

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> July 9, 2018
	<b>Agenda Item No.</b> 32B <b>Roll Call No.</b> <u>18-1169</u> <b>Communication No.</b> <u>18-358</u> <b>Submitted by:</b> Steven L. Naber, P.E., City Engineer

**AGENDA HEADING:**

Approving blanket purchase order for \$140,000 to IPS Group Inc. for parking meter monthly management services and transaction fees for credit card-enabled meters.

**SYNOPSIS:**

Recommend approval of a purchase order for \$140,000 to IPS Group, Inc., for parking meter management fee and transaction fees for credit card-enabled meters. IPS Group Inc. is the manufacturer and sole area-wide distributor for parts and repair services for the credit card parking meters currently in use by the City of Des Moines.

**FISCAL IMPACT:**

Amount: \$140,000

Funding Source: 2018-2019 Operating Budget, page 77, Engineering Department, Traffic and Transportation, Parking Administration, EG062085

**ADDITIONAL INFORMATION:**

- On April 22, 2013, by Roll Call No. 13-0656, the City Council approved the purchase of credit card-enabled “smart” meters from IPS Group that provides alternative payment options for visitors and residents in the downtown area. Since April of 2013, the City of Des Moines has purchased parking meters from IPS Group. Fees associated with “smart” parking meters that accept coins, credit cards and City of Des Moines SmartCards, include maintenance of an activity database, costs incurred for wireless activity, and credit card transaction fees.
- As the number of parking meters with these advanced capabilities increases, the overall fees increase as well. With the recommended meter purchase, there will be 1,050 “smart” meters of the 3,550 total metered parking spaces in the city. The estimated total annual fees for these “smart” meters are \$140,000 for Fiscal Year (FY) 2019.
- The current fees for the FY2019 include:
  - Gateway 1 Wireless Data Fee charged at \$3.75 per meter, per month
  - Monthly management system fee charged at \$2 per meter, per month
  - Credit card transaction fee charged at \$0.13 per transaction

- The credit card transaction fee is variable. The estimated total is based on 30,000 transactions per month. In FY2018, the annual fee was \$110,000 for the 950 “smart” meters. As the number of “smart” meters in service has increased, the annual fee has increased as well.
- With 1,050 “smart” meters, the City is projected to collect \$85,000 per month, or \$1,020,000 per year, of credit card revenue from these meters. The split by transaction type at these “smart” meters is currently 51% coin, 45% credit card, and 4% SmartCard.

**PREVIOUS COUNCIL ACTION(S):**

Date: June 26, 2017

Roll Call Number: [17-1094](#)

Action: Purchases from the following:

- (J) [IPS](#) Group (Dave King, President) for non-competitive procurement blanket purchase order for monthly software support fees and transaction fees for credit card enabled meters to be used during fiscal year 2018 for use by the Engineering Department, estimated annual cost \$110,000. ([Council Communication No. 17-507](#)) Moved by Hensley to adopt. Motion Carried 6-1. Absent: Cownie.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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