it is recommended that a new two-year contract be negotiated with them for management and operation of the parking system during this transition period. Preliminary discussions with Ampco indicates that they are very willing to continue to manage the parking system for an additional two-year period, and would accept a 1.0% increase in the base management fee for FY 2005-06, with the cost for Workers Comp Insurance removed from the management fee and made part of the overall parking system operating expenses. This would protect Ampco from future cost increases for this insurance that are outside their control, and would be consistent with their contracts in most other cities throughout the country. Prior to the

end of the two-year extension, the City will send out Requests For Proposals (RFPs) for an open competition for a new management contract.