



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

Date: November 10, 2014

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

Subject: **Authorization to Issue a Request for Proposal (RFP) for Operations of the Municipal Parking System (MPLS Parking)**

Recommendation:

Authorize the proper City Officials to issue a Request for Proposals to solicit proposals for the professional management and operation of the Municipal Parking System (MPLS Parking).

Previous Directives:

May 13, 2011, the contract with Ampco System Parking was signed which was effective April 1, 2011.

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

August 6, 2010 the City Council approved issuing an RFP for the operation of the Municipal Parking System.

March 16, 2006, the contract with Ampco System Parking was signed which was effective April 1, 2006.

December 2, 2005, the City Council passed the recommended selection of Ampco System Parking as the operator of the Municipal Parking System.

September 3, 2004, the City Council approved issuing an RFP for the operation of the Municipal Parking System.

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

Approved by:

Steven A. Kotke, P.E., Director of Public Works

Presenters: Jon Wertjes, Director, Traffic and Parking Services

Reviews

Permanent Review Committee (PRC): Approval X Date 11/6/14

Financial Impact

No financial impact - Action is within the Business Plan

Community Impact

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

Background/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, marketed as *MPLS Parking*, consists of 17 parking ramps and 8 surface lots which offer in excess of 22,000 parking stalls. Last year, the city off-street system served over 6.5 million customers and generated approximately \$30 million in operating revenue. There were \$21 million in operating expenses.

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 is a base three year term, with two one-year optional renewals at the discretion of the City.

Today the parking management contract includes three key elements:

- Daily parking operations and customer 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.

A management fee is paid to the operator based on a per parking space formula which amounted to \$275,995 last year.

This base contract and the first year renewal option expire on March 31, 2015 for the operations and management of the Off-Street Municipal Parking System.

Proposed RFP for Parking Operator Management and Contract

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

The new RFP will capitalize 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, will 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 Vikings 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 recommends 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.

Permanent Review Committee (PRC)

The Request for Proposal (RFP) is currently scheduled on November 6 to be reviewed by the Permanent Review Committee and the findings of the committee will be incorporated into the RFP document.

The previous 2005 RFP process resulted in a change of management vendors. Due to efforts put forth at that time, Public Works was pleased to report that over 95% of the previous firm's employees were retained by the incoming company. Those not retained either did not apply for positions or failed background and or drug screening. This new RFP will again include employee retention rules that require any new operator to interview current employees for open positions based on their ability to pass screening.

The current parking management contract includes a labor peace agreement for the security services contracted by the parking operator. Public Works seeks a labor peace agreement in the next contract for both the security services and operation of the valet parking service operated on behalf of the Hilton Hotel. Labor peace provisions are under review by PRC.

RFP Schedule

The RFP schedule is proposed as follows:

| Date | Item |
|---------------------|---|
| November 2014 | Issue the RFP |
| December 2014 | Proposals due |
| January 2015 | Evaluate proposals, make recommendations & seek City Council approval |
| February 2015 | Contract Execution |
| February/March 2015 | Transition period |
| April 1, 2015 | New contract start date |

Attachments:

- A. Downtown Parking System – Rail-Volution Walking Tour flyer, October 2015
- B. Off-Street Parking System Presentation

cc: William Cieminski, Tim Blazina, Gary Winter