


## COUNCIL COMMUNICATION

	Number: <b>21-249</b>	Meeting: <b>June 14, 2021</b>
	Agenda Item: <b>47C</b>	Roll Call: [ _____ ]
	Submitted by: <b>Steven L. Naber, P.E., City Engineer</b>	

### AGENDA HEADING:

Approving a blanket purchase order for \$150,000 to IPS Group, Inc., for monthly software support fees and transaction fees for credit card enabled parking meters.

### SYNOPSIS:

Recommend approval of a purchase order for \$150,000 to IPS Group, Inc. (7737 Kenamar Court, San Diego, CA 92121, Chad Randall, CEO), for monthly software support fees and transaction fees for credit card enabled parking 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 of Des Moines.

### FISCAL IMPACT:

Amount: \$150,000

Funding Source: 2021-2022 Operating Budget, Page 57, 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 1,300 “smart” meters of the 3,378 total metered parking spaces in the City. The estimated total annual fees for these “smart” meters are \$150,000 for Fiscal Year (FY) 2022.

- The current fees for FY2022 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 32,000 transactions per month. In FY2021, the annual fee was \$110,000 for the 1,300 “smart” meters. As the number of “smart” meters in service has increased and the number of transactions increases, the annual fee has increased as well.
- With 1,300 “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 45% coin, 55% credit card, and 5% SmartCard.
- As we convert to the new pay-by-space technology, usages will shift. The number of “smart” meters will start to decrease, as will the credit card transaction fees for these meters, as the new system is installed.

**PREVIOUS COUNCIL ACTION(S):**

Date: August 3, 2020

Roll Call Number: [20-1231](#)

Action: Purchases from the following:

- (A) [IPS](#) Group (Dave King, President) as sole area-wide distributor for monthly software support fees and transaction fees for credit card enabled meter to be used during fiscal year 2021 for use by the Engineering Department, estimated annual cost \$150,000. ([Council Communication No. 20-328](#)) Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE****ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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