



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION—

Agenda Date: 06/06/05

Communication

No.: 05-325

Agenda Item Type: Resolution

Roll Call

No.:

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

SUBJECT—

Approval of 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. On May 23, 2005, by Roll Call 05-1244, Council authorized the City Manager to negotiate a two-year extension 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). The new fee for FY 2005-06 is 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 fee for FY 2005-06, excluding the new 892-space 8th & Mulberry Garage expected to begin operation in February of 2006, is \$17,252 per month (\$207,024 per year). The fee for FY 2006-07 will increase by the annual increase in the CPI. Funds for the management fees and the operating costs of the parking system are included in the Traffic and Transportation Division Operating Budget.

RECOMMENDATION—

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. This decision was made in significant part because of Ampco's 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.

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, Council authorized that a new two-year contract be negotiated with them for management and operation of the parking system during this transition period. This contract extension provides for 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.

