


COUNCIL COMMUNICATION

	Number:	19-349	Meeting:	August 5, 2019
	Agenda Item:	50A	Roll Call:	19-1236
	Submitted by:	Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Approving blanket purchase order for \$155,000 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 \$155,000 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 areawide distributor for parts and repair services for the credit card parking meters currently in use by the City.

FISCAL IMPACT:

Amount: \$155,000

Funding Source: 2019-2020 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. There are approximately 2,990 parking meters in the City, and 1,100 of those meters are “smart” meters. The estimated total annual fees for these “smart” meters are \$155,000 for Fiscal Year (FY) 2020.
- The current fees for the FY2020 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 FY 2019, the annual fee was \$125,000 for 1,050 “smart” meters. As the number of “smart” meters in service has increased, the annual fee has increased as well.
- With 1,100 “smart” meters, the City is projected to collect \$100,000 per month, or \$1,200,000 per year, of credit card revenue from these meters. The split by transaction type at these “smart” meters is currently 40% coin, 49% credit card, and 11% SmartCard.

PREVIOUS COUNCIL ACTION(S):

Date: July 9, 2018

Roll Call Number: [18-1169](#)

Action: Purchases from the following:

- (B) [IPS](#) Group (Dave King, President), as sole area-wide distributor, for non-competitive procurement of monthly software support fees and transaction fees for credit card enabled meters to be used during fiscal year 2019 by the Engineering Department, estimated annual cost \$140,000. ([Council Communication No. 18-358](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk’s Office at 515-283-4209 or visit the Clerk’s Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk’s Office on Thursday afternoon preceding Monday’s Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk’s Office or sending their request via email to cityclerk@dmgov.org.