


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	22-301	Meeting:	June 27, 2022
	Agenda Item:	45M	Roll Call:	22-1034
	Submitted by:	Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Approving a blanket purchase order for \$60,000 to IPS Group, Inc., for monthly software support fees and transaction fees for individual credit card enabled parking meters.

SYNOPSIS:

Recommend approval of a purchase order for \$60,000 to IPS Group, Inc. (7737 Kenamar Court, San Diego, CA 92121, CEO Chad Randall), 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 individual credit card parking meters currently in use by the City of Des Moines.

FISCAL IMPACT:

Amount: \$60,000

Funding Source: 2022-2023 Operating Budget, Page 55, Engineering Department, T&T - Parking Administration, EG062085, Parking Operations Fund.

ADDITIONAL INFORMATION:

- On April 22, 2013, by Roll Call No. 13-0656, the City Council approved the purchase of individual 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 has purchased parking meters from IPS Group. Fees associated with “smart” parking meters that accept coins, credit cards, and City SmartCards include maintenance of an activity database, costs incurred for wireless activity, and credit card transaction fees.
- As the number of IPS “smart” meters decreases due to the conversion to a new multi-space meter parking system, the overall fees will continue to decrease as well. The number of IPS meters in operation has now been reduced from 1,300 to 590. The estimated total fees for the remaining “smart” meters are \$24,000 for Fiscal Year (FY) 2023.
- It is anticipated that the remaining IPS meters will be removed from street operation within the next three (3) to six (6) months.

- The current fees for FY 2023 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 wireless data and management system fees are expected to be approximately \$3,400 per month and will decrease as parking spaces are converted to the new payment system.
- The credit card transaction fee is variable depending on usage. The estimated total fee for the remaining “smart” meters is based on 5,000 transactions per month, or \$650 per month, and will also decrease as parking spaces are converted to the new payment system.
- In FY 2022, the total annual fee was \$140,000 for the ”smart” meters.
- The City is projected to collect \$37,000 per month in revenue from the 590 “smart” meters remaining in operation, or \$111,000 over the next three (3) months of FY 2023. The split by transaction type at these “smart” meters has historically been 54% coin, 44% credit card, and 2% SmartCard.

PREVIOUS COUNCIL ACTION(S):

Date: June 14, 2021

Roll Call Number: [21-0883](#)

Action: Purchases from the following:

- (C) [IPS](#) Group, Inc. (Chad Randall, CEO) as sole area-wide distributor for monthly software support fees and transaction fees for all credit card enabled meters to be used during fiscal year 2022, estimated annual cost \$150,000. ([Council Communication No. 21-249](#)) Moved by Gatto to adopt. Motion Carried 7-0.

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

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