



Request for City Council Committee Action from the Department of Public Works

Date: July 14, 2015

To: Honorable Kevin Reich, Chair Transportation & Public Works Committee

Referral to: Honorable John Quincy, Chair Ways & Means Committee

Subject: **Municipal Parking System RFP**

Recommendation:

Authorize the proper City Officials to negotiate a contract with ABM Parking Services, Inc.

Previous Directives:

December 12, 2014 – Authorized extension of the contract with ABM Parking Services to expire September 30, 2015.

November 14, 2014 – Authorized staff to issue a request for proposals to provide professional management.

November 19, 2010 – Passed the recommended the selection of Ampco System parking (Now ABM Parking Services) as the operator of the Municipal Parking System.

August 6, 2010 – Approved issuing an RFP for the operation of the Municipal Parking System.

Department Information

Prepared by: William Cieminski, Parking Systems Manager, 673-2159

Approved by: _____
Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Mark Read, Assistant Parking Manager, 673-3732

Reviews

- Permanent Review Committee (PRC): Approval Date 04/07/15
- Civil Rights Approval Approval Date 02/25/15

Financial Impact

Action is within the approved budget.

Community Impact

City Goals: Great Places - Natural and built spaces work together and our environment is protected.

A City That Works - City government runs well and connects to the community it serves.

Supporting Information

Brief History of the Minneapolis Off-Street Municipal Parking System

In 1972, the City implemented the Municipal Off-Street Parking System based on the plan to offer fringe parking around the downtown core. The goal of the system was to reduce the number of vehicles driving through the downtown area. The development of parking at the fringe of downtown also was done to spur economic development and to use the connecting skyway system that was being planned to efficiently move pedestrians to their business or shopping destination. The first off-street parking facility, Government Center Parking Ramp, was constructed in 1974.

Over the years, this parking system has evolved to serve many customers, ranging from monthly contract and daily commuter parkers along with visitor and event parkers who attend meetings, conferences, sporting events, concerts, theater events, downtown dining and nightlife venues.

Currently, the Minneapolis Off-Street Municipal Parking System, branded as MPLS Parking, consists of 17 parking ramps and 8 surface lots which offer in excess of 22,000 parking stalls, in addition to provision of security and maintenance for the 1.9 miles of the City's skyway system. Last year, the city off-street system served over 6.5 million customers and generated approximately \$30 million in operating revenue.

Brief History of Parking Operator Management and Contract

Since the 1970s, the Off-Street Parking System has been managed and operated by a private commercial vendor with a total of two operators. Municipal Parking, Inc. managed the system through March 2006. Then Ampco System Parking was selected through the City Request for Proposal (RFP) process to begin providing service starting April 2006 through March 2011. The next competitive RFP process resulted in a new contract being awarded to Ampco System Parking, effective April 2011. This current contract expires on September 30, 2015.

The parking management contract includes three key elements:

- Daily parking operations and customer services (including, but not limited to operational, fiscal, marketing and maintenance services)
- Security services (bid selected sub-contractor)
- Janitorial services (bid selected sub-contractor)

In addition, several related and/or ancillary services are provided, such as:

- Car pool registration coordination with the Commuter Connection
- Charter bus parking permit system
- EV charging stations (39 locations) currently installed at a number of parking ramps
- Bicycle parking, lockers and showers
- Special event parking used by customers is a vital part of this contract that requires seasonal help to provide this customer service.
- MnDOT partnership for the operation and management of the ABC Ramps is a vital part of this contract, and
- Partnerships with Target Corporation, Hilton Hotels, Orchestra Hall, the Convention Center and others are all included in the operational requirements expected from our contracted parking operator.

The annual value of the contract is approximately \$21.4 million, the bulk of which is reimbursement of actual operating costs. A management fee is paid to the operator based on a per parking space formula which amounted to \$275,995 in 2014.

RFP Preparation and Issuance

Public Works hired the consulting firms Short, Elliott and Hendrickson, Inc. (SEH, Inc.) and The Consulting Engineers Group, Inc. through our consulting pool to assist in evaluation and revision of the existing contract.

The new RFP capitalized on expected reductions in operating costs through continued centralization of functions and reduced staffing levels achieved through the completion of our automation project. Changes implemented through automation, along with fewer reimbursable operational expenses to be borne by the operator, continue to reduce costs of operation which in turn reduce the management fee and operating expense that the City pays.

Recent renewed focus on event parking operations due to Target Field and the new US Bank Stadium during the life of this new contract also brings added activity to the Parking System.

Based on the recently implemented changes through centralization and completing the automation, the contract which started in 2011 is due for changes. Thus, Public Works recommended and the City Council authorized the issuance of a new Request for Proposals (RFP) to take full advantage of new opportunities to consolidate operations and offer more on-line services to our customers.

RFP Schedule

The RFP schedule is as follows:

Date	Item
April 9, 2015	Issue RFP
June 4, 2015	Proposals due
June/July 2015	Evaluate proposals, make recommendations
July/August 2015	Negotiate contract and legal review
August 25, 2015	Seek City Council approval to execute contract
October 1, 2015	New contract start date

RFP Responses and Review

On April 9, 2015, staff issued an RFP for operations and management with proposals accepted through June 4, 2015.

- Five companies attended a non-mandatory pre-proposal meeting on May 12, 2015.
- Two companies (ABM Parking Services and Laz Parking) submitted proposals.
- Both companies were invited, and completed, in-person presentations and interviews with the evaluation committee on June 22, 2015.
- Proposals and Presentations were evaluated by a team including representatives of:
 - City of Minneapolis, Public Works – Traffic & Parking Services
 - City of Minneapolis, Finance
 - State of Minnesota Department of Transportation (MnDOT)
 - Minneapolis–St. Paul International Airport Parking
 - SEH, Inc. – Consultant as an advisor
- Proposals and Presentations were scored on the following criteria:
 - Quality of Proposal
 - Financial Information
 - Minimum Qualifications
 - Experience
 - References

- Proposed Parking Operations Plan
- Proposed Security Operations Plan
- Proposed Janitorial Operations Plan
- Proposed Parking System Marketing Plan
- Proposed Valet Parking Plan
- Proposed On-street Meter Collection Plan
- Proposed Transition Plan
- Proposed Ramps & Lots Maintenance Plan
- Company's Operating Philosophy
- Cost
- In-person Presentation
- Individual scoring from evaluators indicated slightly higher scores for ABM. The committee's recommendation was unanimous to award the contract to ABM.

Recommendation

Staff requests authorization to negotiate a Parking Management Operator contract with ABM Parking Services, Inc.

Proposed Next Steps

1. July/August 2015: Negotiate contract and legal review
2. August 25, 2015: Seek City Council approval to execute the contract
3. October 1, 2015: Start new contract period

cc: Gary Winter
Jon Wertjes