



## **Request for City Council Committee Action From the Department of Public Works**

**Date:** November 9, 2010

**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

**Referral to:** Honorable Betsy Hodges, Chair Ways & Means/Budget Committee

**Subject:** **2010 Request for Proposal – Approval of Proposed Municipal Parking System Operator**

### **Recommendation:**

- A) Approve the selection of Ampco System Parking as the operator of the Municipal Parking System for the period commencing April 1, 2011 and continuing for up to three years with two single year extension options.
- B) Authorize proper City officials to negotiate and enter into an agreement for the operation of the Minneapolis Off-Street Parking System with Ampco System Parking. The negotiated terms shall include provisions that provide:
  - Adequate incentive criteria to ensure continued search for economies
  - Proper penalty clauses for failure to conform to the contract
  - Proper language to reflect allowable reimbursable operational expenses
  - Proper reflection of the importance of event parking operation and control
  - Increased use of technology for operations, reporting and cost containment.

### **Previous Directives:**

- August 6, 2010 City Council approval to release RFP

**Prepared by:** Tim Blazina, Manager Ramps and Lots 673-2242

### **Approved by:**

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Steven A. Kotke, P. E., Public Works Director, City Engineer

**Presenters:** Jon Wertjes, P.E., PTOE, PW - Director of Traffic and Parking Services

### **Financial Impact**

Action is within current department budget

### **Community Impact**

Neighborhood Notification: Not Applicable

City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city, reduce operational costs.

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

## **Background/Supporting Information**

The Traffic and Parking Services division of Public Works has completed the previously authorized Request for Proposal Project to seek competitive proposals for the operation of our Municipal Parking System.

- The RFP was issued on August 20, 2010.
- A mandatory pre-proposal conference was held on September 8, 2010; and
- Addendum #1 was issued on September 24, 2010 with final proposals due to the City on October 7, 2010.

We are pleased to bring forward our recommendation and request authorization to begin the final negotiations with the selected provider.

## **Background and RFP Process**

Currently, the Public Works Department through the Traffic and Parking Services division operates the Municipal Off-Street Parking System that includes 25 separate facilities and 20,238 parking spaces. To handle the daily operations related to parking, security, janitorial services and minor maintenance, Public Works is assisted by a private operator, Ampco System Parking.

New since the last RFP process is the collection and handling of the on-street parking meter system. Our current operator has been collecting the receipts from the meters since spring 2010. This meter operation was added to the RFP requirements during this current process. We are in the early stages of upgrading the on-street metered parking system and our operator/partner will be an integral part of this change-over process.

Public Works, along with consultant assistance, prepared an RFP for a three year contract, with two single year extension options. The draft RFP was reviewed by various City departments and the PRC Committee. A total of four responses were received on the October 7, 2010 due date. These proposals were distributed to the review team at a meeting which was held on October 13, 2010.

The review team, consisting of Public Works –Traffic and Parking Services, Public Works -- Management Services, Finance Department and a MnDOT representative, met on October 19<sup>th</sup> to review their findings and to initially score the proposals received. There were two consultants that provided professional assistance during this entire process. One of the consultants was a scoring member of the review team and one consultant acted as a non-scoring technical advisor and score keeper for the review team.

## **Scoring**

The scoring was divided into three major components:

- Costs and fees – 450 points possible
- Experience and background – 225 points possible
- Operational plans and transition – 325 points possible

In addition, there were several sub-categories under each major component, all of which combined to total 1000 possible points. The individual review team evaluation scores were averaged to determine the overall aggregated score for each proposal respondent. Upon final score compilation, there was a considerable gap in the proposal overall aggregated scores.

Although the RFP had allowed for an interview of the top scoring respondents if necessary, it was noted that even with an interview, the total points available through the interview would not be enough to overcome the score achieved by the top scoring respondent during the written submittal process. Therefore, the review team unanimously agreed that an interview would not be required.

## **Consensus and Recommendation**

After thorough discussions among the interview team members and the consultants, the consensus and recommendation is that the highest scoring respondent, Ampco System Parking be awarded the new contract. The proposal that Ampco provided to the City:

- Continues to expand on the economies in the operation that Public Works has been implementing over the past several years;
- Offers a reduction in overall management fees from those currently charged to the City, both which save money for the City and increase net revenue from the Parking System;
- Recognizes the City's goals to centralize and automate to the degree possible and thus helped to achieve a stronger and less costly contract offer;
- Eliminates the need for a costly transition to a new company which will not be required based on the recommended action.

As the incumbent operator, Ampco could have taken an easy approach to the RFP process and submitted a proposal which merely met the requirements. Instead, the review team was impressed with Ampco's approach to aggressively respond to the RFP and to propose additional cost savings to the City. Their knowledge of the system by being the incumbent operator allows them to understand areas where economies can be achieved, and they used their response to the RFP to detail the future plans to continue to serve the City as the contracted operator of the Municipal Parking System.

Public Works – Traffic & Parking Services has implemented a number of operational cost saving features over the term of the current parking operations contract. Ampco has partnered with the City in implementing these cost saving incentives and proposes to continue with implementing the City sponsored automation of parking equipment and centralization of accounting and management functions. The relationship between Public Works and Ampco is working well on a professional basis. The knowledge that Ampco has built over the initial term of the current contract allows them to continue to provide professional parking operating services to the City during this proposed new contract.

The RFP document requires a final contract to be negotiated within 21 days after Council action. Public Works feels that an acceptable contract should be relatively easy to complete based on Ampco's current operation for the City and the relatively small number of issues that need to be clarified in the final contract.

## **City Council Action Requested**

Public Works is requesting authority to begin immediately to negotiate and enter into an acceptable agreement with Ampco System Parking.

Public Works will negotiate with Ampco to ensure that the final agreement properly reflects the following:

- Adequate incentive criteria to ensure continued search for economies
- Proper penalty clauses for failure to conform to the contract (if needed)
- Proper language to reflect allowable reimbursable operational expenses
- Proper reflection of the importance of event parking operation and control
- Increased use of technology for operation, reporting and cost containment

The new contract will be effective at 6:00 AM on April 1, 2011.

Therefore, Public Works Department requests that proper City officials be authorized to negotiate and enter into a final contract with Ampco System Parking for the operation of the City's Municipal Parking System for a three year period, with two one year options, commencing April 1, 2011. If negotiations are unsuccessful, Public Works will return to the City Council for further action.