


COUNCIL COMMUNICATION

	Number:	20-328	Meeting:	August 3, 2020
	Agenda Item:	30A	Roll Call:	20-1231
	Submitted by:	Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Approving blanket purchase order for \$150,000 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 \$150,000 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.

FISCAL IMPACT:

Amount: \$150,000

Funding Source: 2020-2021 Operating Budget, Page 71, 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 increases as well. The City currently has 1,210 “smart” meters of the 3,043 total metered parking spaces in the City. The estimated total annual fees for these “smart” meters are \$150,000 for Fiscal Year (FY) 2021.
- The current fees for the FY2021 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 29,929 transactions per month. In FY2020, the annual fee was \$130,000 for the 1,210 “smart” meters. As the number of “smart” meters in service has increased, the annual fee has increased as well.
- With 1,210 “smart” meters, the City is projected to collect \$240,000 per month, or \$2,880,000 per year, of credit card revenue from these meters. The split by transaction type at these “smart” meters is currently 36% coin, 44% credit card, and 20% SmartCard.

PREVIOUS COUNCIL ACTION(S):

Date: August 5, 2019

Roll Call Number: [19-1236](#)

Action: Purchases from the following:

- (A) [IPS](#) Group (Dave King, President) for monthly software support fees and transaction fees for credit card enabled meters to be used during fiscal year 2020 by the Traffic & Transportation Division, estimated cost \$155,000. ([Council Communication No. 19-349](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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