



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

Date: August 12, 2008

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

Referral to: Honorable Paul Ostrow, Chair Ways & Means/Budget Committee

Subject: **Approval of Official Publication No. 6522- Bids for Parking Ramp Revenue Control Equipment Replacement- Contract Amendment #3**

Recommendation:

- a. Staff recommends an increase to Contract C-22715 with Don Harstad Company in the amount of \$800,000 for a new estimated expenditure of \$3,265,862 for Parking Ramp Revenue Control Equipment necessary to allow credit card payment option and automation of ramp revenue control activities at the Hawthorne Transportation Center municipal parking facility. Proposed amendment would be financed through 2008-09 ramp capital improvement fund (7500/943/9464/CRP801). All terms and conditions and unit pricing will follow the price agreement of the original proposal.

Previous Directives:

- December 2, 2005- City awarded contract C-22715 to responsive low bid of Don Harstad Co. for installation of new revenue control equipment for State Ramp C in the amount of \$940,862. The original contract included an agreement which locked in equipment unit prices for all items and installation costs at pre-agreed levels over a five-year span.
- October 20, 2006- Council approved amending contract C-22715 with Don Harstad Co. by \$725,000 to new total of \$1,665,862 for installation of new revenue control equipment at the Hilton and 10th&Hennepin ramps per price agreement of original contract.
- September 21, 2007- Council approved amending contract C-22715 with Don Harstad Co. by \$800,000 to a new total of \$2,465,862 for installation of new revenue control equipment at the Haaf & Lasalle ramps per price agreement of the original contract.

Prepared by: Gary Warnberg, Director, Procurement

Approved by:

Steve Kotke, P. E., City Engineer, Director of Public Works

Presenters: Bill Prince, P.E., Parking Project Engineer, Transportation and Parking Services

Permanent Review Committee (PRC):	Approval	NA	Date
Civil Rights Affirmative Action Plan	Approval	NA	Date
Policy Review Group (PRG):	Approval	NA	Date

<p>Financial Impact (Check those that apply)</p> <p><input checked="" type="checkbox"/> No financial impact - or - Action is within current department budget. (If checked, go directly to Background/Supporting Information)</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Capital Budget</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Operating Budget</p> <p><input type="checkbox"/> Action provides increased revenue for appropriation increase</p> <p><input type="checkbox"/> Action requires use of contingency or reserves</p> <p><input checked="" type="checkbox"/> Other financial impact (Explain): Improved ramp service and cost management</p> <p><input type="checkbox"/> Request provided to the Budget Office when provided to the Committee Coordinator</p>
--

Community Impact

Neighborhood Notification: Not Applicable

City Goals: Improve customer service and reduce costs per Parking Fund Workout Plan

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

Background/Supporting Information:

The Department of Public Works Traffic and Parking Services Division has been working to automate many of the functions of parking ramp revenue collection and management as well as increase convenience to the paying customers by introducing credit card payment option. Over the past several years all newly constructed ramps have included automated pay and gate systems with credit card payment option. Implementation of these systems is a key component of the Parking Services Business Plan and the Parking Fund Workout Plan by improving customer service, increasing transactional efficiency and accuracy and reducing ramp operational costs.

We are now expanding this program by retrofitting ramps constructed prior to the establishment of the new equipment standard. The original contract C-22715 dealt with the first retrofit of the new equipment configuration, which took place at State Ramp C. As part of that original contract, an agreement was reached with the winning bidder Don Harstad Co. which locked in equipment unit prices for all items and installation costs at pre-agreed levels over a five year span. Public Works has also utilized this contract to automate the Hennepin @10TH, Hilton, Haaf and 10th&Lasalle Ramps over the past two years.

We are recommending that the City Council approve Amendment No. 3 to the original contract in the amount of \$800,000 to enable installation of the new revenue control equipment standard at the Hawthorne Transportation Center parking facility.

We expect the financial results for each ramp to improve by \$200,000 per year as a result of reduced manpower costs as well as increased customer traffic resulting from adding credit card payment option. This results in an estimated project payback of 4 years. Any staffing reduction would be handled over time through routine voluntary attrition. Personnel would be reassigned to other duties in the parking system after project completion.